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 DISTRICT ENGINEER
TIMOTHY S. FLANAGAN
 ASST. GENERAL MANAGER
RICHARD SHEDDEN, P.E.
 SENIOR ENGINEER
ROBERT WELLINGTON
 COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Name of the Last Chance Marinilla

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
 April 20, 2012

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 Vice Mayor
 Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
 Bruce Delgado, City of Marina Mayor
 Dennis Allion, City of Del Rey Oaks Councilmember

MEMBERS ABSENT: Ian Oglesby, City of Seaside Councilmember

STAFF PRESENT: William Merry, General Manager
 Tim Flanagan, Assistant General Manager
 Rob Wellington, Legal Counsel
 Richard Shedden, Senior Engineer
 Chuck Rees, Finance Manager
 Don Prescott, Information Technology Manager
 Jeff Lindenthal, Public Education and Recycling Manager
 Daylene Alliman, Human Resources Manager
 Jack Cook, Safety Manager
 Harry Hunzie, Material Recovery Facility/Landfill Gas Manager
 Richard Petitt, Site Manager
 Ron Mooneyham, Equipment Maintenance Manager
 Rebecca Aguilar, Administrative Support Supervisor
 Kimberle Herring, Public Education Coordinator
 Ida Gonzales, Administrative Support Specialist
 Clyde Walkup, Last Chance Mercantile/Hazardous Materials Manager
 Efrain Lopez, Material Recovery Facility Maintenance Supervisor

OTHERS PRESENT: Charlie Cordova, Green Waste Recovery
 Michael Gross, GreenWaste Recovery
 Carl M. Miller, Monterey Peninsula Airport District
 Teresa Rios, Monterey County Environmental Health Bureau
 Warren "Pete" Poitras, Monterey County Rural Fire District

OTHERS PRESENT: Brad Hagemann, Monterey Regional Water Pollution Control Agency
(continued) Felipe Melchor, Waste Management
Lewis Leader
Debra Marshall
Brett Marshall
Abel Moran
Albert Villa

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the April 20, 2012 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

Abel Moran, Monterey County resident, addressed the Board and requested the District consider merging with the Salinas Valley Solid Waste Authority (SVSWA). This would benefit all Monterey County residents by either same or lower fees, and not relying on out of county waste to increase revenue, which reduces the landfill site life of both agencies.

CONSENT AGENDA

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

- 1) Approve Minutes of March 16, 2012 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Authorize General Manager to Approve Purchase of Used Backhoe at a Cost not to Exceed \$80,000
- 4) Authorize Purchase of One (1) 20-Yard Roll Off Box, Three (3) 40-Yard Roll Off Boxes and Six (6) 14-Yard Debris Bins, From Consolidated Fabricators, of Galt, CA, at Total Cost of \$42,787.98
- 5) Adopt Resolution (2012-01) of Intention to Amend to CalPERS Contract to Provide Section 20475 (Different Level of Benefits)
- 6) Adopt Resolution (2012-02) of Appreciation in Memory of District Employee Curtis Marshall

On behalf of the Board, Chair Laska expressed condolences to Curtis Marshall's widow Debra, who was present at the meeting, and presented her with the Resolution of Appreciation. Chair Laska stated that the meeting would be adjourned in his memory. General Manager stated Curtis had been a good man with many ideas. He would often go out of his way to lend a helping hand and provide support to others. He worked for the District for over 16 years, and will be missed and long remembered.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) Accept Report from Finance Committee Chair on Meeting of March 21, 2012

The Board reviewed a memorandum from Chair Laska summarizing the March 21, 2012 Finance Committee meeting. Discussion centered on initial assumptions for preparation of the Preliminary Budget 2012/13, landfill gas (LFG) to energy project operations, and the proposed Materials Recovery Facility (MRF) upgrades.

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Accept Report From Finance Committee Chair on Meeting of March 21, 2012.*

8) Accept Model Franchise Agreement and Authorize Distribution to Member Agencies

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal regarding the Model Franchise Agreement (MFA). General Manager stated that following discussion at the January Board meeting, staff solicited further input from the Technical Advisory Committee (TAC) on the MFA at a meeting held on April 11, 2012; comments received were summarized in the memorandum. The Board also reviewed an Issues Summary prepared by consultants, HF&H. The Issues Summary, which provides an explanation of why certain provisions have been included in the MFA, along with the pros and cons for having them there will accompany the MFA when it is distributed to member agency city managers. General Manager stated that he will present the MFA and proposed MRF Upgrades to the City Managers Group at their May 18, 2012 meeting.

Board discussion followed regarding the MFA and its implementation by individual member jurisdictions. Public Education and Recycling Manager responded that at the May 18th meeting, District staff would solicit ideas on how member agencies could work cooperatively in this effort. Director Delgado stated that during the April 16th tour of bay area MRFs, it was stated that in their experience it was better to have the same core services even if some member agencies decided not to participate in the process. The MFA allows for each city to decide what to include in their own franchise agreements.

It was moved by Director Parker, seconded, and *Unanimously Carried To: Accept Model Franchise Agreement and Authorize Distribution to Member Agencies.*

9) Authorize Staff to Proceed with Final Design Plans and Specifications to Upgrade the Materials Recovery Facility to Include Replacement of Existing Construction & Demolition (C&D) Sort Line, and Installation of New Sort Line to Process Mixed Commercial Waste and Multi-Family Waste at an Estimated Cost of \$17 Million; and Present the Capital Costs in the Preliminary Budget for FY 2012/13

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan and related information regarding the cost and anticipated diversion with the upgrade of the MRF to include replacement of the existing construction & demolition (C&D) sort line, and installation of a new sort line to process mixed commercial waste and multi-family waste. General Manager stated that the MRF upgrade relates to several items in the District's Strategic Plan and staff is requesting Board approval to place the \$17 million capital cost for the project in the five-year Capital Outlay portion of the Budget. Staff provided a Preliminary Draft of the MRF Upgrade Options Report (Report) to the Board at the February meeting. Discussion was also held on the Report by the District's TAC and local haulers, and comments were received. The Finance Committee is supportive of proceeding with the recommended option.

Assistant General Manager provided the Board with a PowerPoint presentation covering lessons learned during the last 20 years since the inception of AB 939, the reasons for investing in the MRF now, and its benefits for the next 20 years. With the upgrades, the MRF will continue to be an integral part of the solid waste management infrastructure owned by the District and its member agencies, will contribute significantly in achieving compliance with several State mandates for recycling and reduction of Green House Gases, and will also provide member agencies with more flexibility in implementing future provisions of their franchise agreements. He provided the Board with an engineer's floor plan of the proposed MRF upgrades and stated that the MRF had been built in 1995 to allow for future expansion.

Board discussion followed regarding the benefits of upgrading the MRF, and public perception with regard to costs of increasing recycling in a difficult economy, and consideration of public-private partnerships. Assistant General Manager stated that, at a minimum, the District will have to replace the existing C&D sort line due to aging equipment, at a cost of approximately \$4 million to \$5 million. Director Pendergrass stated that the MRF Upgrades would provide more safety measures while processing materials. Director Bales suggested referring the issue back to the Finance Committee for further review, especially with regard to a potential tip fee increase. Director Allion requested staff provide to the Finance Committee information on state mandates and penalties for non-compliance, incremental costs, specific rate on current and future bonds, financial proforma, and alternatives to non-expansion of the MRF.

Mike Niccum, Pebble Beach Community Services District General Manager, addressed the Board and stated that he was an active member of the District's TAC and he believed that the District needed to upgrade the MRF to continue to ensure that material was brought to the District. Although clarification was needed in some areas, the increased costs would be offset by increased revenue and he believed that the upgrade could be done without increasing the tip fee.

It was moved by Director Allion, seconded, and Unanimously Carried To: Defer Item to the Finance Committee with the Requested Information, and Bring Back to the Board at the May 28, 2012 Meeting.

10) Authorize Chair to Cast Vote for One Candidate for Special District Regular Member Seat on the Local Agency Formation Commission (LAFCO) of Monterey County

The Board reviewed information from LAFCO regarding the six candidates running for the one regular member seat representing Special Districts on LAFCO. The ballots are due by May 31, 2012.

Candidates Carl Miller and Pete Poitras addressed the Board to state their qualifications and reasons for seeking to represent Special Districts on LAFCO. Board discussion followed regarding the candidates.

It was moved by Director Pendergrass, seconded, and Approved by Chair Laska, Vice Chair McCloud, and Directors Allion, Bales, Downey, and Pendergrass; Opposed by Directors Delgado and Parker To: Authorize Chair to Cast Vote for Carl Miller as Special District Regular Member on the Local Agency Formation Commission (LAFCO) of Monterey County.

STAFF REPORTS

11) Review Finance, Operating, and Recycling Reports

The Board reviewed the financial statements for February and March 2012. The Operating Losses for February and March are \$111,158.37 and \$482,800.63, respectively. The losses are the result of decreased Tipping Fees and Power Sales and increased cost of Fuel and repairs to the Landfill Gas Engines and Landfill

heavy equipment. The year-to-date Operating Income through March is \$704,209.60. The year-to-date total Operating Expenses are above budget by 0.58% at \$14,187,205.81. The year-to-date Operating Revenues are \$14,891,415.41, above last year by \$560,129.66 and 2.59% below budget.

The Board reviewed the Operating Report for March 2012. The Total Solid Waste Accepted into the site (excluding Contract and Regional Waste) was 21,406 tons. Contract and Regional Waste tonnage from Watsonville, Capitola, Scotts Valley, and GreenWaste Recovery, was 62, 690, 573, and 5,903, respectively.

12) Report on Public Education, Recycling and Litter, Including AB 939/SB 1016 Recycling Rates for 2011

The Board reviewed a memorandum from Public Education and Recycling Manager regarding SB 1016 diversion rates. Staff prepared a table estimating diversion rates for member jurisdictions using 2010 data for population and employment. Public Education and Recycling Manager stated that "SB 1016 shifts from the historical emphasis on using calculated generation and estimated diversion to using annual disposal as a factor when evaluating jurisdictions' program implementation and success. Overall benefits of the new approach include: a focus on diversion program implementation, and increasing the simplicity and timeliness of goal measurement." He reported that once the State releases the final 2011 population and employment data, the table will be updated and finalized.

The Board received information from Public Education and Recycling Coordinator Kimberle Herring regarding the District's participation in Earth Day activities scheduled for April 21, 2012. Director Delgado expressed appreciation to the Public Education and Recycling Manager and Public Education and Recycling Coordinator for their assistance at a City of Marina event. Director Downey expressed appreciation to Public Education and Recycling Coordinator for providing her and her family with a tour of the District site.

13) Report on Personnel Committee Meeting of March 21, 2012

General Manager reported that due to a lack of a quorum, the Personnel Committee meeting was not held and there was nothing to report out.

14) Report on April 17, 2012 Meeting of Monterey County Special Districts Association.

The Board reviewed the agenda for the April 17, 2012 meeting of the Special Districts Association of Monterey County and the January 17, 2012 meeting summary from Director Oglesby as well as the minutes of the same meeting. General Manager reported that at the meeting, guest speakers David Stoldt, General Manager of the Monterey Peninsula Water Management District, Sue McCloud, on behalf of the Mayor's Group, and Catherine Bowie, California American Water Manager of External Affairs, discussed the Peninsula's water issues and possible projects. A meeting summary will be provided at the May 18, 2012 Board meeting.

15) Review LAFCO's Proposed Fiscal Year 2012/13 Budget and Work Program

The Board reviewed information regarding LAFCO's proposed Budget for Fiscal Year 2012/13, which is \$655,691, down from their previous year's budget of \$667,538. The District's anticipated contribution of \$33,115, is 15.37% of the Special District's contribution. The contributions of each of the local Special Districts have been set by State Law under an agreed upon formula. The District's contribution to LAFCO's budget last year was \$35,006.

The Board also received information from LAFCO's proposed 2012/13 Work Program in which LAFCO intends to conduct a Municipal Service Review of the District.

OTHER CORRESPONDENCE

- 16) Letter to Supervisor Jane Parker RE: Working Relationship Between Solid Waste Agencies Within Monterey County

The Board received a copy of a letter, dated March 16, 2012, sent to Supervisor Parker in response to her letter, in which she encouraged joint discussions between the District and the SVSWA for potential cooperation and partnerships to better serve the residents and businesses of Monterey County and create better efficiencies.

Abel Moran addressed the Board commending Supervisor Parker for her efforts with her letter. He encouraged the Board to review a merger between the SVSWA and the District and expressed a preference of privatizing the operation of the MRF.

- 17) Letter from California Special Districts Association RE: CSDA Board of Directors Call for Nominations Seat A

The Board reviewed a letter from the California Special Districts Association (CSDA) in which they are seeking Special District Board Members (or their General Managers) who would like to serve on the CSDA board for a 2013-2015 term. The deadline for receiving nominations is May 25, 2012 and the nomination form must include a District resolution or minute action indicating support for the candidate. All District Board members are eligible for this seat.

There were no District Board members interested in serving.

GENERAL MANAGER COMMUNICATIONS

General Manager reminded the Board that extended meetings are planned for both the June and the October Board meetings from 9 a.m. to 12:30 p.m. for discussion of strategic planning topics. The June meeting will be focused on the topic of creating energy from waste, renewable energy production, anticipated upgrades to the existing landfill gas to energy project and related facility improvements.

BOARD COMMUNICATIONS

Director Downey expressed regret that she had not been made aware that there would be a quorum issue for the personnel committee meeting scheduled for April 25, 2012.

CLOSED SESSION

The Board went into closed session at 11:15 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, Daylene Alliman and Tim Flanagan
Employee Organizations: Operating Engineers
- 3) Personnel Matters
 - a. Public Employee Performance Evaluation: General Manager

The Board came back into open session at 11:55 a.m. and Legal Counsel announced that with regard to all three items for Closed Session, information was received by the Board, discussion was held, and direction was given; no other action was taken.

ADJOURNMENT

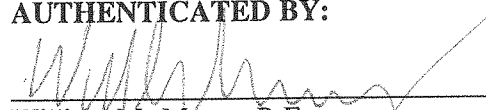
There being no further business to come before the Board at this time, the April 20, 2012 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to May 18, 2012 and in memory of Curtis Marshall by Chair Laska at 11:56 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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