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VICE CHAIR

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SUE MCCLLOUD  
DAVID PENDERGRASS  
LIBBY DOWNEY  
JANE PARKER  
IAN OGLESBY  
BRUCE DELGADO



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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

*Name of the Port Channel Authority*

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.  
October 19, 2012

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  
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4  
Bruce Delgado, City of Marina Mayor  
Ian Oglesby, City of Seaside Councilmember

**MEMBERS ABSENT:** None

**STAFF PRESENT:** William Merry, General Manager  
Tim Flanagan, Assistant General Manager  
Rob Wellington, Legal Counsel  
Rick Shedden, Senior Engineer  
Daylene Alliman, Human Resources Manager  
Don Prescott, Information Systems Manager  
Chuck Rees, Finance Manager  
Harry Hunzie, Material Recovery Facility/Landfill Gas Facility Manager  
Richard Pettitt, Site Manager  
Rebecca Aguilar, Administrative Support Supervisor  
Ida Gonzales, Administrative Support Specialist  
Tina Reid, Accounting Technician

**OTHERS PRESENT:** Connie Glosser, Bianchi, Kasavon & Pope, LLP  
Dave Edwards, D. Edwards, Inc  
Charlie Cordova, Green Waste Recovery  
Michael Gross, Green Waste Recovery  
Brad Hagemann, Monterey Regional Water Pollution Control Agency  
Mike Niccum, Pebble Beach Community Services District  
J.D. Black, Salinas Valley Solid Waste Authority  
Dave Meza, Salinas Valley Solid Waste Authority  
Joe Cadelago, Waste Management

**ROLL CALL AND ESTABLISHMENT OF QUORUM**

With notice duly given and presence of a quorum established, the October 19, 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**

Joe Cadelago, Waste Management, Inc., invited the Board to attend a luncheon on October 19, 2012 at their offices in Castroville in celebration of 16,000 driving hours between accidents and the 100-year anniversary of the garbage truck.

**CONSENT AGENDA**

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

- 1) **Approve Minutes of September 21, 2012 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve General Managers Goals for Fiscal Year 2012/13**
- 4) **Accept Report from Finance Committee Chair on Meeting of September 26, 2012**

**PRESENTATIONS**

- 5) **Presentation of Annual Audit for Fiscal Year 2011/12**

The Board reviewed a memorandum from Finance Manager Chuck Rees and the Financial Statements and Independent Auditors Report for the year ended June 30, 2012, examined by Bianchi, Kasavan, & Pope (BK&P). Finance Manager introduced Connie Glosser of BK&P, who was in charge of the audit for BK&P. Ms. Glosser addressed the Board to explain the audit process and reported that the District had received a “clean” audit, with no adjustments, and BK&P expressed an “unqualified” opinion, which was the highest level of assurance that an agency can receive from an auditor.

Finance Manager also introduced Tina Reid, District Accounting Technician, and mentioned other accounting staff that was unable to attend the meeting, and he acknowledged all of them for their dedicated efforts throughout the year. He provided the Board with an overview of the Audit Report and stated that the District was in a strong financial condition with total net assets of \$30,946,196. Finance Manager reported that the District operations for Fiscal Year 2011-2012 were below budget, primarily a result of lower than budgeted tonnages in refuse and contracted waste, and increased operating expenses from unanticipated maintenance costs for the landfill gas to energy facility and mobile equipment. The District’s operating revenues of \$19,696,095 were below budget by \$868,905. Operating expenses were \$19,386,233, which was \$616,233 above budget. The District ended the fiscal year with income from operations of \$309,862 compared to a budgeted income of \$1,795,000.

Board discussion followed regarding the Audit Report and the lower than anticipated refuse tonnage. General Manager stated that staff will be reviewing options for reducing expenses and for increasing revenues within the current Fiscal Year Budget for 2012-2013, in light of the continued trend of decreased refuse tonnages coming into the site, and will be presenting preliminary options to the Finance and Personnel Committees in late October, and the full Board in November.

**It was moved by Director McCloud, seconded, and *Unanimously Carried To: Accept Annual Audit for Fiscal Year 2011/12.***

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

##### **6) Adopt Resolution 2012-10 Supporting Extended Producer Responsibility**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal regarding Board adoption of a resolution in support of extended producer responsibility (EPR). General Manager stated that as reported to the Board at their September meeting, EPR has proven to be an effective tool in causing manufacturers to step forward to include the cost of disposal for their products in their design, manufacturing, and sale. As pointed out in the memorandum, using household batteries and fluorescent bulbs as examples, and without EPR, manufacturers now place the cost of disposal of these products in the hands of local government.

Board discussion followed regarding EPR and ways to promote support the EPR concept. Staff was directed to send a letter to the Monterey County City Mayors Association and to individual city councils requesting that they consider adopting resolutions supporting EPR, and to contact local legislators in an effort to support EPR.

**It was moved by Director Oglesby, seconded, and *Unanimously Carried To: Adopt Resolution 2012-10 Supporting Extended Producer Responsibility.***

#### STAFF REPORTS

##### **7) Financial, Operating and Recycling Reports**

The Board reviewed the financial statements for August 2012. The Operating Income is \$294,668 and \$630,013 year-to-date. The year-to-date total Operating Expenses are below budget by \$198,416 at \$3,003,751. The year-to-date Operating Revenues are above budget by \$254,598 and below last year by \$311,615. Year-to-date tipping fee revenues are \$2,898,077, above last year by \$16,614 and above budget by \$319,744 due primarily to the increased Contract Waste received in July and August 2012. The Year-to-date tonnage through September increased by 1.5% from last year.

The Board also reviewed the Operating Report for September 2012. The Total Solid Waste Accepted into the site (excluding regional and contract waste) during September 2012 was 21,624 tons, a decrease of 6,254 tons from August 2012 and down 978 tons from September 2011. Regional Waste and Contract Waste deliveries from Watsonville, Scotts Valley, Capitola, and GreenWaste Recovery were 33, 529, 549, and 11,537 tons, respectively. The Board reviewed a Refuse Tonnage chart which showed the tonnage decline in non-contracted refuse from 2005 through 2012. The loss in revenue has been substantial due to the loss in tonnage. Refuse tonnages for the last three years are below historical amounts dating back to 1996, when operation of the Materials Recovery Facility (MRF) began.

Director McCloud requested that staff provide a monthly update on the anaerobic digestion (AD) pilot project, which General Manager agreed staff would do. Staff anticipates that the AD pilot project will go on-line in early December and staff is looking forward to the “pilot, demonstration” aspect of the AD project in determining how effectively it will operate and what type of revenue the five-year project may produce. General Manager stated that staff is looking at several options to reduce expenses and to increase revenue such as reducing the gate hours of operation, and bringing in more regional waste.

**8) Report on Joint Ventures with Monterey Regional Water Pollution Control Agency**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan which outlined several instances in which staffs of both the District and the Monterey Regional Water Pollution Control Agency (MRWPCA) have collaborated to increase efficiencies and to reduce costs, such as with management of biosolids and biogas, training, safety, repairs and maintenance, and other areas, resulting in a savings to both organizations. Joint efforts also include construction and operation of the District’s new anaerobic digester pilot project, scheduled to begin operation in early December. District and Agency staffs believe that continued efforts between both agencies will benefit rate payers of both agencies and will continue to explore opportunities for combined services and functions. Director Oglesby requested that in instances where no bill is presented, staff track costs for exchange of services.

**9) Report on October 16, 2012 Meeting of Monterey County Special Districts Association**

The Board reviewed an agenda for the October 16, 2012 Special Districts Association meeting. Staff provided a verbal report on the meeting.

**10) Report on Solid Waste Legislation and Regulatory Matters**

General Manager reported on the Solid Waste Association of North America (SWANA) California Chapter’s Legislative Task Force (LTF) teleconference on October 4, 2012. The legislature is in recess, but the Governor has been busy considering Bills to sign or to reject. The LTF Officers recently met with CalRecycle Executive staff to discuss issues of priority to SWANA. A top priority for CalRecycle and an issue of significant concern to SWANA is how AB 341, which established a 75% diversion goal by 2020, is implemented. CalRecycle is holding workshops to, among other things, consider certain definitions and terms such as “recycling” and “diversion”, and may eliminate certain uses of alternative daily cover, which could reduce local agency diversion numbers around the State by as much as 20%.

He reported that as a member of the LTF, and as Past Chair, he will be attending the Annual Meeting of the LTF to be held on November 9-10, 2012 in San Diego.

**OTHER CORRESPONDENCE**

**11) Letter to Monterey County Environmental Health Director RE: Request for Meeting to Discuss Re-Directing Unincorporated County Waste to MRWMD**

The Board received a copy of a letter send to Monterey County Environmental Health Director John Ramirez, in response to a letter he sent requesting a meeting to discuss bringing in unincorporated county waste to the District site. General Manager stated that he has been in conversation with Mr. Ramirez regarding this matter.

**GENERAL MANAGER COMMUNICATIONS**

General Manager reported that with the exception of the city of Monterey and Monterey County, all of the District member agencies have unanimously supported joining in on a competitive franchise procurement process.

He also reported that he attended the Biogas USA West Conference-October 10-11, 2012 and sat on a panel which focused on "Utilizing Emerging Feedstocks: Municipal and Industrial Food Waste Digester Projects". The District's involvement with partner Zero Waste Energy has resulted in a case study of significant interest to the industry. The District's position in producing renewable power over the last 30 years is unique, and of interest to the group in terms of how to overcome challenges and to successfully partner to move forward with a solid waste development project in a very challenging regulatory, planning, and permitting environment.

Lastly, General Manager reported that he had been invited to share the District's experiences in a panel presentation called "MSW Organics Diversion: The New Frontier", at SWANA's annual Senior Executives Seminar which will be held in Tucson, AZ, on January 16-18, 2013, although he will miss the monthly Board meeting. With the consent of Chair Laska, he agreed to attend the conference and Assistant General Manager will sit in his place at the January Board meeting.

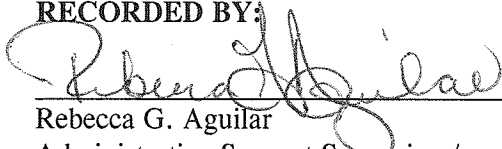
**BOARD COMMUNICATIONS**

There were no Board communications.

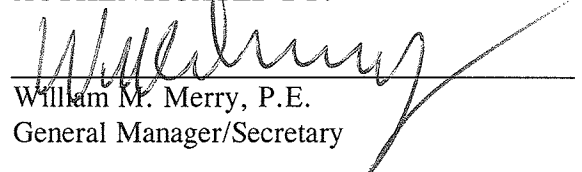
**ADJOURNMENT**

There being no further business to come before the Board at this time, the October 19, 2012 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to a workshop session to discuss future plans for collecting and utilizing landfill gas by Chair Laska at 10:31 a.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.  
General Manager/Secretary