

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

9:30 a.m., Friday
November 18, 2005

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Dan Albert, Chair
Sue McCloud, Vice Chair
Gary Bales
David Pendergrass
Ken Gray
Joseph Russell
Jerry Smith
Don Jordan

MEMBERS ABSENT: Leo Laska

STAFF PRESENT: William Merry, General Manager
Timothy Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Richard Shedden, Senior Engineer
Richard Norton, Administrative Services Manager
Don Prescott, Finance/Information Systems Manager
Charles Rees, Accounting Manager
Heidi Feldman, Public Education Coordinator
Richard Pettit, Assistant Site Superintendent
Gary Metzler, Safety Manager
Rebecca Aguilar, Administrative Support Supervisor
Julia Partida, Administrative Support Specialist II
Clyde Walkup, MRF Supervisor/OE3 Shop Steward
Suzan Fine, Recycling Attendant/SEIU President

OTHERS PRESENT: Angela Brantley, City of Monterey
Bjorn Lundegard, City of Seaside
Roger Van Horn, Monterey County Environmental Health Department

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the November 18, 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.

Add Emergency Item

General Manager stated that an issue had arisen after the agenda had been prepared, which in the essence of time, needed to be considered at this meeting. Following a motion by Vice Chair McCloud, and seconded, it was approved to add Emergency Item: *Consider And Approve Addendum to Landfill Gas Power Sales Agreement with 3 Phases Energy Services to Increase Power Purchase Price From \$48 Per Megawatt Hour to \$67.50 Per Megawatt Hour.*

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Add Emergency Item to Consider And Approve Addendum to Landfill Gas Power Sales Agreement with 3 Phases Energy Services to Increase Power Purchase Price From \$48 Per Megawatt Hour to \$67.50 Per Megawatt Hour.

CONSENT AGENDA

Director Bales stated that on Item 11 of the October 21, 2005 minutes, he and Director Pendergrass had opposed the motion and asked that the minutes be amended to reflect that.

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

- 1) **Approve Minutes of October 21, 2005 Regular Board Meeting as Amended.**
- 2) **Approve Report of Disbursements.**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION, AND ACTION

3) Presentation of Annual Audit for Fiscal Year 2004/2005 by Kasavan & Pope, LLP

General Manager stated that the audit had been completed with no adjusting entries. Mr. Paul Nowinski of Kasavan & Pope, LLP was present at this meeting. Mr. Nowinski had met with the Finance Committee comprised of Chair Albert and Directors Bales, Gray, and Laska on November 7, 2005.

Mr. Nowinski presented the annual audit for fiscal year 2004-2005 to the Board. He stated that the District was in very good financial condition. Mr. Nowinski gave a brief overview of the audit and commented that it was somewhat unusual to have no adjusting entries during an audit, a tribute to the work performed by District staff throughout the year. Their firms work is to thoroughly review the financial statements which are prepared by staff and presented in the audit report. He stated that the District had implemented GASB Statement 34 which required management discussion and analysis.

Chair Albert commented that during the presentation of the audit to the finance committee, Mr. Nowinski had been asked many questions. Director Gray stated that there had been a lot of discussion. Director

Bales stated that it had been a clean audit and specifically questioned if any significant problems were encountered, and the reply had been that there were none. He thanked District staff for all of their work in preparation for the audit.

Vice Chair McCloud asked what the maximum debt allowance the District should have and Finance/Information Systems Manager responded that the District was at a 37% debt ratio which might be a little high, but a result of the bonds issued ten years ago during construction of the MRF and other facility improvements.

General Manager also thanked Mr. Nowinski and his staff as well as Finance/Information Systems Manager, the Accounting Manager, and their staff for their fine work.

It was moved by Director Smith, seconded, and Unanimously Carried To: Accept Annual Audit for Fiscal Year 2004/2005.

4) Receive Report and Provide Staff Direction on Acceptance of Regional Waste

The Board reviewed a memorandum from Assistant General Manager regarding the acceptance of regional waste for landfill disposal. Assistant General Manager stated that staff has been negotiating with the County of Santa Cruz for acceptance of waste from the County, by Agreement, for disposal at the Monterey Peninsula Landfill. EMC Planning has also been retained to assist with the environmental review. He stated that Santa Cruz County staff has been very clear on their position during negotiations. A public hearing will be scheduled and action on a final agreement is anticipated for the January meeting.

Director Bales asked if any permit modifications would be necessary to which Assistant General Manager responded that earlier in the year, the Facilities Permit had been revised anticipating acceptance of regional waste, so no modification would be necessary. Director Russell inquired whether a CEQA review was necessary, to which Legal Counsel responded that it was necessary.

No action was taken.

5) Award Contract to The Don Chapin Company for Concrete Crushing, Recycling, and Marketing Services

The Board reviewed a memorandum from Senior Engineer requesting that the Board award a contract to the Don Chapin Company for Concrete Crushing, Recycling, and Marketing Services. Don Chapin will crush approximately 50,000 tons of recycled concrete into Class II baserock and pay a royalty payment of \$1.06 per ton to the District.

Director McCloud asked whether some of the material was available to the public for landscaping purposes and if it was, she suggested that the public be made aware of its availability. General Manager responded that it was available on an on-going basis prior to crushing.

It was moved by Director Smith, seconded, and Unanimously Carried To: Award Contract to The Don Chapin Company for Concrete Crushing, Recycling, and Marketing Services.

6) Authorize Purchase of Hybrid Vehicle from Victory Toyota, for Use by General Manager

The Board reviewed a memorandum from General Manager recommending the purchase of a Toyota Highlander Hybrid from Victory Toyota at a cost of \$38,586.75 including tax and fees.

Director Gray thanked staff for accepting the Board's recommendations and comments to research the purchase of a more environmentally friendly vehicle.

It was moved by Director Gray, seconded, and Unanimously Carried To: Authorize Purchase of Hybrid Vehicle from Victory Toyota, for Use by General Manager at a Cost of \$38,586.75.

7) Consider and Approve Policy Reimbursing Leave Balance of Employees Assisting in Hurricane Relief Effort

The Board reviewed a memorandum from Administrative Services Manager recommending that the Board approve a policy to reimburse employees up to 80 hours of leave if they wished to provide assistance in the recent hurricane relief effort. Certain outlined criteria will have to be met prior to approval of reimbursement.

Board discussion followed and staff was also directed to develop a policy related to volunteerism locally.

It was moved by Director Smith, seconded, and Approved by Chair Albert, Vice Chair McCloud and Directors Bales, Pendergrass, Gray, Smith, and Jordan; Opposed by Director Russell To:: Approve Policy Reimbursing Leave Balance of Employees Assisting in Hurricane Relief Effort.

8) Receive General Manager's Report and Approve the District's Response to the Local Agency Formation Commission's Questionnaire Regarding "Municipal Service Review" of MRWMD

The Board reviewed the District's response to the Local Agency Formation Commission's Municipal Service Review.

It was moved by Director Jordan, seconded, and Unanimously Carried To: Approve the District's Response to the Local Agency Formation Commission's Questionnaire Regarding "Municipal Service Review" of MRWMD.

9) Authorize Issuance of Request for Proposals for Classification and Compensation Study Within Service Employees International Union Bargaining Unit

The Board reviewed a memorandum from Administrative Services Manager requesting authorization to request proposals for a classification and compensation study for Service Employees International Union (SEIU) employees. The study was included in the recently approved SEIU Memorandum of Understanding.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Issuance of Request For Proposals for Classification and Compensation Study Within Service Employees International Union Bargaining Unit.

E1. Consider and Approve Addendum to Landfill Gas Power Sales Agreement with 3 Phases Energy Services to Increase Power Purchase Price From \$48 Per Megawatt Hour to \$67.50 Per Megawatt Hour

The Board reviewed an addendum to the Energy Purchase and Sales Agreement with 3 Phases Energy Services to have payments to the District for renewable power sales increase from the current \$48 per MWh to \$67.50 per MWh, beginning December 1, 2005. The agreement would terminate on December 31, 2006.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Approve Addendum to Landfill Gas Power Sales Agreement with 3 Phases Energy Services to Increase Power Purchase Price From \$48 Per Megawatt Hour to \$67.50 Per Megawatt Hour.

STAFF REPORTS

10) Financials, Recycling, and Operating Reports

The Board reviewed the financial, recycling, and operating reports for October. October was a very strong month financially, with total solid waste accepted of 35,473 tons up by 14% over October a year ago.

11) Strategic Plan Goals and Objectives Update

General Manager provided a brief update on the Strategic Plan, stating that staff is working on strategic objectives yet to be completed. General Manager suggested the next Strategic Planning Session (SPS) of the Board be held in late 2006 or early 2007 and after some discussion the Board generally concurred. Prior to the next SPS, staff will prepare a report on potential long term programs to improve District operations and diversion programs. An outside consultant may be used to assist in that effort. Vice Chair McCloud and Director Pendergrass commented that the facilitator for a SPS does not need to be an expert in the industry and that they are probably more effective if unbiased. Director Gray concurred on the value of a neutral facilitator and stated it may be good to get assistance from an outside expert prior to the next SPS. Director Bales commented that an outside expert would provide valuable assistance to staff in considering long term ideas for management of solid waste at the District. Chair Albert generally concurred with this approach and asked staff to report back to the Board on the matter in January.

12) Proposed Model Deconstruction, Demolition and Construction Material Recovery and Diversion Policy

In the District's Strategic Plan, one category is to "Increase Public Knowledge and Participation in Waste Management Programs", and Item 5 in that category is to "Encourage at least one community to adopt an ordinance that diverts construction debris". The Board reviewed a proposed Model Deconstruction, Demolition and Construction Material Recovery and Diversion Policy, which was developed through a Subcommittee of the Monterey County Integrated Waste Management Local Task Force. Heide Feldman was a member of the Subcommittee. The model ordinance will be sent by the County to member cities for modification and adoption in each city. This is an important program which the California Integrated Waste Management Board strongly encourages each city to adopt. District staff is available to provide assistance to member cities on the matter.

13) Status Report on Litter Abatement

General Manager provided an update to the Board from the District's Litter Abatement Task Force meeting held on October 17th. Second meeting is scheduled for December 19, 2005 in Supervisor Potters' office.

OTHER CORRESPONDENCE

14) Letter from Van's Mattress to General Manager RE: Excellent Customer Service

The Board reviewed a letter from Kevin Murphy of Van's Mattress Gallery expressing his appreciation to District employees for their efforts in locating a mattress dropped off by mistake.

15) Letter from General Manager to DTSC, Dated October 21, 2005, RE: Terminate Work on Disposal Variance

The Board reviewed a letter from the General Manager to the Department of Toxic Substances Control asking that they terminate work on the disposal variance as approved by the Board at their October 21, 2005 meeting.

CLOSED SESSION

The Board went into closed session at 10:45 a.m. regarding the following:

- 1) **Conference with Property Negotiators**
- 2) **Pending Litigation**
 - a. **Don Prescott v. Monterey Regional Waste Management District, et al.**
Monterey County Superior Court Case No. M75658
- 3) **Personnel Matter**
 - a. **Public Employee Performance Evaluation: General Manager**

The Board returned into open session at 11:38 a.m. Legal Counsel stated that the Board had received information with regard to the agenda items. No other action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the November 18, 2005 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to December 16, 2005 by Chair Albert at 11:38 a.m.

RECORDED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:

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