

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

9:35 a.m., Friday
August 19, 2005

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Dan Albert, Chair
Gary Bales
David Pendergrass
Ken Gray
Leo Laska
Joseph Russell
Don Jordan

MEMBERS ABSENT: Sue McCloud, Vice Chair
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
Cheryl Hall, Public Education Assistant
Richard Petitt, Assistant Site Superintendent
Harry Hunzie, MRF Manager
Gary Metzler, Safety Manager
Jack Cook, Assistant MRF Manager
Rebecca Aguilar, Administrative Support Supervisor
Dave Hall, Equipment Shop Supervisor/OE3 Shop Steward
Suzan Fine, Recycling Attendant/SEIU President

OTHERS PRESENT: Hugo J. Ferlito, Big Sur International Marathon
Angela Brantley, City of Monterey
Ginger Buller, City of Monterey
Bjorn Lundegard, City of Seaside
Karen Schkolnick, County of Monterey
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 August 19, 2005, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Albert at 9:35 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 the major issue that was keeping the negotiations from concluding was that of health insurance. She expressed concern about having a \$250 per calendar year deductible and asked that the Board reconsider the health insurance issue during their closed session.

Nancy Novoa, Sales Clerk, and Leonardo Martinez, Sr., Laborer II, and SEIU members, also addressed the Board to express their concerns related to health insurance as a major topic in negotiations between SEIU and the District.

John Vellardita, SEIU Executive Director, addressed the Board and stated that SEIU members felt very strongly about the health insurance issue. He stated that there were great differences between other union represented employees and SEIU employees and asked the Board to revisit this issue in order to come to an agreement.

Hugo Ferlito, Chair of the Big Sur International Marathon, addressed the Board and spoke on the topic of litter and in that regard, of the deplorable condition of roads and highways on the Peninsula. He shared recent photos with the Board taken along Highway 1, and stated that he traveled to other places and had never seen as much litter as on the Monterey Peninsula. Mr. Ferlito stated that the litter was no longer tolerable. He stated that the collaborators of Big Sur Marathon have taken the responsibility of cleaning the area between Big Sur and Carmel and that annually they collected about 200 bags of litter. CalTrans does not have the funding to effectively pick up litter and he urged the Board to consider some assistance and/or pressure to CalTrans and other agencies to address this problem. Chair Albert requested this issue be placed on the September Board meeting agenda.

CONSENT AGENDA

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

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

ITEMS FOR BOARD CONSIDERATION, DISCUSSION, AND ACTION

3) Adopt Resolution 2005-14 Approving Final Budget for Fiscal Year 2005-2006

The Board reviewed the final budget for fiscal year 2005-2006.

Director Pendergrass questioned how the budget could be finalized if negotiations were not complete. General Manager responded that costs associated with the on-going SEIU negotiations were included in the final budget

and if any changes to the final budget occurred due to final negotiations with SEIU, they would be included at the mid year budget review/revisions.

It was moved by Director Bales, seconded, and Unanimously Carried To: Adopt Resolution 2005-14 Approving Final Budget for Fiscal Year 2005-06.

4) Adopt Resolution 2005-15 Establishing District Investment Policy and Guidelines for Fiscal Year 2005-2006

The Board reviewed a memorandum from Finance/Information Systems Manager stating that although such a policy was no longer required to be authorized by the Board, he recommended adoption through resolution.

It was moved by Director Russell, seconded, and Unanimously Carried To: Adopt Resolution 2005-15 Establishing District Investment Policy and Guidelines for Fiscal Year 2005-2006.

5) Authorize Reclassification of Administrative Support Position

The Board reviewed a memorandum from Administrative Services Manager regarding the reclassification of the part time Administrative Support Assistant to a full-time Administrative Support Specialist. Staff had concluded that establishing the position as full time would enable retention of employees in this position.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Authorize Reclassification of Administrative Support Position.

6) Authorize Purchase of District Vehicles for Use by General Manager and Assistant General Manager

The Board reviewed a memorandum from Assistant General Manager regarding the purchase of two new Ford Expeditions for the total price of \$73,987.82. The vehicles would be used by the General Manager and the Assistant General Manager.

Discussion ensued regarding the use of the vehicles on-site versus off-site, and fuel efficiency of these vehicles. After some discussion, the Board directed staff to reconsider their recommendation, review the alternatives such as purchasing from the State Vehicle Pool, and using pool vehicles for on-site use.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Direct Staff to Reconsider Staff Recommendation and Report Back to the Board at the September Board Meeting.

7) Provide Direction to Staff Regarding Landfill Gas to Energy Project:

- a. Approve Project Budget and Authorize Modifications to Landfill Gas to Energy Project, and
- b. Adopt Resolution 2005-16 Authorizing Purchase of New Caterpillar G3520C Engine/Generator from Quinn Company Without Competitive Bidding.
- c. Ratify Agreement with TMAD Taylor & Gaines.

The Board reviewed a memorandum from Finance/Information Systems Manager Don Prescott, related to the landfill gas project (LFG). General Manager stated that staff was requesting that the Board approve the project budget and authorize modifications to the LFG project, authorize the purchase without competitive bidding of a new Caterpillar G3520C engine/generator from Quinn Company at a purchase price of \$803,225

plus tax, and to ratify an agreement with TMAD Taylor Gaines to provide professional electrical engineering services for the LFG project in an amount not to exceed \$22,320.

Director Gray inquired why staff was not recommending a Jenbacher unit since they have performed very well. General Manager replied that both the Caterpillar and Jenbacher units under consideration had been carefully considered by staff. Finance/Information Systems Manager stated that the larger Caterpillar unit offered more output efficiency and had a more favorable rate of return on investment. Additionally, with General Electric taking control of service and distribution for Jenbacher engines several years ago, service and parts availability had deteriorated somewhat locally. General Manager commented that staff believed having two different engines on site would be good from the stand point of competition.

Director Bales inquired whether the District had a potential buyer for the additional capacity generated with the higher output engine/generator and whether the Monterey Bay Unified Air Pollution Control District (MBUAPCD) would permit the additional capacity. Finance/Information Systems Manager responded that PG&E had expressed interest in buying the additional power, as well as another buyer who had offered slightly more than the District is currently receiving. He stated that staff has ensured that the engine meets the Best Available Control Technology (BACT) standards required by the MBUAPCD and staff feels comfortable in getting the required permits.

Director Gray asked about the purchase of the Caterpillar without competitive bidding. General Manager responded other Caterpillar dealers could not bid against each other. Legal Counsel stated competitive bidding for this purchase was not required since it was not a construction project, although it was a practice of the District to validate the purchase by adopting a resolution when it was a sole source purchase.

It was moved by Director Bales, seconded, and Unanimously Carried To: Provide Direction to Staff Regarding Landfill Gas to Energy Project; (a) Approve Project Budget and Authorize Modifications to Landfill Gas to Energy Project; (b) Adopt Resolution 2005-16 Authorizing Purchase of New Caterpillar G3520C Engine/Generator from Quinn Company Without Competitive Bidding; and (c) Ratify Agreement with TMAD Taylor & Gaines.

- 8) Consider Acceptance of Regional (Out-of-District) Waste for Landfill Disposal:**
- a. Consider and Provide Direction on Draft Guiding Principals for Acceptance of Regional Waste at the Monterey Peninsula Landfill, and**
 - b. Set Public Hearing For September 16, 2005 to Consider Adopting Guiding Principles for Acceptance of Regional Waste and Adopt a Disposal Fee For Acceptance of Regional Waste.**

The Board reviewed a memorandum from the Assistant General Manager regarding the acceptance of regional (out-of-District) waste. General Manager stated that staff had been directed to review the potential for acceptance of regionally generated waste once the modification to the Solid Waste Facilities Permit (SWFP) for the District was approved by the California Integrated Waste Management Board and the County. Since the modification of the SWFP was in the final stage of completion, it was appropriate for the Board to review and consider the draft guiding principles prepared by staff for acceptance of regional waste. He stated that staff was requesting that the Board set a public hearing for the September 16th Board meeting in order to consider adopting the final guiding principles and to consider adoption of a disposal fee for acceptance of regional waste.

Rich Haughey from EMCON/OWT addressed the Board and gave a presentation on their evaluation of the District's landfill capacity and landfill tipping fees. He stated that the District currently had a remaining capacity of over 74 million cubic yards (40,000,000 tons) which would provide over 100 years of service life. Future waste management practices would likely reduce the need for long-term disposal capacity requirements and therefore the District could make a portion of the landfill capacity available without compromising the needs of the District member agencies. Mr. Haughey stated that the Board had previously agreed that the waste acceptance criteria for any outside waste would be for a short term and it would already be processed to recover recyclable materials prior to being brought to the District landfill, and that the District would initially maintain 75 years of capacity. He concluded that the District was in a good position to offer excess disposal capacity for regionally generated waste, that the District could accept 320,000 tons per years for 35 years and only reduce the service life by approximately 11 years, and that accepting regionally generated waste would increase the overall costs, but the cost per ton would decrease which was an advantage to the District.

Director Gray requested that if and when this acceptance of regional waste was approved, there be a stipulation in an agreement that additional garbage trucks would not use City of Marina streets and that the additional revenue be allocated to a special fund to maintain the District's cutting edge on recycling programs.

Board discussion followed regarding the use of city streets and the allocation of additional funds that would be generated with the acceptance of this regional waste. Legal Counsel stated that a provision dictating routes could be included in an agreement.

Extensive Board discussion was held regarding accepting regional waste, with some members expressing concern over solving other entities' lack of forethought, District potential liability exposure and precedence. Members also expressed the advantages of accepting the waste.

It was moved by Director Jordan, seconded, and Unanimously Carried To: Set Public Hearing for September 16, 2005 to Consider Adopting Guiding Principles for Acceptance of Regional (Out-of-District) Waste and Adopt a Disposal Fee for Acceptance of Regional Waste.

STAFF REPORTS

9) Financials, Recycling, and Operating Reports

The Board reviewed the financial statement for June. The District had a very good month financially. The Board also reviewed the recycling and operating reports for July. Total solid waste accepted into the site was 34,395 tons, nearly 10% ahead of July last year. Nearly all of that increase was from the Marina Heights project in former Fort Ord.

General Manager commented on a memorandum from Public Education Coordinator Heidi Feldman related to the recent aborted attempt by an out-of-area private firm to collect e-waste at the Monterey Fairgrounds. He encouraged Boardmembers to have their city staff members contact District staff to assist in coordination of such events in the future in an effort to work together to minimize problems of this nature.

10) Report on County Illegal Dumping and Litter Abatement Task Force Meeting of June 1

General Manager reported on the County Illegal Dumping and Litter Abatement Task Force Meeting of June 1, 2005. The Board reviewed articles in local newspapers regarding the litter issue. There is a County-wide initiative on litter abatement and illegal dumping.

The Board also reviewed an article wherein the City of Oakland has taken the unusual step of suing Cal-Trans for non-compliance in a public nuisance lawsuit related to littering along State roadways and lack of clean-up. Chair Albert requested that staff report on litter at the September Board meeting.

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

General Manager stated that staff had received word from the Department of Toxic Substances Control (DTSC) that the request for the disposal variance was working its way through the DTSC process. Once DTSC approved the request, the next step would be for Regional Water Quality Control Board to grant permission to allow waste acceptance. The Board reviewed an August 8, 2005 letter from DTSC stating that as soon as their staff reviewed the application they would prepare it for the required 30-day public notice.

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

General Manager reported that he and Director Jordan had attended a meeting on July 19, 2005 of the Special Districts Association of Monterey County. LAFCO has sent out a Request for Information for Municipal Service Review to local Special Districts. The District has received the detailed Request Form and will be working to complete it.

13) SWANA Legislative Task Force Update (LTF)

General Manager reported on a teleconference call of the LTF on August 11, 2005. The most significant piece of legislation affecting the waste management industry in the state is SB 928 (Perata & Lowenthal). The LTF has taken an "oppose" position on the bill that proposes to raise the state diversion mandates from 50% to perhaps 70%.

OTHER CORRESPONDENCE

14) Letters from and to CIWMB Member Rosalie Mule RE: Site Tour

The Board reviewed a letter from California Integrated Waste Management Boardmember, Rosalie Mule, thanking staff for her site tour on July 28th. Ms. Mule was extremely impressed with the range of programs and waste reduction processes in place at the District, and stated that the District lived up to its reputation in the solid waste community. The Board also reviewed letters from staff to Ms. Mule thanking her for touring the site.

15) Letter from MRWPCA RE: Thank You to Curtis Marshall for Tour

The Board reviewed a letter from Karen Harris of the MRWPCA thanking Maintenance Supervisor Curtis Marshall for his knowledge, enthusiasm, and pride in the District operations during a recent tour.

CLOSED SESSION

The Board went into closed session at 11:35 a.m. regarding the following:

1. Conference with Labor Negotiators:

District Negotiators: William Merry and Richard Norton
Employee Organizations: Service Employees International Union

2. Personnel Matter

- a. Public Employee Performance Evaluation: General Manager

3. Conference With Property Negotiators

Property: Landfill Site Space/Capacity
District Negotiators: William Merry and Tim Flanagan
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 12:00 p.m. Legal Counsel stated that during closed session, the Board reviewed all of the items listed on the agenda, received more information, and gave instructions to the negotiators. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, the August 19, 2005 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to September 16, 2005 by Chair Albert at 12:01 p.m.

RECORDED BY:

AUTHENTICATED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

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