

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

9:30 a.m., Friday
July 15, 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
Don Jordan

MEMBERS ABSENT: Jerry Smith

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
Heidi Feldman, Public Education Coordinator
Richard Petitt, Assistant Site Superintendent
Harry Hunzie, MRF Manager
Gary Metzler, Safety Manager
Jack Cook, Assistant MRF Manager
Rebecca Aguilar, Administrative Support Supervisor
Suzan Fine, Recycling Attendant/SEIU President

OTHERS PRESENT: Paul Nowinski, Kasavan & Pope, LLC
Mark Arsenault, Waste Management, Inc.
Paul Michael, Waste Management, Inc.
Rebecca Gilpas, Service Employees International Union
John Vellardita, Service Employees International Union

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the July 15, 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.

PUBLIC COMMUNICATIONS

Suzan Fine, District Recycling Attendant/Service Employee International Union (SEIU) President, addressed the Board and stated that she was speaking on behalf of other SEIU-represented employees. She stated that during the previous negotiations three years ago, she had approached the Board to describe inadequate health care for SEIU employees which she believed was unfair. She expressed appreciation to the Board and to retired General Manager, David Myers, for their understanding, which had helped pave the way in past years for much needed equality in benefits between the hourly and salary employee groups at the District. She also expressed appreciation to the current negotiators, but after several negotiating meetings, there was still injustice with regard to health insurance. The District currently did not provide fully paid family coverage nor dental or vision coverage for the hourly employees. She stated that she was aware that because of different skill levels, the pay scale was different, but SEIU employees deserved to have the same type of health insurance coverage as those employees who earned a higher wage.

Rebecca Gilpas, SEIU Business Representative, addressed the Board and stated that there was concern regarding the lack of equality in employee benefits and asked the Board to consider the SEIU proposals and the position of the SEIU employees.

John Vellardita, SEIU Executive Director, addressed the Board and stated that SEIU represented over 6,000 Monterey County workers. He stated that the District negotiators had done a good job during negotiations thus far, per the instructions of the Board, and he did not believe that the bridge between meeting the needs of both the District and SEIU workers was unreachable.

Mark Arsenault, Waste Management, Inc. addressed the Board and stated that he had been reassigned to a position in Santa Clara County. He introduced Paul Michael, who would be replacing him in Monterey County. He stated that he would also be advising the member cities of this change so that there was a smooth transition. Chair Albert, along with the General Manager, thanked Mark for his dedication and cooperation in dealing with the member cities over the years.

Chair Albert thanked everyone who spoke and stated that the topic of SEIU negotiations would be discussed in closed session.

ELECTION OF OFFICERS FOR FISCAL YEAR 2005-2006

It was moved by Director Pendergrass, seconded and Unanimously Carried To: Re-elect Dan Albert as Chair and Sue McCloud as Vice Chair of the Monterey Regional Waste Management District Board for Fiscal Year 2005-2006.

CONSENT AGENDA

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

- 1) **Approve Minutes of June 17, 2005 Regular Board Meeting.**
- 2) **Approve Report of Disbursements.**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION, AND ACTION

3) Approve MOU with Operating Engineers Union (OE3) Operations Unit and Revised Personnel Policy (Item May be Continued Until After Closed Session)

The Board reviewed the memorandum of understanding with the OE3 – Operations Unit and a revised Personnel Policy. The three-year agreement would provide for an approximate three percent increase in wages and benefits.

Director McCloud asked that in the personnel policy, II, A – “Merit Step Increase”, the word “merit” should be removed so that if the Board were to ever give a “merit” increase, it could be differentiated.

It was moved by Director Jordan, seconded, and Unanimously Carried To: Approve MOU with Operating Engineers Union (OE3) Operations Unit and Approve Revised Personnel Policy, with the Removal of the Word “Merit”.

4) Approve MOU with Operating Engineers Union (OE3) Support Personnel Unit, and Revised Personnel Policy (Item May be Continued Until After Closed Session)

The Board reviewed the memorandum of understanding with the OE3 – Support Personnel Unit and a revised Personnel Policy. The three-year agreement would provide for an approximate three percent increase in wages and benefits.

Administrative Services Manager stated that due to the increased cost of education at the junior college and university levels, the District negotiators were recommending that the educational reimbursement be increased from the proposed \$1,500 to \$2,000.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Approve MOU with Operating Engineers Union (OE3) Support Personnel Unit, with the Increase to the Educational Reimbursement from \$1,500 to \$2,000, and Approve Revised Personnel Policy with the Removal of the Word “Merit”.

5) Approve MOU with Management Employees and Revised Personnel Policy (Item May Be Continued Until After Closed Session)

The Board reviewed the memorandum of understanding with the Management Unit and a revised Personnel Policy. The three-year agreement would provide for an approximate three percent increase in wages and benefits.

Don Prescott, Finance/Information Systems Manager addressed the Board regarding elimination of the health insurance “in-lieu” benefit for employees with single coverage and provided the Board with a letter detailing his concern with what he believed was unfair in that matter.

It was moved by Chair Albert, seconded, and Unanimously Carried To: Defer this Item to Closed Session.

6) Approve Adjustment of Compensation for Unrepresented Employee, Administrative Services Manager (Item May Be Continued Until After Closed Session)

The Board reviewed a memorandum from the General Manager recommending that they approve an adjustment of compensation for Administrative Services Manager Rich Norton who had withdrawn from the management employees unit in order to more effectively assist with negotiations with the employee groups. The adjustment to wages and benefits would be the same as that provided for the management unit.

It was moved by Director Smith, seconded, and Unanimously Carried To: Approve Adjustment of Compensation for Unrepresented Employee, Administrative Services Manager.

7) Authorize Selection of the Accountancy Firm of Kasavan & Pope, LLP, of Salinas, for Three Year Term

The Board reviewed a memorandum from Finance/Information Systems Manager recommending the selection of Kasavan & Pope (K&P), LLP, of Salinas, CA for a three-year term, to prepare the annual audit for the District and the Authority (JPA). K&P has prepared annual audits for other local public agencies. The Board also reviewed the Request for Proposals issued by the District in late May and the proposal submitted by K&P.

Director McCloud questioned whether K&P’s references had been checked with regard to their knowledge of GASB 34 and whether the District had completed their assessment of District assets. Information/Finance Systems Manager replied that K&P came highly recommended by local special districts and that the District would complete its audit of District assets within the next couple of months.

Board discussion followed regarding the proposed cost to perform the audit particularly with the absorption of 40-50 hours of start up time in order for K&P to gain a thorough understanding of the District’s systems and procedures. Legal Counsel stated that this practice was common and any one of the auditing firms could have included that clause in their proposal.

Paul Nowinski, K&P, introduced himself and stated that K&P performed audits for other Monterey County special districts and he looked forward to establishing a good relationship with the District.

It was moved by Director Gray, seconded, and Unanimously Carried To: Authorize Selection of the Accountancy Firm of Kasavan & Pope, LLP, of Salinas, for Three Year Term to Perform Annual Audit of the District and the JPA.

8) Authorize Accountancy Firm of Kasavan & Pope, LLP, of Salinas, to Perform Annual Audit of District and JPA Financial Statements for Fiscal Years Ending June 30, 2005, 2006, and 2007

General Manager stated that although the agreement for K&P to perform the annual audit of the District and JPA financial statements was for three years, there was a termination clause in the agreement which could be used at any time within the three year period.

It was moved by Director Jordan, seconded, and Unanimously Carried To: Authorize Accountancy Firm of Kasavan & Pope, LLP, of Salinas, to Perform Annual Audit of District and JPA Financial Statements for Fiscal Years Ending June 30, 2005, 2006, and 2007.

9) Authorize Purchase of Caterpillar 938G Wheel Loader from Quinn Company of Salinas, CA

The Board reviewed a memorandum from Assistant MRF Manager Jack Cook recommending purchase of a new Caterpillar 938G wheel loader from Quinn Company of Salinas, for a total price of \$188,325.94. The new loader will be used in the MRF on the tipping floor replacing an existing worn out loader.

Director Laska inquired whether the old wheel loader had been offered as a trade-in since his feeling was that most of the time, when new equipment is bought; the old equipment sits around for a long time. Jack Cook, Assistant MRF Manager, stated that it was the District's intention to sell the old loader outright, since there really was no trade-in value for new dealers, and a better offer could be had if the District sold it directly. Director McCloud questioned if the money that was received on the sale would go into the District's general fund and the response was that it would.

MRF Manager, Harry Hunzie stated that this loader had originally been included in last year's budget, but a lot of time had gone into the research to ensure that this was the best loader for the District and he expressed that Jack and the MRF supervisors had done a good job researching purchase of the best equipment at the best price.

It was moved by Director Bales, seconded, and Unanimously Carried To: Authorize Purchase of Caterpillar 938G Wheel Loader from Quinn Company of Salinas, CA for the Total Purchase Price of \$188,325.94.

STAFF REPORTS**10) Operating and Recycling Reports**

The Board reviewed the operating and recycling reports for June 2005. The financial reports for the period ending June 30, 2005 were not available and will be presented to the Board at the August meeting.

11) Update on U.S. Department of Agriculture Request to Reduce Crow/Raven Populations

General Manager reported that the U.S. Department of Agriculture had not been willing to sign an agreement with the provision recommended by Legal Counsel to hold the District harmless for any action arising from allowing them to enter the site to reduce the population of crows and ravens that were endangering the existence of the Snowy Plover. They have gained access to other nearby properties to carry out their goals.

12) Update on the Landfill Gas to Energy Project

General Manager reported that staff was working out details with the Monterey Bay Air Pollution Control District as well as PG&E to upgrade the Caterpillar engine/generator. Staff intends to bring the item before the Board at their August meeting. He stated that PG&E had approached the District about buying all of the District's excess power, but apparently at a lower price than the District was receiving from them now. Staff will be considering this matter and its potential implications and report to the Board in the future.

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

General Manager reported that the Salinas Valley Solid Waste Authority (SVSWA) efforts at siting a new landfill in South Monterey County continue. The Board reviewed a letter expressing opposition to the siting, this one from the California Cattleman's Association. He reported that he had made a brief presentation at a meeting of the Salinas Valley Chamber of Commerce where the main topic of the meeting was to hear presentations related to the proposed landfill siting by the SVSWA. Steve Johnson of the SVSWA had also made a presentation. The Board also reviewed a one page handout prepared by the Committee to Save Long Valley.

General Manager reported that staff had met with the Ad Hoc Finance Committee on July 6th to discuss issues related to acceptance of outside waste. Staff plans to bring this matter before the Board at their August meeting.

14) Report on County Illegal Dumping and Litter Abatement Task Force Meeting

The Board reviewed the minutes from the Monterey County Illegal Dumping and Litter Abatement Task Force Meeting of June 1st in which it was reported that the disposal coupons had been approved by the District and the Salinas Valley Solid Waste Authority (SVSWA) Boards in the amount of \$1,250. The proposed initiatives were presented to the Board of Supervisors at their June 28th meeting at which General Manager spoke in support of the concerted community wide effort to combat the litter problem.

15) Department of Conservation Grant Application Process

The Board reviewed a memorandum from Public Education Coordinator Heidi Feldman summarizing her recent efforts to assist District member cities in applying for state grant money to be used in community outreach efforts towards recycling.

16) Status of Request to Department of Toxic Substances Control for Disposal Variance

General Manager reported that the District learned that the disposal variance would be considered within 60 days according to the Department of Toxic Substances Control (DTSC) staff. Apparently the letters authorized by the Board and sent last month has prompted DTSC staff to move more expeditiously in their review process.

17) Report on July 19, 2005 Meeting of the Special Districts Association of Monterey County

Enclosed are the Agenda for the July 19th regular meeting of the Special Districts Association of Monterey County, along with the Draft Minutes of the April 19th meeting. I will plan to attend the meeting, along with the District's representative, Director Jordan.

18) SWANA Legislative Task Force Update

General Manager reported on the SWANA Legislative Task Force. The Board reviewed a draft letter from the Task Force which was sent to the Senate President and the Senate Environmental Quality Committee opposing SB 928. This proposed state legislation would increase the statewide diversion (recycling) rate from 50% to some higher level, perhaps 70%. General Manager encouraged Boardmembers to express their concerns within their jurisdictions since higher recycling rates would cost their constituents more.

General Manager reported that California Integrated Waste Board (CIWMB) Member Rosalie Mule would be touring the District operations on July 28, 2005.

OTHER CORRESPONDENCE

19) Letters Thanking District Public Education Program

The Board reviewed a thank you letter from Bonfante Gardens to Public Education Assistant Cheryl Hall, and a thank you email from Pacific Grove Kiwanis to Public Education Coordinator Heidi Feldman.

GENERAL MANAGER COMMUNICATIONS

General Manager introduced new Assistant General Manager, Tim Flanagan. General Manager stated that Tim had worked in the waste industry for over 20 years, both in the private and public sector.

Assistant General Manager addressed the Board and thanked the Board for their confidence in allowing the General Manager to select him. His brief experience thus far, during the interview process and his first week on the job, had allowed him the insight of knowing the District was very reputable. He stated that staff was very dedicated and loyal in his observation and he would work on maintaining the fine reputation the District had established. His first day on the job was July 11th.

Chair Albert welcomed Tim on behalf of the Board and thanked him for accepting the District's offer to join the District.

CLOSED SESSION

The Board went into closed session at 10:23 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 Administrative Services Manager

2. Personnel Matter

a. Public Employee Performance Evaluation: General Manager

3. Conference With Property Negotiators

Property: Landfill Site Space/Capacity
District Negotiators: William Merry
Negotiating Parties: Santa Clara County, Santa Cruz County, Salinas Valley Solid Waste Authority
Terms: All Terms and Conditions

The Board returned into open session at 11:12 a.m. Legal Counsel stated that related to Item 1, the Board had received information and instructions were given to the negotiators. The Board voted unanimously on Agenda Item 5) *Approve MOU with Management Employees and Approve Revised Personnel Policy with the Removal of the Word "Merit"*. There was no discussion with regard to Item 2 or Item 3 and no other action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the July 15, 2005 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to August 19, 2005 by Chair Albert at 11:13 a.m.

RECORDED BY:

AUTHENTICATED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

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