

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

9:10 a.m., Friday
May 20, 2005

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Dan Albert, Chair
Sue McCloud, Vice Chair
Gary Bales
David Pendergrass
Ken Gray
Leo Laska
Joseph Russell
Jerry Smith (seated at 9:18 a.m.)
Don Jordan

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Richard Shedden, Senior Engineer
Richard Norton, Administrative Services Manager
Don Prescott, Finance/Information Systems Manager
Richard Petitt, Assistant Site Superintendent
Harry Hunzie, MRF Manager
Jack Cook, Assistant MRF Manager
Rebecca Aguilar, Administrative Support Supervisor
Julia Partida, Administrative Support Specialist
Rodney Barber, Assistant Mechanic/Operating Engineers Shop Steward
Suzan Fine, Recycling Attendant/SEIU President

OTHERS PRESENT: Angela Brantley, City of Monterey
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 May 20, 2005, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Albert at 9:12 a.m.

CLOSED SESSION

The Board met in closed session at 9:13 a.m. regarding the following:

- 1) **Personnel Matter**
Public Employee Discipline

The Board came out of closed session at 9:33 a.m. with nothing to report.

MOMENT OF SILENCE

Chair Albert asked for a moment of silence in memory of Sam Feldman, District Public Education Coordinator Heidi Feldman's husband, who had passed away on May 10, 2005.

CONSENT AGENDA

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

- 1) **Approve Minutes of April 15, 2005 Regular Board Meeting.**
- 2) **Approve Report of Disbursements.**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION, AND ACTION

3) Continue to Operate Three Recycling Drop-Off Bins on the Monterey Peninsula

The Board reviewed a memorandum from Assistant Site Superintendent Richard Petitt regarding the drop off bins on the Monterey Peninsula. The District oversees the bins located in the cities of Monterey, Pacific Grove, and Seaside. General Manager stated that staff met with City of Seaside staff to discuss operational improvements to the recycling bin area, located at the Home Depot, which is currently costing the District \$50,000 per year. Both the District and the City of Seaside would like to keep the recycling bins at that location. In order to do that, Seaside staff has agreed to fully enclose the area surrounding the bins with fencing and locked gates, locking the gates at night and opening them in the morning, and picking up all trash outside of the enclosure. District staff will monitor and clean up inside the fence. Seaside will also request additional police surveillance and suggest that the Seaside's code enforcement agency track down abusers and provide education to them as to the proper use of the bins.

Board discussion followed with questions about diversion records on the recycling bins, as well as the location of the Seaside bin during the construction of the new Home Depot. Director Jordan responded that Seaside staff was aware of certain problems during construction, and they were working to solve those problems as well as any others that may occur.

Director Bales stated that since staff anticipated a reduction of costs with the suggested improvements to the Seaside bin, they should report back to the Board in a few months. General Manager stated that it was staff's intention to work collaboratively with the City of Seaside to monitor the operations and track costs and report back to the Board in six months.

The Board also reviewed an excerpt from the Big Sur Multi-Agency Advisory Council February 25, 2005 minutes related to re-establishing operation of the Big Sur recycling drop-off bin.

It was moved by Director Smith, seconded, and Unanimously Carried To: Continue to Operate Recycling Drop-Off Bins at Three Locations on the Monterey Peninsula and Report Back to the Board in Six Months.

4) Review Financial Reports and Adopt Preliminary Budget for Fiscal Year 2005-2006

General Manager reviewed for the Board the preparation of the budget for fiscal year 2004-2005 wherein staff presented the need for a rate increase due to the financial condition of the District. A task force was formed and concurred with District staff that a rate increase was needed to maintain District programs and reserves. The Board approved a rate increase of \$6/ton on January 1, 2006, and additional increases of \$2/ton in January of 2007 and 2008.

The Board reviewed a memorandum from Finance/Information Systems Manager Don Prescott regarding the preliminary budget for fiscal year 2005-2006. Don gave a brief summary of the preliminary budget. It was estimated that the District would end up with Net Income of \$629,000 instead of a budgeted net loss of \$421,000. The total increase in cash will be \$898,000 rather than an estimated reduction of \$1,707,000. The new budget included \$15,910,000 in revenues, operating expenses of \$14,983,000 and capital outlays of \$3,135,000. The budget did not include potential additional expenses related to employee wages and benefits, pending completion of negotiations with the employee groups.

Staff was requesting the addition of four new positions in the budget; two new laborers for the materials recovery facility, a supervisor in the Last Chance Mercantile and a heavy equipment operator at the landfill. The new positions were in response to increased state regulations, increased needs related to safety, and increased construction activity with the new landfill sliver fill which would add life to the landfill.

It was moved by Director Bales, seconded, and Unanimously Carried To: Adopt Preliminary Budget for Fiscal Year 2005-2006 With the Provision That the Final Expenses for Wages and Benefits Would be Adjusted When Employee Negotiations Were Concluded.

5) Authorize Staff to Solicit Proposals for Preparation of Annual Audit for Fiscal Years 2004-05 through 2006-07

The Board reviewed a memorandum from Finance/Information Systems Manager Don Prescott requesting authorization to solicit proposals from firms to prepare the annual audit reports over the next three years. He was also requesting to exclude Hayashi and Wayland (H&W) from the process in an effort to change auditing firms, which is a recommended practice by the Government Finance Officers Association (GFOA). This professional association of state and local government finance officers in United States and Canada recommends rotation of the auditing firm on the basis that such practice enhances auditor independence. GFOA also recommends awarding multi-year agreements since it allows for greater continuity and helps reduce audit costs by allowing auditors to recover certain start-up costs over several years rather than in a single year.

Board discussion followed regarding the need to exclude H&W from the process. Director Gray stated that in order to accomplish the goal of rotating, they would need to be excluded. Director Bales recalled that another firm had completed the audit before with less than satisfactory results and stated that this was not legally required, just good practice. Director Russell stated that there were internal audits conducted of the auditors. Don responded that although not all audits were audited internally, he was aware that one year the District's audit had been audited by an outside audit firm of the auditors. Director Pendergrass stated that he would not support a motion to exclude H&W because he did not believe it was good practice to exclude a firm that had done a good job. Director Laska commented that an auditor who was not as familiar with District procedures might examine records more closely than perhaps an auditor who was familiar.

General Manager gave a little background on the 2003-04 audit and stated that there had been some problems initially that the Board was aware of, and that this was a transition year. He stated that he was pleased with H&W performance over the years. Director McCloud requested that a letter be sent to H&W explaining that excluding them from the process was not a reflection on their performance.

It was moved by Director Laska, and seconded To: Authorize Staff to Solicit Proposals for Preparation of Annual Audit for Fiscal Years 2004-05 through 2006-07; Exclude Hayashi and Wayland from Submitting a Proposal; and to Send a Notification Letter to Hayashi & Wayland with Commendations. The Motion Failed by a 4 to 5 Vote with Vice Chair McCloud, Director Laska, Gray, and Smith in Favor; and Chair Albert, Directors Bales, Pendergrass, Russell, and Jordan Opposed.

It was moved by Chair Albert, seconded and Approved by Chair Albert, Directors Bales, Pendergrass, Russell, and Jordan; with Vice Chair McCloud, Directors Laska, Gray, and Smith Opposed To: Authorize Staff to Solicit Proposals for Preparation of Annual Audit for Fiscal Years 2004-05 through 2006-07.

6) Authorize Use of the "Adopt-A-Road Program" Disposal Coupons and Annual Expense of \$1,250 for Waived Tipping Fees

The Board reviewed a memorandum from Public Education Coordinator Heidi Feldman that summarized a meeting of the Illegal Dumping and Litter Abatement Task Force held on March 30, 2005. In order to encourage community participation, the Task Force had requested that the District and the Salinas Valley

Solid Waste Authority (SVSWA) waive the tipping fees for disposal of trash that is collected by “Adopt-a-Road Program” volunteer organizations, or any other volunteer clean-up activity that is not covered by the franchise agreements. The waiver of District disposal fees would not exceed \$1,250 during the first year of the program. Once both the District and the SVSWA Boards have approved use of the Coupons, the County Task Force would present their entire initiative program related to litter and illegal dumping to the Board of Supervisors for approval in early June.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Authorize Use of the “Adopt-A-Road Program” Disposal Coupons and Annual Expense of \$1,250 for Waived Tipping Fees.

STAFF REPORTS

7) Salinas Valley Solid Waste Authority and Santa Cruz County Updates

The Board reviewed several newspaper articles with regard to the SVSWA’s and Santa Cruz County’s (SCC) objective to secure future landfill capacity. General Manager stated that the prospect of siting a new landfill anywhere in Monterey County would be very difficult. He stated that the District has held discussions with both entities regarding their bringing waste to the District site for disposal.

Director Gray questioned whether the District site could absorb the waste of SCC and the SVSWA. Senior Engineer Rick Shedden responded that if the District were to accept their waste for 20 years, there would be approximately 90 years of site life left. General Manager responded that one reason to accept their waste was to provide each of those entities more time to find the best long term recycling and disposal solution and to develop alternative recycling technology. Director Gray requested that if the waste was accepted for a period of time, a portion of the revenue be set aside to develop additional future recycling technology.

Director Bales expressed concern since the newspaper articles left the impression that another landfill would not have to be created if the District accepted the waste from the SVSWA and SCC.

Legal Counsel suggested that once the EMCON study was available, the Board should place this item on a future agenda for discussion and in order to provide further information to SCC and the SVSWA.

8) Construction & Demolition (C&D) Model Ordinance and Seaside Diversion

The Board reviewed a memorandum from Public Education Coordinator Heidi Feldman which summarized meetings held in April with community representatives with regard to diversion of materials from the waste stream. The County Integrated Waste Management Task Force intends to work on a countywide C&D Ordinance that could then be adapted to fit the needs of each city throughout the County.

Director McCloud requested that city managers be informed of proposed ordinance at their next monthly meeting.

9) Recycling and Operating Reports

The Board reviewed the recycling and operating reports for April 2005.

OTHER CORRESPONDENCE

10) Letter/Resolution from King City Young Farmers to MRWMD Directors Re: Opposition to Salinas Valley Solid Waste Authority Landfill Expansion Plans

The Board reviewed a letter/resolution from the King City Young Farmers that was sent to the District Board of Directors in opposition to the Salinas Valley Solid Waste Authority plans to site a new landfill southeast of King City.

11) Letter from California Regional Water Quality Control Board Re: Conditional Approval of Joint Technical Document for Facility Waste Discharge Requirements

The Board reviewed a letter from the Central Coast Regional Water Quality Control Board dated May 2, 2005, outlining certain provisions of the upcoming revised Waste Discharge Requirements (WDRs) including acceptance of the lead contaminated waste from Fort Ord. District staff will report in June on the updated permit status of the final WDR's and revisions to the updated Solid Waste Facility Permit.

12) Letter From Earthbound Farms Re: Earth Day Celebration Event

The Board reviewed a letter from Earthbound Farms thanking Heidi Feldman for her participation in the Earthbound Farm Earth Day Celebration.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that staff had been working with EMCON on the out of District waste acceptance and it was hoped that a report would be available in early June.

He also reported that a KSBW television reporter had prepared a story in May related to discards from methamphetamine labs and was quite impressed with the hazardous waste identification and training that the District provides to staff.

General Manager reported that free paint from the District's household hazardous waste program would be made available to the member agencies for free for the purpose of graffiti abatement.

CLOSED SESSION

The Board went into closed session at 10:56 a.m. regarding the following:

1. Conference with Labor Negotiators:
District Negotiators: William Merry and Richard Norton

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

2. Personnel Matter
 - a. Public Employee Appointment: Assistant General Manager
 - b. Public Employee Performance Evaluation: General Manager

The Board returned into open session at 12:02 p.m. Legal Counsel stated that related to Item 1, the Board gave instructions to the negotiators. With regard to Item 2a, the Board provided input to the General Manager. The Board gave instructions to Legal Counsel with regard to Item 2b. No other action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the May 20, 2005 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to June 17, 2005 by Chair Albert at 12:03 p.m.

RECORDED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:

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