

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

9:30 A.M., Friday
May 21, 2004

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Dan Albert, Chair
Jack Barlich, Vice Chair
Gary Bales
Ken Gray
Edith Johnsen
Leo Laska
Sue McCloud
David Pendergrass

MEMBERS ABSENT: Tom Mancini

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

OTHERS PRESENT: Mark Bowers, City of Sunnyvale

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the May 21, 2004, 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

Following a motion by Vice Chair Barlich and seconded, the Board approved the following actions:

- 1) Approve Minutes of April 16, 2004 Regular Meeting
- 2) Approve Warrants #42763 - #42971

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

3) Approve New Three Year Goals and Six Month Strategic Planning Objectives

The Board reviewed revised three year goals and six month strategic planning objectives. General Manager stated that minor grammatical changes had been made as well as changes to some of the completion dates.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Approve New Three Year Goals and Six Month Strategic Planning Objectives.*

4) Consider Addition of Full Time Safety/Training Officer Position

The Board reviewed a memorandum from Administrative Services Manager regarding the need for assistance with the District safety and training programs. General Manager stated that for the annual salary of \$57,000 plus benefits for a full time employee, the District would have a safety consultant on site for a maximum of two days a week. Staff believes that the District would benefit from having a safety person on site full time because there were safety and training issues that needed to be addressed every day, and, although, safety was the responsibility of everyone, it would take that person to keep everyone actively involved in safety. General Manager stated that, spite of hiring outside consultants to help with the District programs and a lot more effort on the part of staff, the last inspection by the Special Districts Risk Management Authority indicated that the District had 177 potential safety hazards compared to the 73 potential safety hazards identified during the inspection conducted two years ago.

Board discussion followed regarding the need of, and duties and salary for, a full time safety officer. General Manager stated that the new position could potentially pay for itself in reduced workers compensation premiums and damage to District vehicles, buildings, and equipment. He stated that OSHA prefers to deal with one safety person overseeing an entire site. As stated in the memorandum, the safety officer would review, update, and train employees on safety programs and procedures, as well as ensure that incident investigations and site inspections were being conducted, and perform many more tasks related to safety. The salary was based on other District management level positions and on what the MRWPCA will pay for their new safety officer.

Director Gray commented that if the Board approved the position of a full time safety officer, then staff would have to strive for it to be an effective one, reducing accidents and incidents and lowering workers compensation rates. He also commented that it would be wise to have the safety officer establish a wellness and fitness

program since personal fitness has proven to be very cost effective in reducing accidents. Director McCloud suggested that the position report directly to the General Manager. The General Manager said that he preferred having the position report to the Administrative Services Manager who is currently responsible for safety.

It was moved by Director Pendergrass seconded, and *Unanimously Carried To: Approve Full Time Safety Officer Position at an Annual Salary of \$57,000, Plus Benefits.*

5) Review Financial Reports and Adopt Preliminary Budget for Fiscal Year 2004-2005

The Board reviewed the financial reports and the preliminary budget for fiscal year 2004-05.

Finance/Information Systems Manager introduced new Accounting Manager, Chuck Rees.

Finance/Information Systems Manager stated that staff had met with the Board finance committee to review the budget at length. He stated the District is completing a stronger than expected financial year. The District's current budget has a net loss of \$510,000 and a reduction in cash of \$1,413,000. Staff now anticipates a net income of \$681,000 and a reduction in cash of \$91,000. This positive reversal is due primarily to four revenue sources: 1) an extra 3% increase in refuse tonnage due largely to increased activity at the former Ft. Ord, 2) the unanticipated receipt of Salinas's curbside yardwaste; 3) a strong market for scrap metal, and 4) higher than projected power payments from PG&E.

For fiscal year 2004-05 staff estimates that Revenues will reach \$15,235,000. The increase of \$1,735,000 (12.9%) compared to the 2003-2004 Budget reflects a full year of the rate increase and a continuation of increased refuse tonnage, curbside yardwaste from Salinas, high prices for scrap metal and strong power sales.

Operating Expenses are expected to reach \$14,905,000. This is an increase of \$1,280,000 (9.4%) from the 2003-2004 Budget. Wage and Benefit Expenses, Repairs and Maintenance, and Fuel costs account for the increase.

Capital Outlay requests equal \$2,413,000. Major expenditures include: replacing the Peterson Pacific Wood Grinder (\$500,000); improvements in the Landfill Gas collection system (\$275,000); replacing a 924 Loader (\$200,000); replacing the Tennant 830 Street Sweeper (\$125,000); purchasing a new 627 Scraper and D9 Bulldozer (\$212,000 - \$1,400,000 financed over 5 years); MRF capital repairs (\$160,000) and Capital Equipment Repair (\$70,000). The Revenue Bonds principal payments will equal \$982,000.

Net Loss is projected to be (\$40,000) and the Revenue to Bond Debt Service ratio is project to be 1.93, which is well above the required 1.25. With projected increases in costs this ratio will not be met in FY 07-08.

Chair Albert inquired about the purchase of the Peterson Pacific Wood Grinder. Finance/Information Systems Manager responded that the current grinder was eight years old and subject to a lot of repair work.

It was moved by Director Gray, seconded, and *Unanimously Carried To: Adopt Preliminary Budget for Fiscal Year 2004-2005.*

6) Schedule Public Hearing on June 18, 2004 for the Certification of Initial Study/CEQA Documentation for Revised Solid Waste Facility Permit Application and to Make a Determination on a Notice of Intent to Adopt a Negative Declaration

The Board reviewed a memorandum from Senior Engineer regarding the need to schedule a public hearing for the certification of initial study for the revised solid waste facility permit application and to make a determination on a notice of intent to adopt a negative declaration. General Manager stated that this was another step in the process to allow the District to combine its landfill permit and materials recovery facility (MRF) permit in order to continue to bring as many vehicles into the MRF as operationally possible. The District is in violation of the MRF permit when the number of vehicles exceeds an arbitrary number of 399 per day.

General Manager stated that staff originally had planned for the public hearing in June, but there is not enough time to advertise it so they were now requesting to schedule the public hearing at the July 16th meeting instead.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Schedule a Public Hearing on July 16, 2004 for the Certification of Initial Study/CEQA Documentation for Revised Solid Waste Facility Permit Application and to Make a Determination on a Notice of Intent to Adopt a Negative Declaration.*

7) Adopt Resolution 2004-04 Declaring that Minor Change to Landfill Permit for Landfill Gas Collection System Modifications is Categorically Exempt from CEQA, and Authorize Staff to File Application with County for Report of Disposal Site Amendment to Landfill Permit

The Board reviewed a memorandum from Senior Engineer requesting that the Board adopt resolution 2004-04 declaring that the minor change to landfill permit for landfill gas collection system modifications is categorically exempt from CEQA and authorize staff to file an application with the County for a Report of Disposal Site amendment to the landfill permit. General Manager stated that this would allow the District to proceed with the landfill gas collection system improvements.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Adopt Resolution 2004-04 Declaring that Minor Change to Landfill Permit for Landfill Gas Collection System Modifications is Categorically Exempt from CEQA, and Authorize Staff to File Application with County for Report of Disposal Site Amendment to Landfill Permit.*

8) Ratify Agreement for Installation of MRF Sortline Footings

The Board reviewed a memorandum from Site Superintendent requesting that the Board ratify an agreement with Monterey Peninsula Engineering (MPE) to install structural footings to the MRF sortline at a cost of \$46,500. General Manager stated that the Monterey County building department had required the installation of the footings in reflection of the recent revisions in the California and County codes related to earthquake protection. Local structural engineers, Howard Carter and Associates, had designed the footings necessary for the project and received Monterey County Building Department approval. Because the MRF equipment installation was scheduled to begin on May 24th, staff had authorized MPE to proceed with the footing installation, prior to Board approval.

It was moved by Director Gray, seconded, and *Unanimously Carried To: Ratify Agreement with Monterey Peninsula Engineering for Installation of MRF Sortline Footings at a Cost of \$46,500.*

9) Award Contract for Wood Grinding Services to Capitol Disposal Corporation

The Board reviewed a memorandum from Site Superintendent requesting authorization to award a contract for wood grinding services to Capitol Disposal at a cost of \$23,840. General Manager stated the wood grinding services are needed because of the excess wood waste and green waste that has accumulated as a result of the wood grinder being down for repairs, and in anticipation of it being down again when the improvements are made to the MRF sortline.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Award Contract for Wood Grinding Services to Capitol Disposal Corporation at a Cost of \$23,840.*

10) Approve Schedule and Process for General Manager Interviews.

General Manager reported that Murray and Associates was advertising for the new general manager and accepting applications through the end of May. They planned to review and select candidates for interviews by the Board in August. In order to provide Murray and Associates with some guidance, staff was requesting that the Board decide how they wanted to complete the interview process.

Board discussion followed regarding how many applicants would be interviewed by the full Board and on what date. The Board said that they would prefer to interview three final candidates but no more than five following the August 20, 2004 Board meeting. They also requested that staff plan for a light agenda to allow more time for the interviews.

11) Accept Minutes of April 2, 2004 Employee Safety Committee Meeting

The Board reviewed the minutes of the April 2, 2004 employee safety committee meeting including a list of completed and active safety work orders.

It was moved by Director Barlich, seconded, and *Unanimously Carried To: Accept Minutes of April 2, 2004 Employee Safety Committee Meeting.*

STAFF REPORTS**12) Report on Meeting with Salinas Valley Solid Waste Authority Re: Landfill Capacity in Monterey County**

General Manager reported to the Board that Chair Dan Albert and Director Gary Bales had met with Salinas Valley Solid Waste Authority (SVSWA) Board Chair Fernando Armenta and Board member Robert Chavez from King City, along with District and Authority staff. The purpose of the meeting was to discuss the potential for the SVSWA to bring Salinas Valley waste to the District's landfill in the future in order to supplement the District's revenue and offset future rate increases. General Manager also reported that at their May 20, 2004 Board meeting, the SVSWA Board had authorized the continuation of further discussions with the District.

Chair Albert commented that the SVSWA was aware that any discussions held with him, Director Bales, and staff were subject to approval by the full District Board. He also commented that the SVSWA had inquired about a possible merger of the SVSWA and the District, to which he had responded that he did not think that was possible.

Board discussion followed regarding LAFCO implications and presentation to Marina City Council regarding any impacts prior to any agreements. The Board authorized the formation of a Monterey Peninsula Task Force to discuss the issue, and review District service levels and sources of additional revenue. A letter will be sent to City Managers and County and Pebble Beach Community Services District officials asking for their participation on the Task Force, in order to report back to the Board by November 1, 2004.

13) Recycling and Operating Reports

The Board reviewed the recycling and operating reports for April 2004. Overall tonnage was down slightly from March 2004, but well above April of 2003. The total diversion rate was up to 46% with sludge and down slightly to 37% without sludge.

OTHER CORRESPONDENCE

14) Correspondence with California Regional Water Quality Control Board Re: Groundwater Quality Monitoring

The Board reviewed letters to and from the Regional Water Quality Control Board (RWQCB) regarding the District's groundwater monitoring and sampling. The District detected low level contamination in three of the groundwater monitoring wells and failed to notify the RWQCB in time, which resulted in a notice of violation dated April 23, 2004. The District resampled the wells and nothing was detected. General Manager stated that because of the extremely low levels that were detected, it was hard to say whether there was a groundwater quality problem or a problem with the sampling process. He stated that staff will keep the Board advised and will do a better job of reporting in a timely manner to the RWQCB in the future.

15) Letter to Terri Edwards, California Integrated Waste Management Board Re: Waste Diversion from Military Building Demolition

The Board reviewed a draft letter to Terri Edwards from the California Integrated Waste Management Board regarding the waste diversion from the military building demolition. The letter should help the City of Seaside during the CIWMB review of Seaside's AB 939 annual report for 2003.

ADJOURNMENT

There being no further business to come before the Board at this time, the May 21, 2004 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to June 18, 2004 by Chair Albert at 10:38 a.m.

RECORDED BY:

AUTHENTICATED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

J. David Myers
General Manager