

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



WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEER
TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER
RICHARD SHEDDEN, P.E.
SENIOR ENGINEER
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.
February 15, 2013

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Leo Laska (Chair), Pebble Beach Community Services District Boardmember
Dennis Allion (Vice Chair), City of Del Rey Oaks Councilmember (seated at 9:40 a.m.)
Sue McCloud, City of Carmel-by-the-Sea
Gary Bales, City of Pacific Grove
David Pendergrass, City of Sand City Mayor
Libby Downey, City of Monterey Vice Mayor (via conference call)
Ian Oglesby, City of Seaside Councilmember

MEMBERS ABSENT: Bruce Delgado, City of Marina Mayor
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Daylene Alliman, Human Resources Manager
Rick Shedden, Senior Engineer
Harry Hunzie, Materials Recovery Facility/Landfill Gas Facility Manager
Chuck, Reese, Finance Manager
Jeff Lindenthal, Public Education and Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Glen Evett, Last Chance Mercantile /Household Hazardous Waste Manager
Clyde Walkup, Materials Recovery Facility Operations Supervisor/OE3 Representative
Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Ted Terrasas, City of Monterey
Hans Uslar, City of Monterey
Charlie Cordova, Green Waste Recovery
Michael Gross, Green Waste Recovery
Teresa Rios, Monterey County Environmental Health
Doug Kenyon, Republic Services of Salinas
JD Black, Salinas Valley Solid Waste Authority
Jose Gamboa, Salinas Valley Solid Waste Authority
Felipe Melchor, Waste Management
Daniel McCormick
Plasha Will

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the February 15, 2013 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 Oglesby, and seconded, the Board approved the following actions:

- 1) **Approve Minutes of January 18, 2013 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Issuance of Request For Proposals to Purchase New Forklift with Rotator Attachment**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 4) **Accept Report From Finance Committee Chair on Meeting of January 30, 2013**

The Board reviewed a memorandum from Chair Laska. The Committee received a presentation and discussed the Mid-year Budget report. The Committee also received a staff report on options for reducing expenses and for raising revenue.

Director McCloud requested that when staff pursues the matter of shortening the gate hours as a way to reduce expenses, information be provided on how much business is conducted during those hours now. She also questioned the Statement of Assets, Unrestricted Cash and Emergency Reserves of 20%. Director McCloud asked if staff has looked at moving reserves from the Local Agency Investment Fund (LAIF) to another financial institution to improve interest returns. Finance Manager stated that he has had some discussions with others and in his opinion, the risk in the out years seemed to be excessive for the District. Director McCloud suggested staff contact the Fort Ord Reuse Authority for further inquiry.

Director Allion Seated at 9:40 a.m.

Director Bales commented that as noted in the memorandum, and as staff has informed the Board on several occasions over the last several years, tonnage has gone down. Staffing has been reduced from 140 to a little over a 100 without a reduction in services. He further stated that the District is stretched as far as possible and reduction in services options developed by staff may be necessary in order to balance the budget. Chair Laska stated that most of the revenue comes through the franchised haulers and if the gate hours are reduced, they, along with other haulers, will be notified appropriately.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Accept January 30, 2013 Finance Committee Report.

5) **Receive Financial Reports and Mid Year Budget Review**

General Manager stated that as discussed in Item 4, the Finance Committee reviewed the Mid-year Budget report.

Finance Manager reviewed the information provided to the Board. Operating revenues are estimated to be \$1,210,000 less than budgeted, primarily due to reduced tonnages. Power sales are also down by \$300,000 due to generator down time because of unexpected repairs and delays with implementation of the PG&E contract amendment. As staff became aware of revenue shortfalls, operating expenses were reduced in response, such as deferral of capital purchases. The voluntary retirement incentive program (VERI) will increase expenses in this fiscal year.

Director Downey questioned whether the shortfall in tonnages was also from regional waste, to which Finance Manager responded yes. Chair Laska asked if the efforts to decrease expenses, as suggested in his Finance Committee report, would be reviewed and brought back to the Board before the end of the year. General Manager stated that some options would be discussed at the March Finance Committee meeting, and then brought back to the full Board at their April meeting. He further stated that staff is considering cutting back some services as early as March 1, 2013, such as closing on Mondays at the Household Hazardous Waste (HHW) and Last Chance Mercantile Facilities.

Discussion followed regarding the landfill gas (LFG) operations. General Manager stated that staff is reviewing the statement of qualifications received from firms that are interested in operating the LFG to energy plant. Further discussion will be held at the next Finance Committee meeting.

It was moved by Director Bales, seconded, and Unanimously Carried To: Receive Financial Reports and Mid Year Budget Review.

6) **Adopt Resolution 2013-01 Authorizing Submittal of a Grant Application to CalRecycle for Collection of Household Hazardous Waste**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal and Last Chance Mercantile/Hazardous Materials Manager Glen Evett, which outlined the purpose and intent in applying for a HHW grant. General Manager stated that staff has met with staff from the City of Monterey, to jointly develop an outline for a scope of work for the grant application. If awarded, staff would work cooperatively with member agencies to develop and conduct a pilot program for collection of HHW on a door to door basis, as a supplement to the District's permanent HHW program. The grant application is due February 21st.

Director McCloud inquired how much the grant provided. General Manager responded that the grant funds were for \$75,000. Discussion followed regarding the process planned for door-to-door service. Last Chance Mercantile/Hazardous Materials Manager stated that following advertisement, the material would be picked up by appointment and brought back to the permanent facility for processing. General Manager stated that following exhaustion of funds for the proposed pilot program, staff would evaluate the HHW program and alternative funding options. One-day collections events could also be considered in light of reduced revenues from tipping fees at the District, and at some point it might be appropriate to add a fee to the monthly residential garbage collection bill to cover the cost of the HHW program, which costs the District approximately \$600,000 annually and is offered free of charge to residents of the District. Director Pendergrass expressed concern with adding a fee to the monthly bill and in broadening the program and increasing potential exposure. Director Bales questioned what the on-going expense to the District might be

when the grant funding ran out. General Manager responded that the grant would cover costs for staffing; and there were apparently no conditions with the grant to continue with the door-to-door program after the grant ran out. He reviewed the resolution with the Board, which had been reviewed with Legal Counsel.

Hans Uslar, City of Monterey, spoke in favor of the grant application and provided a briefing of a pilot project the city had conducted and the communities' positive response to it. He stated that HHW continues to be a safety hazard to collection and recycling facility workers when HHW is illegally disposed of and this project pilot could lead to more effective manners of collection.

Felipe Melchor, Waste Management, Inc. (WMI) complimented all involved and the discussion held. He stated that WMI has enjoyed being involved in the one-day events provided by the Pebble Beach Community Services District. He asked whether budget revisions would be made with any changes in the current HHW program.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Adopt Resolution 2013-01 Authorizing Submittal of a Grant Application to CalRecycle for Collection of Household Hazardous Waste.

7) Award Three-Year Contract to RMC Geoscience, Inc., of Petaluma, CA, in the Amount of \$67,739 for Groundwater Monitoring and Reporting Services

The Board reviewed a memorandum from Senior Engineer Rick Shedden requesting that the Board award a three-year Groundwater Monitoring and Reporting Services contract to RMC Geoscience in the amount of \$67,739. General Manager commended Senior Engineer for working with consultants and the Regional Water Quality Control Board staff to trim expenses and to solicit competitive pricing for these services every three years.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Award Three-Year Contract to RMC Geoscience, Inc., of Petaluma, CA, in the Amount of \$67,739 for Groundwater Monitoring and Reporting Services.

8) Approve Letter of Response to November 20, 2013 Salinas Valley Solid Waste Authority Letter

The Board reviewed a draft letter to the Salinas Valley Solid Waste Authority (SVSWA) Board President in response to their letter to the Board dated November 20, 2012. General Manager stated that at the December 2012 meeting, the Board authorized a brief letter reply and this more formal response addressed the issue of consolidation or merger. Legal Counsel assisted staff in preparing the response letter.

Director Bales stated that approving the letter clarified the District's position on the matter.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Approve Letter of Response to November 20, 2013 Salinas Valley Solid Waste Authority Letter.

9) Provide Direction for the 2013 Board Strategic Planning Workshop

As reported in the General Manager's report, Chair Laska stated that staff was recommending postponing the May 1, 2013 Strategic Planning Workshop for 6 to 12 months, to a date to be determined.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Postpone May 1st Board Strategic Planning Workshop for 6 to 12 Months.

STAFF REPORTS

10) Review Operating and Recycling Reports

The Board reviewed preliminary Operating Report information as the reports were not completed due to the early date of the Board Meeting. Preliminary estimates of Total Solid Waste Accepted tonnages (excluding regional and contract waste from Santa Cruz County, Watsonville, Capitola, Scotts Valley and Green Waste Recovery) were 23,073 tons. Preliminary estimates for tonnage from Regional Waste and Contract waste were 1,395 and 13,580 tons, respectively.

11) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal summarizing the Anaerobic Digestion SmartFarm Open House that was held on January 25, 2013, which had received very positive publicity nationwide.

The memorandum also provided an update on the Small Planet School Education and Outreach Program. General Manager provided the Board with a letter that was sent from a customer who had visited the site on several occasions, and had written to commend District staff on the exceptional service he had received on each visit.

12) Report on January 15, 2013 Meeting of Special Districts Association of Monterey County

The Board reviewed a summary of the January 15th Special Districts Association (SDA) meeting. General Manager stated that at the January Board meeting, Director Delgado had volunteered to represent the District. However, since the SDA meetings conflict with the Marina City Council meetings, he would not be available to do so. Chair Laska stated that Director Parker had represented the District at one time and had expressed willingness to do so again if no one else was interested. Director Allion volunteered to represent the District at the quarterly meetings and he was appointed by Chair Laska.

13) Report on January 31, 2013 Meeting of the Monterey County Integrated Waste Management Task Force (MCIWMTF)

The Board reviewed a summary of the MCIWMTF meeting. General Manager reported that although the meeting had been well attended, there were several cities that were unrepresented. He provided a list of the current appointees from each city, which showed which cities still required appointment. He stated that several topics of local interest were discussed.

OTHER CORRESPONDENCE

14) Letter to CalEnviroScreen RE: Second Public Review Draft of the California Communities Environmental Health Screening Tool

General Manager reported that the District had signed on as signatory to a letter of comment to CalEnviroScreen that outlined objections by solid waste stakeholders to proposed regulatory changes. The proposed changes will place further unnecessary regulatory burdens on landfill and compost operators and further increase costs.

15) Letter from Special Districts Risk Management Authority (SDRMA) RE: Nomination for SDRMA Board of Directors 2013 Election

The Board reviewed a letter from SDRMA regarding upcoming nominations for their Board of Directors. It was requested that this matter be brought back for review at the March meeting.

GENERAL MANAGER COMMUNICATIONS

General Manager stated that the Annual Statement of Economic Interests forms are due at the Monterey County Clerk's office no later than April 1st. The form can be filled out on-line at <http://www.fppc.ca.gov/forms/700-12-13/Form700-12-13.pdf>.

BOARD COMMUNICATIONS

There were no additional Board communications.

CLOSED SESSION

The Board went into closed session at 10:40 a.m. regarding the following:

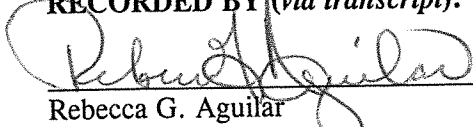
- 1) Conference with Property Negotiators:
- | | |
|-----------------------|---|
| Property: | Landfill Site Space/Capacity |
| District Negotiators: | William Merry and Tim Flanagan |
| Negotiating Party: | County of Monterey/Salinas Valley Solid Waste Authority |
| Terms: | All Terms and Conditions |

The Board came back into open session at 11:17 a.m. and Legal Counsel announced that in the closed session the Board had received information and discussion was held; no action was taken.

ADJOURNMENT

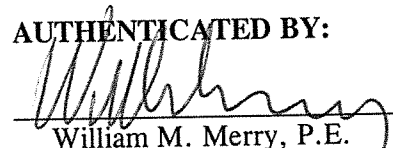
There being no further business to come before the Board at this time, the February 15, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to March 15, 2013 by Chair Laska at 11:18 a.m.

RECORDED BY (via transcript):



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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