

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

9:30 A.M., Friday
June 20, 2003

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Dan Albert, Chair
Gary Bales
William Gianelli
Edith Johnsen
Sue McCloud
David Pendergrass

MEMBERS ABSENT: Jack Barlich, Vice Chair
Tom Mancini
Jim Perrine

STAFF PRESENT: William Merry, District Engineer/Assistant General Manager
Rob Wellington, Legal Counsel
Richard Norton, Administrative Services Manager
Don Prescott, Finance/Information Systems Manager
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 Coordinator Assistant
Rodney Barber, Assistant Mechanic/OE3 Shop Steward
Baldo Trujillo, MRF Operator II/OE3 Shop Steward
Suzan Fine, Recycling Attendant/SEIU Shop Steward

OTHERS PRESENT: Bjorn Lundegard, City of Seaside
Mark Arsenault, Waste Management, Inc.

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the June 20, 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.

General Manager, David Myers was absent because he was attending a meeting of the SWANA International Board and SWANA's Annual Planning and Management, Landfill Symposium.

CONSENT AGENDA

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

- 1) **Approve Minutes of May 16, 2003 Regular Meeting.**
- 2) **Approve Warrants #40558 - #40786.**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

3) Adopt Resolution 2003-06 Approving Final Budget for Fiscal Year 2003-2004

The Board reviewed the final budget for fiscal year 2003-2004 and a memorandum from the Finance/Information Systems Manager. District Engineer/Assistant General Manager stated that at the request of the Board, staff had looked at various ways to reduce expenses and increase revenue in the budget. As a result, income had been increased by \$875,000 and included the proposed \$5 per ton tipping fee increase for mixed waste, greenwaste, and sludge, a \$10, increase for problem waste beginning January 1, 2004, and an increase in all landscaping materials beginning July 1, 2003. Capital Outlay had decreased by \$263,000 due to elimination or delay of several purchases or upgrades. Personnel expenses were reduced \$315,000 from the preliminary budget by reducing overtime, staffing in the household hazardous waste program, staffing and hours at the Last Chance Mercantile, and hours of part time employees. Cost of living adjustments were also lower than estimated and staff proposed to close the site for two additional holidays, Memorial Day and Labor Day. Unfortunately, even with the savings in personnel expenses, overall expenses had actually increased by \$55,000 because of an increase to capital outlay depreciation. The final budget projected a net income loss of \$510,000 and a decrease in cash reserves of \$1,354,000 which was \$1,383,000 less than the decrease of \$2,737,999 projected in the preliminary budget.

Board discussion followed regarding the proposed rate increases and the desire to remain competitive with other landfills. Staff projected that even with the proposed rate increase in January 2004, future rate increases will be necessary every two to three years. District Engineer/Assistant General Manager responded that in order to avoid further increases, the Board might want to consider acceptance of outside waste, and noted that currently the District has one of the lowest tipping fees in the State. Director McCloud inquired what percentage of the overall budget was for personnel wages and benefits. Finance/Information Systems Manager responded that almost half of the \$14,205,000 budget was for salary expenses. He also stated that staff will continue to look at ways to reduce expenses. Director Bales commented that historically many of the District's expenses had been related to the State's AB 939 50% recycling goal which most jurisdictions have met and maybe it was time to consider how much

more was necessary and at what expense. District Engineer/Assistant General Manager responded that the issue of recycling percentages had been discussed by staff, especially because of the cost to operate the materials recovery facility, and given the State budget crisis, a review and discussion of diversion was appropriate.

Director Johnsen reminded the Board and staff that by approving the budget that included a \$5 tipping fee increase did not mean the increase was guaranteed since a public hearing was necessary in order to implement it. The budget would also need to be adjusted if necessary.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Adopt Resolution 2003-06 Approving Final Budget for Fiscal Year 2003-2004.*

4) Consider Acceptance of Solid Waste from South Santa Clara County

The Board reviewed a memorandum from District Engineer/Assistant General Manager regarding the acceptance of solid waste from South Santa Clara County for a total of ten years. Legal Counsel recommended to the Board that if they decided to consider the acceptance, then any discussions regarding the tipping fee amount should be discussed in closed session.

District Engineer/Assistant General Manager stated that at the Board's request at the May meeting, he had contacted other agencies who might have some concerns on the acceptance of the waste. There were no major concerns with the additional 15 truck trips per day, although it seemed that a CEQA process would be necessary. Director McCloud inquired how much it would cost to conduct a CEQA process. District Engineer/Assistant General Manager responded that it would cost \$5,000 to \$10,000. Legal Counsel stated that since anyone can come to the District site without an agreement already, it probably would not be too expensive to conduct a CEQA initial study.

District Engineer/Assistant General Manager stated that he and the General Manager had met with Norcal and learned that Forward Landfill in San Joaquin County has proposed to transport and dispose of the waste at a rate of \$37.75 per ton. The Board also received a copy of a Salinas Valley Solid Waste Authority (SVSWA) staff report that was presented to their Board in which they propose several alternatives in order to accept the waste from South Santa Clara County. Two of those alternatives include bringing the waste to the District site after five or seven years when the Crazy Horse Landfill reaches capacity. The SVSWA Board voted to negotiate an agreement with Norcal. District staff believed that in order for the District to be competitive and secure an agreement, a reduced tipping fee would be necessary, but the agreement would include increases in the outlying years. The revenue received from the additional tonnage would help defer additional rate increases beyond the proposed increase to \$35 per ton on January 1, 2004, for an estimated eight years.

Director Pendergrass commented that it was each county's responsibility to handle their own waste and it was troublesome that Santa Clara County would consider transporting the waste to another county where it would go directly to the landfill therefore not giving them any credit for recycling. He also expressed concern on opening the floodgates to other counties. District Engineer/Assistant General Manager responded that the waste would first be taken to a transfer facility for some amount of recycling and then it would be transported for disposal.

Director Gianelli commented that he would be interested in seeing a proposal that could potentially increase revenue. Director Bales stated that he remembered when the site life was about 40 years. Over the years, with recycling and improved operation practices, the site life was now at 90 years and

apparently with the new site master plan could approach 120 years, making it one of the longest in the State. In the past, the Board did not want to decrease the site life in any way by bringing in outside waste. But currently, the District accepts waste from Capitola and sludge from Gilroy. He stated that if the waste was limited, with no processing involved by the District, a reduced rate would be worth considering.

Legal Counsel stated that people have the right to transport waste anywhere and the only way of reducing the amount brought from outside of the District's jurisdiction would be to establish an out of District rate so that it would not be feasible to transport the waste to the District. He stated that the District tipping fee includes all services and a reduced rate for the Santa Clara waste would be acceptable because it would be going directly to the landfill and would not be processed through other District facilities. Legal Counsel also stated that negotiating an agreement would establish precedence that an agreement is necessary to transport the waste to the District for a fixed term and price.

Director Gianelli stated that the Board should authorize staff to negotiate a draft agreement with Norcal for Board approval. Director McCloud stated that acceptance of outside waste should only be considered on a case by case basis.

Director Johnsen stated that she was against diminishing the landfill capacity in any way and was concerned that setting any precedent was inappropriate. Director McCloud asked what would happen when the SVSWA landfills reached capacity. District Engineer/Assistant General Manager responded that the SVSWA is currently looking for a new landfill site to replace Crazy Horse and Johnson Canyon after they are full.

It was moved by Director Gianelli, seconded, and *Approved by Chair Albert, Directors Bales, Gianelli, and McCloud; Opposed by Directors Johnsen and Pendergrass To: Authorize Staff to Negotiate an Agreement With Norcal Waste and Bring Back to the Board.*

5) Approve Revised MOUs with Operating Engineers Union, Service Employees International Union, and Management & Confidential Employees Unit, and Personnel Policies

The Board reviewed revised MOUs with employee groups and personnel policies. The MOUs included cost of living increases of 2.5% and other negotiated items.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Approve Revised MOUs with Operating Engineers Union, Service Employees International Union, and Management & Confidential Employees Unit, and Personnel Policies.*

6) Approve Vector Engineering Increased Scope of Work for Landfill Master Plan

The Board reviewed a memorandum from Senior Engineer regarding an increased scope-of-work for Vector Engineering for their work on the landfill master plan.

Director Bales commented on the history of the Vector contract since this was the second time staff has requested an increase to the original contract of \$99,978 bringing the total to \$200,798. District Engineer/Assistant General Manager responded that the first increase was because staff had asked Vector to look at a bioreactor for landfill module 4 and alternate moncover which would provide a substantial saving in final cover costs. Vector is now looking at increasing the height of the landfill

from 265 feet to 470 feet by sliver filling the sideslopes in order to get more capacity. The increased site life and revenues should justify the increased costs in the contract.

It was moved by Director Gianelli, seconded, and *Unanimously Carried To: Approve Vector Engineering Increased Scope of Work for Landfill Master Plan.*

7) Approve Contract with Geomatrix to Provide Groundwater Modeling Services

The Board reviewed a memorandum from Senior Engineer regarding a contract with Geomatrix to provide groundwater modeling services related to the Salinas River rubber dam project proposed by the Monterey County Water Resources Agency (MCWRA). The original estimate of \$30,700 had been increased to \$35,800 due to revisions in the scope-of-work. District Engineer/Assistant General Manager reminded the Board that they had previously expressed concern about the potential adverse effects of the dam caused by raising ground water levels beneath the landfill and had requested that any modeling should be the responsibility of the MCWRA. The MCWRA has agreed to reimburse the District 100% of the cost for this work and approval of that agreement was the next agenda item.

Director Gianelli questioned some of the language in the scope-of-work by Geomatrix which he did not think was appropriate since it was not an area of their expertise. Legal Counsel responded that Geomatrix would make recommendations to the MCWRA and the language could be changed. The Board agreed to consider agenda items 7 & 8 together.

It was moved by Director Pendergrass, seconded, and *Unanimously Carried To: Approve Contract with Geomatrix to Provide Groundwater Modeling Services with Changes in Language and Approve Agreement with Monterey County Water Resources Agency for Reimbursement of Geomatrix Contract.*

8. Approve Agreement with Monterey County Water Resources Agency for Reimbursement of Geomatrix Contract

Included in Agenda Item 7.

9) Authorize Call for Bids on New Excavator with Grapple

The Board reviewed a memorandum from District Engineer/Assistant General Manager requesting authorization to issue a call for bids on the purchase of a new excavator with grapple that would be used on the wood line in the materials recovery facility. There is \$300,000 budgeted for this purchase.

Director McCloud questioned whether staff would be considering leasing the excavator as an option. Finance/Information Systems Manager responded that staff would look into leasing as an option and would come back to the Board.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Authorize Call for Bids on New Excavator with Grapple.*

10) Authorize Purchase of Used Compost Windrow Turner

The Board reviewed a memorandum from District Engineer/Assistant General Manager regarding the purchase of a used windrow turner in order to increase efficiency in turning the biosolids compost.

District Engineer/Assistant General Manager stated that due to time constraints, staff was requesting authorization to purchase the windrow turner without coming back to the Board. There is \$115,000 in the budget for this purchase.

It was moved by Director Gianelli, seconded, and *Unanimously Carried To: Authorize Purchase of Used Compost Windrow Turner.*

STAFF REPORTS

11) Review Financial, Operating, and Recycling Reports

The Board reviewed the financial, operating and recycling reports for May. Financially, the District is doing as projected and overall tonnage was 30,340 compared to 29,682 received in April and 29,541 received in May of 2002. The overall diversion rate of 42% was the highest since December of 2001.

12) Status of Biosolids Composting Operation

District Engineer/Assistant General Manager reported on the status of the biosolids composting operation. The test results have come back and appear to be acceptable for use in the final cover at the Lewis Road Landfill. The Monterey County Health Department has conceptually agreed to have the compost used in the final cover construction at the Lewis Road Landfill.

OTHER CORRESPONDENCE

13) Letter to Senator Sher in Support of SB20 Re: Recycling of E-waste

The Board reviewed a letter sent by the General Manager to Senator Sher in support of SB20 re: recycling of CRTs and other e-waste, which could be especially critical when e-waste is banned from landfills in 2006.

14) Letter from Center for Citizen Initiatives Thanking Heidi Feldman for Tour of District Facilities by Visiting Russians

The Board reviewed a letter from the Center for Citizen Initiatives expressing appreciation for the tour that was provided by Heidi Feldman and other staff to a group of Russians.

15. Letter from Pacific Unified School District Thanking Heidi Feldman for her Site Visit and Educational Presentations

The Board reviewed a letter from the Pacific Unified School District expressing appreciation to Heidi Feldman for the site visit and presentations.

16. Letter from Old Monterey Preservation Society Thanking Heidi Feldman for Compost Demonstration

The Board reviewed a letter from the Old Monterey Preservation Society thanking Heidi for her Compost demonstrations.

Assistant General Manager commented that Heidi and her Assistant Cheryl Hall continue to provide public education on recycling to the Monterey Peninsula communities. He stated that the Carmel Garden Club had given an award to Heidi and Cheryl for their outstanding work in public education. Director McCloud brought in a collage of litter that the Carmel River School elementary students had collected on one of their hikes and a card for Heidi.

ELECTION OF OFFICERS FOR FISCAL YEAR 2003-2004

As reported in the General Manager's report, Chair Albert and Vice Chair Barlich have expressed willingness to continue to serve as Chair and Vice Chair for fiscal year 2003-2004.

It was moved by Director Johnsen, seconded and *Unanimously Carried To: Reelect Dan Albert as Chair and Jack Barlich as Vice Chair of the Monterey Regional Waste Management District Board for Fiscal Year 2003-2004.*

CLOSED SESSION

The Board met in closed session at 10:34 a.m. regarding the following:

Personnel Matter: Public Employee Performance Evaluation (General Manager)

The Board came back from closed session at 10:55 a.m. and Legal Counsel announced that the Board had considered the performance evaluation personnel matter as listed on the agenda and completed the same and gave directions to the finance committee relative to further discussions with the General Manager. No other action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the June 20, 2003, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to July 18, 2003 by Chair Albert at 10:56 a.m.

RECORDED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:

William M. Merry
District Engineer/Assistant General Manager