

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
REGULAR MEETING MINUTES**

9:30 A.M., Friday
November 21, 2003

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Dan Albert, Chair
Jack Barlich, Vice Chair
William Gianelli
Ken Gray
Edith Johnsen
Tom Mancini
Sue McCloud
David Pendergrass

MEMBERS ABSENT: Gary Bales

STAFF PRESENT: J. David Myers, General Manager
William Merry, District Engineer/Assistant General Manager
Robert Wellington, Legal Counsel
Rick Shedden, Senior Engineer
Don Prescott, Finance/Information Systems Manager
Heidi Feldman Public Education Coordinator
Jim Griffith, Site Superintendent
Richard Petitt, Assistant Site Superintendent
Harry Hunzie, Materials Recovery Facility Manager
Rebecca Aguilar, Administrative Support Supervisor
Julia Partida, Administrative Support Specialist
Cheryl Hall, Public Education Assistant
Baldo Trujillo, Senior MRF Operator/OE3 Shop Steward
Suzan Fine, Recycling Attendant/SEIU Shop Steward

OTHERS PRESENT: Mike Briley, Hayashi & Wayland Accountancy Corp.
Autumn Rossi, Hayashi & Wayland Accountancy Corp.
Angela Brantley, City of Monterey
Bjorn Lundegard, City of Seaside

INTRODUCTION OF NEW BOARD MEMBER COUNCILMEMBER KEN GRAY OF MARINA

Chair Albert welcomed Councilmember Ken Gray as the City of Marina's representative to the District Board.

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the November 21, 2003, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Albert at 9:30 a.m.

CONSENT AGENDA

Chair Albert requested that Items 4 and 5 be pulled from the Consent Agenda and placed in the Items for Board Consideration, Discussion, and Action.

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

- 1) **Approve Minutes of September 19, 2003 Regular Meeting**
- 2) **Approve Warrants #41390 - #41802**
- 3) **Accept Employee Safety Committee Meeting Minutes for September 12, 2003**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 4) **Authorize Preparation of Resolution of Appreciation for Bill Gianelli of Pebble Beach, who will be Leaving Authority/District Boards at the End of December**
- 5) **Approve Resolution (2003-10) of Appreciation for David Pendergrass in Honor of 25 Years of Service to Sand City and on His 60th Birthday**

Chair Albert expressed appreciation to Director Gianelli for his service on the District Board. Director Gianelli stated that it had been a pleasure to serve on the Board.

Chair Albert congratulated Director Pendergrass for his 25 years of public service to the City of Sand City. He stated that a dinner would be held in honor of Director Pendergrass on December 12th, which is also his 60th birthday. Director Pendergrass stated that being in public service gave him the opportunity to meet and work with many people. He has enjoyed seeing the changes and working with the District Board.

It was moved by Director Barlich, seconded, and *Unanimously Carried To: Authorize Preparation of a Resolution of Appreciation for Bill Gianelli; and Adopt Resolution of Appreciation 2003-10 for David Pendergrass in Honor of 25 Years of Service to Sand City and on his 60th Birthday.*

6) **Presentation of Annual Audit by Hayashi & Wayland Accounting**

Finance/Information Systems Manager, Don Prescott, addressed the Board and stated that he had been presenting the financial reports in the new GASB34 format for several months. Since the District has always provided assets and related depreciation, the new format was not a difficult change for the District. The one difference is the management discussion and analysis (MD&A). The concept of the MD&A, now an integral part of the financials, is to have the managers of the District describe with charts and graphs the overall state of the District's financial condition. He also referred the Board to the operating expenses by department table, which staff will now be providing to the Board. General Manager stated that this table would provide very good information to the Board and staff to better determine what the costs are to operate each department. Director McCloud inquired if the total cost of services for each department included personnel cost. Don responded that it included the actual employees working in each of the departments, including the manager.

Mike Briley from Hayashi & Wayland addressed the Board and talked a little about the process for preparing the audit. He assured the Board that his staff, the District staff, and the finance committee (Chair Albert and Directors Bales and Gianelli) had thoroughly reviewed the audit.

Mr. Briley referred the Board to Page 3 of the audit which stated that in their opinion, the financial statements presented fairly, in all material aspects, the financial position of the District as of June 30, 2003. He also referred the Board to the letter included in the audit which stated what their responsibilities were as auditors and that accounting estimates were used related to the closure/postclosure costs, depreciation expense, collectibility of accounts, and the generation and sale of electricity. The letter also stated that there had been no disagreements with management or difficulties during the audit. He further stated that District staff had been cooperative and pleasant and he appreciated having a healthy and professional relationship with staff. That relationship had not prevented Hayashi and Wayland from making recommendation on areas of concern.

Mr. Briley stated that the prior year, his firm had recommended the segregation of duties of the Finance/Information Systems Manager, implementation of computer system, and better information systems control. Director Gianelli stated that there was some resistance by staff to do this quickly because of changes that were occurring. Chair Albert stated that the committee has emphasized that staff needs to move forward on this recommendation. General Manager stated that a lot has been accomplished in the last year. Single Point of Contact was hired to install new software and hardware, and has served as a backup to Don Prescott. The District does have internal controls that eliminate the possibility of any one person manipulating cash balances. He further stated that staff will initiate a new payroll program on January 1, 2004, initiate new scale software on March 1, and initialize the remainder of the new accounting software on July 1.

Mr. Briley stated that the current year recommendation included allocation of labor expense to capital projects and improving inventory control. General Manager responded that staff concurred with these recommendations and would make any necessary changes.

In response to Chair Albert's question of how the District was doing financially overall, Mr. Briley stated that the District was in a very good and strong financial position and that District staff was very professional.

It was moved by Director Gianelli, seconded, and ***Unanimously Carried To: Accept Annual Audit by Hayashi & Wayland Accounting for Fiscal Year 2002-2003.***

7) Authorize Purchase of Electronic Time Card System

The Board reviewed a memorandum from Finance/Information Systems Manager requesting authorization to purchase an electronic time card system which would include a biometric reader to read the fingerprints of the employee and an automatic time clock to record real time attendance. Staff was recommending the purchase of the Stromberg Time Manager system at a cost of \$32,576. Funds are included in the budget for this purchase.

General Manager stated that all employees, including management, would be required to use the new system.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Authorize Purchase of Stromberg Time Manager System at a Cost of \$32,576.*

8) Authorize Purchase of New Excavator with Grapple

The Board reviewed a memorandum from Site Superintendent requesting authorization to purchase a new John Deere 230 CLC Excavator with Grapple from Nortrax of Gilroy at a Total Cost of \$211,818.75. Staff had received two bids and the Nortrax bid was considerably less. The new excavator will be used on the MRF tip floor to help the operators increase the flow of material through the facility. The present excavator will be used on site as well as a back up during maintenance or repairs.

It was moved by Director Gianelli, seconded, and *Unanimously Carried To: Authorize Purchase of New John Deere 230 CLC Excavator with Grapple From Nortrax of Gilroy at a Total Cost of \$211,818.75.*

9) Authorize Purchase of New Pickup Truck

The Board reviewed a memorandum from Site Superintendent requesting authorization to purchase a new Ford Ranger 4x4 pickup truck from the low bidder Cypress Coast Ford at a cost of \$18,048 which is below the budgeted amount of \$23,000. The new pickup will be used by the power systems supervisor who is on call for the power generation facility. His present truck will be used by the heavy equipment operators replacing an older worn out truck.

It was moved by Vice Chair Barlich, seconded, and *Unanimously Carried To: Authorize Purchase of New Ford Ranger 4x4 Pickup Truck From Cypress Coast Ford of Seaside at a Total Cost of \$18,048.*

10) Adopt Resolution 2003-11 Authorizing Sole Source Purchase of MRF Equipment

The Board reviewed a memorandum from Senior Engineer recommending the sole source purchase of the equipment to extend the MRF sortline, and the purchase of two used trucks and three trailers. General Manager stated that the District's sortline was unique in both its design and in the types of heavy mixed waste that it is required to handle. Staff believes that Ptarmigan Machinery Company is the most qualified to make the necessary modifications to the sortline because they were instrumental in the design and installation of the original equipment and are therefore familiar with the requirements. The modification equipment from Ptarmigan, at a cost not to exceed \$468,000, and the new trucks and trailers would help the flow of material through the facility and the residuals down to the landfill while saving man-hours and minimizing injuries to employees hauling loads to the landfill.

Board discussion followed regarding the life expectancy of the equipment. District Engineer responded that although repairs are always necessary to maintain the equipment, the basic infrastructure should last between 10 and 15 years.

It was moved by Director Mancini, seconded, and *Unanimously Carried To: Adopt Resolution 2003-11 Authorizing Sole Source Purchase of MRF Equipment from Ptarmigan Machinery Company of San Antonio, Texas at a Cost Not to Exceed \$468,000.*

11) Authorize Purchase of Two Used Truck Tractors and Three New Walking Floor Trailers

General Manager stated that staff would like to purchase two used trucks of the same model to make it easier to have parts on hand. MRF Operators would have to obtain a Class A license to operate the trucks.

Chair Albert asked to see the end product once all modifications have been made.

It was moved by Director Johnsen, seconded, and *Unanimously Carried To: Authorize Purchase of Two Used Truck Tractors and Three New Walking Floor Trailers.*

12) Consider Installation of Fourth Truck Scale

The Board reviewed a memorandum from Finance/Information Systems Manager regarding the installation of a fourth scale at an estimated total cost of \$125,000. General Manager explained that staff had not anticipated the break down of "A" scale so the installation of a fourth scale had not been included in the 2003-2004 budget although it had been anticipated in fiscal 2005-2006. He stated that although "A" scale, originally installed in 1966, had been repaired, staff would like to minimize usage so that it would last longer. It could be used by District roll off trucks and as a backup when there is a lot of traffic. The cost of the new scale could be largely offset over three to four years by having two weighmasters working inside the kiosk running three scales instead of needing a third weighmaster operating "A" scale inside the administration building as is currently the practice. General Manager stated that there was money in capital outlay reserves for the installation.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Authorize Installation of Fourth Truck Scale.*

13) Authorize Whitson Engineers to Provide Design and Engineering Services for New Scale and Related Site Work, and Authorize Call for Bids on New Scale

It was moved by Director Johnsen, seconded, and *Unanimously Carried To: Authorize Whitson Engineers to Provide Design and Engineering Services for New Scale and Related Site Work, and Authorize Call for Bids on New Scale.*

14) Authorize Fixed Disposal Fee for Fort Ord Military Housing Project

General Manager reported that staff had been contacted by Mark Randazzo of Randazzo Enterprises, Inc. and informed that Randazzo was going to be awarded the contract for the removal and disposal of the debris from the Clark-Pinnacle/US Army military housing project on the old Fort Ord and at the Navy Post Graduate School. It is estimated that 50,000 to 86,000 tons of refuse would be brought to the District site over a period of ten years. The contract did not have a built-in escalator and Randazzo had to guarantee his rates at a fixed level, which included the disposal fees, for the contract period. General Manager stated that staff had asked to see a copy of the contract, but Clark-Pinnacle would not allow it.

General Manager stated that staff is not anxious to set a precedent, but staff recommends that the Board authorize the \$35 per ton fee in order to guarantee that the waste is brought to the District site generating approximately three million in revenues over the contract period. Legal Counsel stated that this would not create precedent, but did recommend that if the Board approved the fixed rate, it should be stipulated in the agreement that the decision had been based on the fact that there was not a built in escalator in the contract between Randazzo and Clark-Pinnacle.

Director Mancini expressed concern if the material was not brought to the District site and how it would affect Seaside's recycling rates. General Manager stated that if the agreement was made, it would be defined that the material would come to the District site and Randazzo would recycle as much material as possible aside from the material diverted at the District site. District Engineer stated that each city's staff should monitor developments within their cities and encourage the developers to track waste diversion rates.

Angela Brantley, Service Contracts/Recycling Coordinator for the City of Monterey, addressed the Board and stated that it would be up to Randazzo to make sure that the material is brought to the site and questioned how District staff would know if the material brought in was from the Clark Pinnacle Project, especially when tip fees increased. General Manager responded that staff would monitor the project.

It was moved by Director Gray, seconded, and *Unanimously Carried To: Authorize Agreement with Randazzo Enterprises, Inc. for a Fixed \$35 Per Ton Disposal Rate for Fort Ord Military Housing Project With the Stipulation that Agreement is Based on No Built in Escalator in Contract Between Clark-Pinnacle and Randazzo Enterprises; and that Randazzo Enterprises will Maximize and Keep Accurate Records of Waste Diversion from the Project, and Bring in all Disposal Material to the District Site.*

15) Review Executive Search Firm Proposals and Decide on the Process for Selecting the Firm to Conduct Search for New General Manager

The Board reviewed four proposals from search firms for the position of General Manager. General Manager reported that all four have experience conducting searches for local governments in California, all would complete the work within three to four months from the start date until selection is made, and would guarantee their work. Fees range from \$12,000 to \$18,500, plus expenses of \$5,500 up to \$8,500 depending on whether a local or national search is conducted.

Director Gianelli stated that it was very important for the Board to get some input from the other agencies that have been provided services from these firms. Chair Albert commented that the four firms could provide a short presentation to the Board at the January meeting.

It was moved by Director Johnsen, seconded, and *Unanimously Carried To: Request the Search Firms Provide a Presentation on Their Services to the Board at the January 16, 2004 Meeting.*

STAFF REPORTS

16) Financial, Operating, and Recycling Reports

The Board reviewed the financial reports for September and October. Although the District is having a good year financially, the January 1st rate increase is still needed.

The Board reviewed the quarterly recycling rates by jurisdiction through September. Del Rey Oaks and Monterey County have seen an increase in their recycling rates and Seaside's rates have decreased. General Manager reported that as soon as the Hayes Park project effects are gone, Seaside's rates should increase.

General Manager reported that the District provided tours to the public on Saturday, November 15th in honor of America Recycles Day.

17) Report on Water Well Refurbishment

The Board reviewed a memorandum from District Engineer regarding the refurbishment of the Brown Bulb well at a cost of less than the \$40,000. There is additional work that needs to be done, particularly on the drinking water well and other issues related to the long term water needs. Staff will keep the Board advised and will continue to explore the possibility of obtaining water from the Salinas River rubber dam and/or from MRWPCA's reclamation plant.

18) Report on State Waste Board Site Inspection

The Board reviewed a memorandum from District Engineer regarding the 18-month inspection by the California Integrated Waste Management Board. The District was issued violations for failure to file an amendment to the Report of Disposal Site Information (RDSI) for the soil berm that Vector Engineers requested be installed at the corner of the landfill, and for migrating landfill gas. District staff is in the process of controlling the gas migration and has filed an amendment to the RDSI/JTD.

OTHER CORRESPONDENCE

19) Letter from City of Pacific Grove Re: Contribution to Coastal Recreation Trail Restoration Project

The Board received a request from the City of Pacific Grove for contributions to the Coastal Recreation Trail Restoration Project. The Board agreed that it was not appropriate use of District funds to support the project.

20) Letter from CSDA Re: Contribution to Local Government Ballot Initiative

The Board reviewed a letter from CSDA regarding contributions to the Local Government Ballot initiative. Director Johnsen stated that it was premature to agree to contribute since the initiative was still being fine tuned. The Board agreed that further analysis would be needed before any decision could be made.

ADJOURNMENT

There being no further business to come before the Board at this time, the November 21, 2003 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to December 19, 2003 by Chair Albert at 11:08 a.m.

RECORDED BY:

AUTHENTICATED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

J. David Myers
General Manager