

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

9:30 a.m., Friday
April 21, 2006

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
Charles Rees, Accounting Manager
Richard Petitt, Assistant Site Superintendent
Gary Metzler, Safety Manager
Harry Hunzie, MRF Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Rebecca Aguilar, Administrative Support Supervisor
Julia Partida, Administrative Support Specialist II
Cheryl Hall, Public Education Assistant
Clyde Walkup, MRF Supervisor/OE3 Operations Shop Steward
Suzan Fine, Recycling Attendant/SEIU President
Gracie Arreola, Site Support Assistant, OE3 Support Shop Steward

OTHERS PRESENT: Reed Russell, CalTrans
Libby Downey, City of Monterey
Bjorn Lundegard, City of Seaside
Debbie Hale, Transportation Agency of Monterey County
Bill Reichmuth, Transportation Agency of Monterey County
Jack Conner, Waste Management, Inc.
Olivia Nunez, Waste Management, Inc.
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the April 21, 2006, 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

Libby Downey, City of Monterey Councilmember, addressed the Board and expressed concern over the lack of sufficient locations on the Peninsula for proper disposal of fluorescent light bulbs by residents who did not want to drive to the District household hazardous waste facility, and urged the Board to consider a solution.

PRESENTATION OF FIFTEEN YEAR SERVICE AWARD TO DAN ALBERT

Vice Chair McCloud presented Chair Albert with a fifteen year service award and congratulated him on behalf of the Board and staff.

Chair Albert reminisced with Boardmembers how the District facilities had changed over the years. He expressed that he has recognized throughout the years that, although all the Boardmembers represented different jurisdictions, whatever was good for the District was good for all member agencies.

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 12A to: *Consider And Approve Amendment to Power Purchase Agreement with PG&E for Sale of Electricity from Landfill Gas to Energy Project.*

CONSENT AGENDA

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

- 1) **Approve Minutes of March 17, 2006 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Ratify Purchase of Used John Deere Tractor and Tow-Behind Scraper**
- 4) **Authorize Contract with Vector Engineering Inc, for Sliver Fill Final Cover Construction Quality Assurance (CQA) Services**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION, AND ACTION**5) Update Regarding Acceptance of Regional Waste for Disposal**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan. General Manager reported that staff had delivered a draft agreement to Santa Cruz County staff for their review and comment and a meeting was scheduled for late April. Assistant General Manager commented that no determination or action had been taken by the SVSWA Board to date.

No Action Taken.

6) Consider Approval of Proposed Peninsula Litter Abatement and Clean-Up Program

The Board reviewed a memorandum from General Manager that included discussion points covered in the past months with regard to a proposed litter abatement and cleanup program. Staff was now recommending the approval of an education and public outreach program on litter; approval of an operation program for litter abatement and cleanup, including the adoption of an additional two-mile section of Highway 1; approval of CalTrans' request to waive tipping fees for disposal of collected bags of litter from Peninsula highways; authorization to solicit proposals to have a contractor pick up litter from the District's three adopted sections of Highway 1; and approval of enforcement program to include the reaffirmation of District policy regarding enforcement standards for tarping of loads.

General Manager stated that staff would be sending out notices with regard to the tarping policy to commercial accounts as well as issuing notices to customers at the scales. He stated that after two months, staff would begin levying surcharges for loads not properly tarped. He passed around a presentation by the Coastal Commission, which outlined that litter ended up in the waterways and the ocean, especially cigarette butts and plastic.

Board discussion followed regarding the recent improvements on the highway with regard to litter. Director Bales complimented staff for taking the lead, and all who participated in bringing a solution to the litter issue. He stated that he has been reassured by General Manager that the litter would be picked up. Vice Chair McCloud recommended that a press release be issued recognizing all entities involved in bringing a solution to this issue.

General Manager introduced Lewis Leader, District media outreach consultant, to the Board. Mr. Leader addressed the Board and gave a brief background on his experience. At the request of Vice Chair McCloud, Waste Management, Inc. District Manager Jack Conner, and Waste Management, Inc. Community & Municipal Relations Representative Olivia Nunez, introduced themselves to the Board.

Director Russell questioned General Manager on the costs of picking up litter with the assistance of a contractor. Director Gray questioned what District crews would do if a contractor was hired to pick up the litter. General Manager stated that at the Monterey County Business Council meeting, AT&T had agreed to fund a litter hotline for one year. District crews would be available to pick up litter reported through the hotline within a day or two. Director Bales suggested that a letter be sent to the cities advising of District efforts with regard to improperly tarped loads and asking the cities for their assistance.

Libby Downey addressed the Board to thank staff for their efforts. She was grateful and pleased with the District's plan especially since there was a funding issue initially in getting the litter picked up, and ideas were now forthcoming to include financial assistance. She reminded everyone that the upcoming Saturday was Earth Day. Vice Chair McCloud requested that the press release be timed with Earth Day if possible.

General Manager thanked District staff for their cooperative spirit in seeking a resolution to this issue. He thanked Cheryl Hall for coordinating material and also thanked Bill Reichmuth of the Transportation Agency of Monterey County, and Reed Russell and Steve Price from CalTrans, for their efforts.

It was moved by Director Russell, seconded, and Unanimously Carried To: (a) Approve Proposed Education and Public Outreach Program on Litter; (b) Approve Operation Program for Litter Abatement and Cleanup, Including (1) Adoption of Two-Mile Section of Highway 1 Northbound for Litter Control by the District, (2) Approve CalTrans Request to Waive Tipping Fees for Disposal of Collected Bags of Litter from Peninsula Highways; (3) Authorization to have Staff Solicit Proposals to Have a Contractor Pick up the District's Adopted Sections of Highway 1; and (c) Approve Enforcement Program, Including: (1) Reaffirmation of District Policy Regarding Enforcement of Standards for Tarping of Load, with a Letter Sent to Member Agencies Outlining Litter Initiatives including Tarping Policy.

7) Update Regarding Universal Waste Management

The Board reviewed a memorandum from LCM/HHW Manager Glen Evett regarding universal waste. General Manager stated that staff was scheduling a meeting with the County Health Department and the SVSWA to discuss the matter of universal waste management in the County, with the goal of having a safe, coordinated, reasonable, and cost effective management plan throughout the County.

Staff was recommending a cautious approach when considering setting up a collection program for household batteries or other universal wastes within the cities until more information is received from the Department of Toxic Substances Control.

Director Bales stated that the State has mandated that universal waste is hazardous, but has provided no funds for its proper handling. LCM/HHW Manager stated he anticipated that it would take a couple of years to establish a take-back program as it had with cathode ray tubes found in computer monitors and television sets.

Director Laska questioned whether it would be difficult to modify franchise agreements to include pick up of household batteries as is done in Santa Cruz County. Mr. Conner stated that Waste Management, Inc. is looking into their ability to pick up household batteries curbside and at what cost. Director Russell commented on the burden of bringing in e-waste and asked whether any change was anticipated with regard to special drop off of those items. LCM/HHW Manager responded that the District no longer charged for their disposal and that a rebate program would become effective locally July 1, 2006 thereby taking care of the cost, but not the inconvenience of having to bring them to the District's HHW facility for disposal.

Director Gray inquired where the batteries were ultimately disposed. LCM/HHW Manager responded that the batteries were shipped to Hayward, CA to have the electrolyte removed and then recycled as metal.

8) Authorize General Manager to Send Letter of Clarification to Member Agencies RE: Waste Flow Provisions Under the JPA Agreement

The Board reviewed a memorandum from Assistant General Manager. General Manager stated that staff had become aware that a portion of the City of Marina University Villages demolition project had been taken out of the District's wastestream, as reported in the FORA staff report dated April 9th. He stated that staff is requesting to send a letter to member agencies reminding them of the need to utilize the District's waste management and recycling facilities whenever possible. The District was in the process of planning for enhanced diversion and recycling programs on behalf of the District member agencies. As such it is important that as much of the District wastestream as possible be delivered to District facilities to support the operations.

Vice Chair McCloud asked how much revenue had been lost as a result. General Manager stated that staff did not have the information needed from the developers in order to determine how much revenue had been lost, but would provide it to the Board as soon as it is available. Director Gray stated that he had been assured that those reports would be forthcoming from the City of Marina.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize General Manager to Send Letter of Clarification to Member Agencies Regarding Waste Flow Provisions of JPA Agreement; with Annual Reminder Letters.

9) Accept Staff Report on the Status of County-wide Model Construction and Demolition (C&D) Ordinance and Authorize: a) Review of Impact of a Comprehensive C&D Ordinance on District Recycling Operations with Recommendations on Systems Upgrades; b) Retaining Consultant to Assist in This Effort For a Not-to-Exceed Amount of \$10,000

The Board reviewed a memorandum from Assistant General Manager regarding the proposed Construction and Demolition (C&D) model ordinance. General Manager reported that this was also a good time for the District to consider modifications to District recycling programs and the opportunity to enhance on-site diversion since the ordinance could have an impact on District operations.

Assistant General Manager reported that the draft model C&D ordinance had been discussed at a meeting for contractors, building officials and staff, and other affected parties. At the meeting, several contractors and building officials throughout the County expressed deep concerns as to the viability of the ordinance, its need, and its ability to be implemented. A working group has been formed to work on specific language suggestions and ideas in order to make a more viable ordinance. District staff will continue to be a part of the process and report back to the Board.

General Manager stated that staff is also requesting to hire a consultant to look at District facilities to ensure that the District will be properly equipped to handle increasing tonnages of C&D waste. Staff is recommending hiring Mike Ellinger who has been involved in the design, construction and operation of MRF equipment and has extensive knowledge and experience of District operations and MRF operations nationally and nationwide.

Board discussion followed regarding a timeline for ordinance completion. Assistant General Manager stated that there would be more information available as soon as the working group met, but that he anticipated that it could take a couple of months. Director Jordan commented that the City of Seaside was in the process of creating a "one stop" permitting process and could not wait for the County to complete the draft ordinance due to their need to increase their diversion numbers. General Manager responded that this information was useful and thanked others who are waiting for the County draft model ordinance. He stated that staff would endeavor to bring back more information at the May Board meeting. Board discussion continued regarding the acceptance of construction waste and lead based painted material.

It was moved by Director Russell, seconded, and Unanimously Carried To: Authorize: a) Review of Impact of a Comprehensive Construction & Demolition (C&D) Ordinance on District Recycling Operations with Recommendations on Systems Upgrades; b) Retaining Consultant to Assist in This Effort For a Not-to-Exceed Amount of \$10,000.

10) Accept Staff Report on 2004 CIWMB Annual Reports for Recycling and Diversion Efforts

The Board reviewed a memorandum from Finance/Information Systems Manager Don Prescott regarding the 2004 CIWMB Annual Reports. General Manager stated that Boardmembers had also received summary

information related to their own cities 2004 CIWMB Annual Report. The Board also reviewed the first quarter AB939 Recycling Rate report for 2006.

No Action Taken.

11) Receive Staff Report and Provide Direction on SWANA Legislative Task Force Position on Proposed State Legislation and Regulations

The Board reviewed a Legislative and Regulatory update from SWANA's Legislative Task Force (LTF) related to illegal dumping, battery, plastic bag recycling, and e-waste. General Manager reported that SB928 (Perata) could increase the recycling diversion rate above the current 50%, to which the LTF has taken the position of opposing it. Director Russell inquired why the LTF would oppose a bill that would increase waste diversion. General Manager responded that the reason the LTF has taken an opposition is that roughly half of the communities have not achieved 50% and there is significant concern about financing programs to achieve increased diversion.

General Manager stated there is concern that the California Energy Commission is proposing a landfill tipping fee surcharge to be used to encourage greater diversion of biomass resources for use in biomass conversion projects as part of their Draft Bio Energy Action Plan for California, March 2006. Staff will keep the Board advised.

No Action Taken.

12) Accept March 30, 2006 Safety Committee Meeting Minutes

The Board reviewed the March 30, 2006 safety committee minutes. The Board also reviewed a memorandum from Administrative Services Manager Rich Norton reporting there would be a reduction in workers compensation premiums, from 119% to 103% with an approximate savings of \$55,000 per year. This experience reflected in part, recent District efforts to put safety first during day-to-day operations.

No Action Taken.

Emergency Item:

12A) Consider And Approve Amendment to Power Purchase Agreement with PG&E for Sale of Electricity from Landfill Gas to Energy Project

The Board reviewed a memorandum from Finance/Information Systems Manager regarding an amendment to the power purchase agreement with PG&E for the sale of electricity from the landfill gas to energy project. General Manager reported that this item had come up two days prior and the District had until April 28, 2006 to accept the amendment. He stated the District was in the 23rd year of a 30-year agreement and the Amendment would set the price for the District's delivered electricity at \$64.50/MWh for 5 years with a 1% annual escalation. The District currently holds a 5-year amendment at a price of \$53.70/MWh as part of the settlement from PG&E following their bankruptcy; which expires in August.

PG&E and major renewable power producers have been in discussion before the California Public Utilities Commission (CPUC) on the terms of the formula for SRAC in the new market based energy markets. The CPUC will be reaching their final decision this summer, but members of the Independent Energy Producers Association (IEP) and PG&E have come to terms on a new 5-year agreement for power sales. On April 18,

2006, the CPUC approved this agreement and PG&E made it available for other renewable energy producers like the District. Energy producers who do not sign the agreement by the deadline will be obligated to accept the SRAC price structure the CPUC arrives at this summer.

It was moved by Director Russell, seconded, and *Unanimously Carried To: Approve Amendment to Power Purchase Agreement with PG&E for Sale of Electricity from Landfill Gas to Energy Project.*

STAFF REPORTS

13) Financial, Operating, and Recycling Reports

The Board reviewed the financial reports for March. General Manager reported that March had been a good month financially. The Board also reviewed the Operating and Recycling Reports for March. Total solid waste accepted in March was 29,446 tons, down from 30,605 tons a year ago, due in part to the consecutive days of wet weather.

14) Special Districts Association of Monterey County (SDAMC) April 18 Meeting

General Manager reported on the April 18, 2006 SDAMC meeting. The District's annual estimated contribution for FY 2006-07 is \$40,604 far exceeding the District's contributions over the past three years, which were approximately \$20,000 per year. The increases are due to increased workloads and staffing.

OTHER CORRESPONDENCE

15) Letter from General Manager to Service Employees International Union RE: Recent Meeting

The Board reviewed a letter, dated March 22, 2006, sent by General Manager to SEIU Executive Director John Vellardita regarding personnel issues.

GENERAL MANAGERS COMMUNICATIONS

General Manager congratulated Vice Chair McCloud on her re-election as Mayor of Carmel. He also noted that Director Bales had been nominated by the SWANA Northern Gold Rush Chapter for the Life Time Award, in recognition of his many years of service to the District, the community, and to other solid waste professionals through his involvement with SWANA.

CLOSED SESSION

The Board went into closed session at 10:50 a.m. regarding the following:

- 1) Conference with Property Negotiators
 - Property: Landfill Site Space/Capacity
 - District Negotiators: William Merry, Tim Flanagan, and Rick Shedden
 - Negotiating Parties: Santa Clara County, Santa Cruz County, Salinas Valley Solid Waste Authority
 - Terms: All Terms and Conditions

- 2) Conference with Legal Counsel - Anticipated Litigation
 - a. Significant Exposure to Litigation Pursuant to Subdivision (b) of Section 54965.9: 1 case

- 3) Conference with Legal Counsel - Existing Litigation
 - a. Don Prescott v. Monterey Regional Waste Management a District, et al.
Monterey County Superior Court Case No. M75658

- 4) Personnel Matter
 - a. Bargaining Unit Negotiations: Management Group (Letter From Individual Member)
 - b. Public Employee Appointment: Public Education and Recycling Manager

The Board returned into open session at 11:16 a.m. Legal Counsel stated that the Board had received information with regard to the agenda items. With regard to Items 1, 2, and 3, no action was taken by the Board. With regard to Item 4a and 4b. direction was given to General Manager.

ADJOURNMENT

There being no further business to come before the Board at this time, the April 21, 2006 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to May 19, 2006 by Chair Albert at 11:17 a.m.

RECORDED BY:

AUTHENTICATED BY:

Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

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