

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

9:30 a.m., Friday
January 21, 2005

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Dan Albert, Chair
Gary Bales
Ken Gray
Leo Laska
Tom Mancini
Sue McCloud
David Pendergrass
Joseph Russell
Jerry Smith

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Richard Shedden, Senior Engineer
Richard Norton, Administrative Services Manager
Heidi Feldman, Public Education Coordinator
Don Prescott, Finance/Information Systems Manager
Jim Griffith, Site Superintendent
Gary Metzler, Safety Manager
Richard Petitt, Assistant Site Superintendent
Glen Evett, LCM/HHW Manager
Harry Hunzie, MRF Manager
Rebecca Aguilar, Administrative Support Supervisor
Julia Partida, Administrative Support Specialist
Rodney Barber, Assistant Mechanic/Operating Engineers Shop Steward
Dave Hall, Heavy Equipment Mechanic/Operating Engineers Shop Steward
Chad Mauzey, Sales Clerk/SEIU President

OTHERS PRESENT: Angela Brantley, City of Monterey
Mike Briley, Hayashi & Wayland Accounting
Autumn Rossi, Hayashi & Wayland Accounting

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the January 21, 2005, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Albert at 9:30 a.m.

INTRODUCTION OF NEW BOARDMEMBERS
SUPERVISOR JERRY SMITH AND MAYOR JOSEPH P. RUSSELL

Chair Albert introduced and welcomed new representative from unincorporated Monterey County and former Mayor of Seaside, Jerry Smith, and new representative from Del Rey Oaks, Joseph P. Russell.

CONSENT AGENDA

Following a motion by Director Mancini, and seconded, the following actions were approved by Chair Albert, Directors Bales, Gray, Laska, Mancini, and Pendergrass; with Directors McCloud, Russell and Smith abstaining:

- 1) Approve Minutes of December 17, 2004 Regular Board Meeting.
- 2) Approve Report of Disbursements.

ELECTION OF VICE CHAIR FOR REMAINDER OF FISCAL YEAR 2004-05

It was moved by Chair Albert, seconded, and *Unanimously Carried To: Elect Director McCloud as Vice Chair for the Remainder of Fiscal Year 2005-05.*

ITEMS FOR BOARD CONSIDERATION, DISCUSSION, AND ACTION

3) Adopt Resolution (2005-01) of Appreciation for Outgoing Del Rey Oaks Representative Jack Barlich

It was moved by Director Mancini, seconded, and *Unanimously Carried To: Adopt Resolution 2005-01 of Appreciation for Outgoing Del Rey Oaks Representative Jack Barlich.*

4) Adopt Resolution (2005-02) of Appreciation for Outgoing Unincorporated Monterey County Representative Edith Johnsen

It was moved by Director Mancini, seconded, and *Unanimously Carried To: Adopt Resolution of 2005-02 of Appreciation for Outgoing Unincorporated Monterey County Representative Edith Johnsen.*

5) Presentation of Annual Audit for FY 2003-2004 by Hayashi & Wayland Accounting

General Manager stated that the District Finance Committee composed of Chair Albert and Directors Bales, Gray, and Laska had met with the auditors on January 7, 2005 to discuss in detail the audit for fiscal year 2003-2004. The meeting also included himself and Finance/Information Systems Manager, Don Prescott.

Mike Briley of Hayashi & Wayland Accounting addressed the Board and stated that the District was required to conduct an annual audit. He expressed appreciation to the Board for allowing his firm to perform the audit and stated that the purpose of the presentation was to give an overview of the audit.

Mr. Briley referred the Board to Page 4 and stated that District accounting staff had done an outstanding job following the new requirements for governmental agencies. He continued with some highlights of District assets, income, and expenses and stated that although the District continued to be in good financial condition, the District was not operating under a huge profit. Director Laska commented that the District included depreciation giving the appearance of added costs.

Mr. Briley stated that the District had received a clean opinion, the highest opinion that can be given by the auditors. He referred the Board to a letter included in the audit which stated their responsibilities and that there had been no disagreements with management or difficulties during the audit. In another letter to the Board and in the audit report, the auditors made some recommendations, which included management's response to the recommendations. They had recommended that the District continue to upgrade its accounting and scale software systems and make some improvements to the internal cash handling procedures. Mr. Briley also stated that an amendment was needed to a date mentioned in the management's response, changing it from 2004 to 2005.

Board discussion followed with the Board directing staff to place the matter of the District's policy for cashing employee personal checks on a future agenda for Board consideration and action.

Mr. Briley thanked District staff and stated that they were always very cooperative and professional to work with, making the audit easier. The overall outcome of the audit was a great reflection of staff. General Manager also expressed appreciation to the auditors and especially to staff for their good work.

It was moved by Director Mancini, seconded, and Unanimously Carried To: Accept the Annual Audit for Fiscal 2003-04 to Include Amendment in Management's Response.

6) Consider Acceptance of Santa Clara County Waste and Authorize Execution of Agreement (Item May be Continued Until After Closed Session)

General Manager stated that the Board was given a copy of a draft agreement which was consistent with direction given to staff at recent Board meetings. He gave a brief overview of the issues related to the acceptance of South Santa Clara County (SCC) waste for the benefit of new Boardmembers. He stated that the Board had previously agreed to accept the waste for a tip fee of \$28 per ton, which was less than the basic tip fee of \$35 per ton. The waste would go directly to the landfill and would not be processed in District recycling facilities. General Manager stated that the maximum amount of waste to be accepted would be 200 tons per day, 6 days per week over a six month period, resulting in a total of 31,176 tons. The Salinas Valley Solid Waste Authority (SVSWA) had requested that the term of the agreement extend over four years, and that if the total amount was not delivered in the first six months they would have up to four years to do so.

Board discussion followed regarding the recycling of the waste and landfill capacity with acceptance of the waste. General Manager responded that the recycling of the waste was the responsibility of the communities wherein the waste originates, and the District's Monterey Peninsula Landfill had a 104 year site life. Chair Albert stated that the issue of outside waste acceptance was one that had been discussed by the Board throughout the years. Director Gray stated that the issue was of great concern to the community and their initial reaction was not to use up the capacity, which was why it was very important to educate the public with regard to the benefits and the economic reasons to do so. Director Laska questioned whether

the acceptance of this waste could impact the budget in connection with the rate increase. General Manager responded that because of the short term acceptance the waste would not impact the budget sufficiently to make the rate increase unnecessary.

Steve Johnson, General Manager for the SVSWA, addressed the Board and stated that because of the high cost to operate four landfills, the SVSWA Board had directed staff to find a way to reduce costs while still preserving landfill space. Their solution was to close Crazy Horse Canyon landfill as quickly as possible which was why they had entered into an agreement with Norcal Waste Systems, the landfill operator for the SVSWA and who is responsible for picking up SCC waste. The SVSWA accepts the SCC waste, which is landfilled directly, at a lower cost. Crazy Horse Landfill is only permitted to accept 900 tons per day and because of acceptance of the SCC waste, it was sometimes over the permitted amount. Their permit is being revised to increase allowed tonnages.

Director Gray stated that approving this agreement for acceptance of the waste provided a good opportunity to educate the public regarding the benefits and economics of accepting outside waste. General Manager stated that he had given a presentation to three member agency jurisdictions so far, at the Board's request regarding the proposed rate increase, and at each presentation he had mentioned the issue of outside waste acceptance.

Board discussion followed regarding acceptance of outside waste and that each community outside of the District should have an effective recycling and disposal plan working in their community.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize General Manager to Work with Legal Counsel to Finalize an Agreement with the Salinas Valley Solid Waste Authority (SVSWA) for Signature by the Board Chair.

7) Adopt Resolution 2005-03 Authorizing Purchase of New Caterpillar 627G Scraper Without Competitive Bidding

The Board reviewed a resolution and a memorandum from Site Superintendent regarding the sole source purchase of a new Caterpillar 627G scraper without competitive bidding from Quinn Caterpillar of Salinas for a price of \$677,303.06.

Director Russell inquired about the policy to purchase without competitive bidding. General Manager stated that staff will occasionally request purchase without competitive bidding when they believe that going out to bid would not be in the District's best interest. Staff believed that this scraper, which was the same model as one purchased two years ago, was in the best interest of the District because it had a unique auger loading system and two engines allowing it to self load. Site Superintendent stated that the scraper was the only one on the market in the size that best meets the District needs. He stated that staff did research and found that suitable used equipment is not available. He stated further reasons for purchasing this unique scraper including compliance with new exhaust emissions requirements, employee training, warranty, and parts.

Legal Counsel stated that the law required going out to bid over a certain dollar amount, unless there was a finding that by doing so was not in the best interest of the District, which was why the District was required to adopt the resolution.

It was moved by Director Mancini, seconded, and *Unanimously Carried To: Adopt Resolution 2005-03 Authorizing Purchase of New Caterpillar 627G Scraper Without Competitive Bidding from Quinn Caterpillar of Salinas for a price of \$677,303.06.*

8) Authorize Preparation of Specification and Acceptance of Bids for Miscellaneous Construction and Purchase of Miscellaneous Equipment

The Board reviewed a memorandum from Site Superintendent asking for authorization to prepare specifications and accept bids for miscellaneous construction and purchase of miscellaneous equipment. All of the purchases were included in the 2004-05 budget.

It was moved by Director Smith, seconded, and *Unanimously Carried To: Authorize Preparation of Specification and Acceptance of Bids for Miscellaneous Construction and Purchase of Miscellaneous Equipment.*

9) Give Direction to Board Representative Regarding LAFCO Independent Special District Commissioner Election

General Manager stated that he had spoken to Kate McKenna, Executive Officer of LAFCO, and she had stated that only Anne McGowan and Peggy Shirrel were actually running for reelection. Ms. McKenna has asked that the District Board cast only one vote, that being for Commissioner. The candidate receiving the most votes would be Commissioner and the one receiving the second most votes would be the alternate.

It was moved by Chair Albert, seconded, and *Unanimously Carried To: Authorize District Representative to Vote for Anne McGowan for LAFCO Independent Special District Commissioner.*

10) Consider Televising February Board Meeting and Public Hearing on Proposed Rate Increase

General Manager stated that he had made presentations related to the proposed rate increase to three city councils already and that presentations to the remaining six member agencies have been scheduled, most of those public meetings are televised. Several newspaper articles have announced the proposed rate increase. The media coverage has been good and there have been no phone calls or letters received on the matter to date.

It was moved by Director Gray, seconded, and *Unanimously Carried To: Not Televising the February 18, 2005 Board Meeting.*

11) Adopt Resolution 2005-04 Naming General Manager as Secretary to Board

General Manager stated that this item was to formalize a routine matter and by adopting the resolution would entitle the person holding the position of General Manager to act as Board Secretary.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Adopt Resolution 2005-04 Naming General Manager as Secretary to Board*

12) Approve Board Meeting Calendar for 2005

It was moved by Director Mancini, seconded, and *Unanimously Carried To: Approve Board Meeting Calendar for 2005.*

STAFF REPORTS

13) Financial, Operating and Recycling Reports, and Mid Year Budget Review

The Board reviewed the financial, operating, and recycling reports for December 2004.

The Board received the latest quarterly recycling report by jurisdiction. The diversion rates for Marina, Monterey County and Sand City were up slightly from 2003. All of the communities were doing well in terms of diversion. Monterey County is redoing their base year numbers, which should improve their diversion numbers as calculated. Seaside may wish to also consider doing so, since their diversion was being negatively impacted by recent redevelopment on the former Fort Ord.

The Board also reviewed the mid year budget. The District has had a good six months with revenues being slightly ahead of projections, due in part to green waste from Salinas in the fall and a steady waste stream otherwise. Expenses were below budget and staff would continue efforts to hold costs down.

14) Update on County Illegal Dumping and Litter Abatement Task Force

The Board reviewed several news articles regarding litter including a Cal Trans press release that stated that they were working in cooperation with the Monterey County Sheriff's Department to pick up litter along Highway 1 using prison inmate laborers.

15) Report on SWANA Executive Managers Meeting of January 14 and 15, 2005

The Board received information from General Manager regarding SWANA's 9th Annual Senior Executive Seminar in Palm Springs, which he attended. General Manager stated that it was noteworthy to mention that California diversion overall was 47% and only 287 of the 445 cities and counties have reached the 50% diversion. He commented that the state is interested in going to 70%, although not right away. He also stated that the Governor is interested in eliminating the California Integrated Waste Management Board, along with 1000 other appointed positions at the State level.

BOARDMEMBER COMMUNICATIONS

Director Mancini reported that at the January 20, 2005 meeting of the Seaside City Council, he had been replaced as District representative by Don Jordan. He stated that he would be sorry to no longer be on the District Board, but City subcommittee responsibilities needed to be more equally shared by the Seaside City Council.

CLOSED SESSION

The Board went into closed session at 11:02 a.m. regarding the following:

Conference with Property Negotiators

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| Property: | Landfill site space/capacity |
| District Negotiator: | William Merry |
| Negotiating Parties: | Santa Clara County, Santa Cruz County, and Salinas Valley Solid Waste Authority |
| Terms: | All Terms and Conditions |

Conference with Labor Negotiators:

District Negotiators: William Merry and Richard Norton

Employee Organizations: Operating Engineers and Service Employees International Unions;
Management and Confidential Employees

Public Employee Appointment: Assistant General Manager

The Board returned into open session at 11:24 a.m. Legal Counsel stated that the Board received information regarding the items listed on the agenda and gave direction to the negotiators. No other action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the January 21, 2005 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to February 18, 2005 by Chair Albert at 11:25 a.m.

RECORDED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:

William M. Merry, P.E., DEE
General Manager