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MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

9:30 a.m., Friday
July 20, 2007

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT: Leo Laska, Chair
Sue McCloud, Vice Chair
Gary Bales
David Pendergrass
Ken Gray
Don Jordan
Libby Downey

MEMBERS ABSENT: Joseph P. Russell
Dave Potter

STAFF PRESENT: William Merry, General Manager
Timothy Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Jack Cook, Safety Manager
Glen Evett, Last Chance Mercantile/Household Hazardous Manager
Harry Hunzie, Materials Recovery Facility Manager
Jeff Lindenthal, Public Education & Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Richard Norton, Administrative Services Manager
Richard Petitt, Site Manager
Don Prescott, Information Systems Manager
Charles Rees, Finance Manager
Richard Shedden, Senior Engineer
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist I
Kimberly Herring, Public Education Coordinator
Steve Montgomery, Industrial Electrician/OE3 Operations Shop Steward
Suzan Fine, Recycling Attendant/SEIU President

OTHERS PRESENT: Virginia Johnson, Ecology Action
Elizabeth Thompson, Ecology Action
Kathleen Lee, Monterey County Supervisorial District 5
Tom Buell, Monterey Regional Water Pollution Control Agency
Candace Ingram, The Ingram Group
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the July 20, 2007, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Laska at 9:42 a.m.

CONSENT AGENDA

Following a motion by Vice Chair McCloud, and seconded, the Board approved the following actions:

- 1) **Approve Minutes of June 15, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Issuance of Request for Proposals for Landfill Compactor**
- 4) **Authorize Three-Year Contract with AmeriPride Uniform Services of Fresno, CA, for Professional Uniform Cleaning Services**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) **Consider Adoption of Ten-Year Strategic Work Plan (2007-2017)**

The Board reviewed a memorandum from General Manager and a Draft Strategic Planning Ten-Year Workplan and timeline. General Manager stated Candace Ingram, who had facilitated the session, was present at the meeting to go over the process of the strategic work plan. The process had been very valuable for staff in assessing District programs and the future direction for the District.

General Manager stated that the work plan, which spanned over a period of ten years, had been developed by staff working with Ms. Ingram and was divided into three sections. The first section was to “provide the highest quality integrated waste management services” and included evaluating opportunities for improved operational efficiency, determining programs and costs to achieve 75% waste diversion levels, increased public outreach efforts, and monitoring and identifying viable conversion technologies. The second section was to “maintain and develop strategic partnerships” and included establishing an interagency committee with the Monterey Regional Water Pollution Control Agency to discuss biogas and bio-solids programs; and developing a master plan of on-site and surrounding compatible land uses. The third section, “improve personnel policies and programs that support recruitment and retention of quality employees” was aimed at improving human resource efforts overall. He expressed appreciation to Ms. Ingram for all of her efforts.

Candace Ingram addressed the Board and stated the work plan reflected issues identified during the strategic work session held in April. The work plan, which would be the primary focus during the next ten years, was challenging. She reminded the Board that the goals were merely guidelines, and the objectives outlined the steps that would need to be taken to obtain the goals. She also stated that the work plan might change depending on structural and regulatory changes. She stated the work plan would be reviewed by staff quarterly with updates to the Board every six months, with a full review by the Board annually. She emphasized that the work plan was a ten-year plan and would not be accomplished quickly. She pointed out that staff would concentrate mainly on items identified in the work plan. She expressed appreciation to the Board and staff for the leadership provided to the communities and for allowing her to provide her services. Vice Chair McCloud inquired whether staff would

be able to conduct day-to-day operations as well as the strategic work plan. General Manager responded the most challenging part for staff was to remember that it was a ten-year work plan and would therefore not be completed in a year. Staff was willing and able to work on the work plan over the next ten years, and some outside assistance would be required.

Board discussion followed regarding whether another strategic planning session in April 2008 and if Ms. Ingram would be involved. General Manager responded it was anticipated that the work plan would be reviewed annually to tie into the budget process, or in 18 months. He further stated that Ms. Ingram would be involved during the annual review. In addition, she had identified valuable training on team building which she could provide to the District. Chair Laska requested staff to provide information in their reports to the Board if any requested action was part of the strategic work plan. Vice Chair McCloud stated it was important to provide the community with information regarding expenditure reductions prior to any discussion regarding rate increases. General Manager responded staff was looking at various ways to reduce expenditures and increase efficiencies. Staff intended to meet with the Adhoc Finance/Personnel Committee in August and would report to the full Board at the September meeting.

It was moved by Director Pendergrass, seconded, and *Unanimously Carried To: Adopt Ten-Year Strategic Work Plan (2007-2017).*

6) Authorize Assignment of Service Agreement from Kasavan & Pope to Blanding, Boyer & Rockwell, LLP to Conduct Annual Audit for Fiscal Year 2006/2007

The Board reviewed a memorandum from Finance Manager Chuck Rees. Finance Manager stated the District had been notified that the principal Auditor for Kasavan & Pope, Paul Nowinski, who had conducted the audits for the District the last two years, had left Kasavan & Pope, to work for Blanding, Boyer & Rockwell, LLP. In the interest of continuity, Mr. Nowinski had requested to conduct the audit with his new firm, and Kasavan & Pope was not opposed to the assignment of the contract. Staff had checked Blanding, Boyer & Rockwell, LLP references and had received excellent feedback. The assignment would be for only one year which was the last year of the initial three-year contract.

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Authorize Assignment of Service Agreement from Kasavan & Pope to Blanding, Boyer & Rockwell, LLP to Conduct Annual Audit for Fiscal Year 2006/2007.*

7) Adopt Resolution 2007-05 Establishing District Investment Policy and Guidelines for Fiscal Year 2007/2008

The Board reviewed a memorandum from Finance Manager Chuck Rees regarding the investment policy and guidelines for fiscal year 2007/2008.

It was moved by Director Bales, seconded, and *Unanimously Carried To: Adopt Resolution 2007-05 Establishing District Investment Policy and Guidelines for Fiscal Year 2007/2008.*

8) Adopt Resolution 2007-06 Approving the Form Of and Authorizing the Execution Of a Sixth Amended Joint Powers Agreement Relating to the Special District Risk Management Authority (SDRMA)

The Board reviewed a memorandum from Administrative Services Manager Rich Norton regarding resolution changes to the joint powers agreement (JPA). As stated in the memorandum, the primary purpose of the changes was to eliminate the administrative fee provision to California Special District Association (CSDA) which created a "financial inequity in the cost of membership in CSDA for Special District Risk Management Authority

(SDRMA) members". There were three other changes that did not "materially affect or change membership requirements or substantially modify the terms of the JPA".

It was moved by Director Jordan, seconded, and Unanimously Carried To: Adopt Resolution 2007-06 Approving the Form Of and Authorizing the Execution Of a Sixth Amended Joint Powers Agreement Relating to the Special District Risk Management Authority (SDRMA).

9) Provide Direction on State Legislation Related to Recycling and Waste Management

The Board reviewed a draft letter opposing AB 712 (DeLeon). General Manager asked for Board authorization to send the letter. The bill was sponsored by Waste Management and called for a \$.50 per ton increase to the landfill tipping fee. The money would be used to offset anticipated costs to control vehicle tailpipe emissions. General Manager reported that it would be difficult for smaller entities, such as the District, to effectively get money back from the state. If funds are necessary to comply with Air Resource Board regulations, it would make more sense to simply collect the money locally and use it directly rather than to create a complicated, cumbersome process to obtain the funds.

Chair Laska inquired if the bill was moving forward in the legislature. General Manager responded yes, and he was surprised the bill was still active. Vice Chair McCloud requested that any correspondence sent to the state or assembly be signed by the Board Chair with a copy to Deanna Sessums of the California League of Cities.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize Letter of Opposition to AB 712 (DeLeon) with Board Chair Signature and Copy to California League of Cities.

10) Accept Report on District Health Insurance

The Board reviewed a memorandum from Administrative Services Manager Rich Norton. General Manager stated the District has a committee comprised of District employees and several meetings have been held over the last year to address concerns over the continued increases in health care costs. He stated the committee is expected to complete its work in the next couple of months.

Administrative Services Manager started by pointing out the District was participating in a wellness program offered by Community Hospital of the Monterey Peninsula (CHOMP) in an effort to educate and encourage employees to lead healthier lives, leading to more controlled medical costs. CHOMP will update the program handouts on a monthly basis which will include a variety of healthy lifestyle topics. He stated that rising health care costs is an issue affecting many employers and employees. Employees in the past have modified their benefits in an effort to reduce costs such as 100% coverage to 80% coverage. He stated the committee's focus was to determine the best plan at the best cost.

Administrative Services Manager stated District staff had conducted a survey of local member jurisdictions and special districts regarding health benefits and costs. The survey showed the District was in the middle of the range.

Director Bales expressed appreciation to Administrative Services Manager for his work in preparing the report at his request due to a lot of public agencies in the same predicament with regard to health insurance. Board discussion followed regarding the survey, different tier plans, incentives to employees to exercise, and various programs in the area.

No Action Taken.

STAFF REPORTS**11) Financial, Operating, and Recycling Reports**

The Board reviewed the financial statement for the month of May. Total Operating Revenues for the month were \$1,439,440, down slightly from April. Total Operating Expenses were at \$1,251,903, also down slightly from April. Net Operating Income was a positive \$187,536. Decreased revenues are principally a result of reduced tonnages into the site, and reduced power sales. General Manager acknowledged the Last Chance Mercantile (LCM) operation which had revenues over \$600,000 for fiscal 2006/07, a record high. The LCM operation would be receiving the Pavitra Crimmel Reuse Award at the California Resource Recovery Association at its annual conference in San Pedro, CA, on July 31st.

The Board reviewed the Operating Report through June 30, 2007. Total Solid Waste Accepted into the site during June was 28,379 tons, a decrease of 1,600 tons from May, down 2,200 tons, or 8% from June of last year. General Manager stated staff would prepare a report on the year end tonnage figures and their operational and financial implications for the August meeting of the Ad Hoc Finance Committee, and the September meeting of the full Board.

The Board reviewed AB 939 Recycling Rates as of June 18, 2007 depicting the recycling rates for the first quarter of 2007. General Manager advised the numbers for Del Rey Oaks had dropped by 5% as result of the demolition activity at the old Ralph's grocery store. The communities as a whole are doing very well with diversion.

12) Report on Public Education, Recycling, and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal detailing the Solid Waste Association of North America (SWANA) Gold Excellence Award for the Landfill Gas Project, local and statewide recycling activities, litter and public outreach activities. General Manager commented that the District's website (www.mrwmd.org) had recently been revised and complete Board packets were now available on the website beginning in July.

Vice Chair McCloud asked staff to issue a press release on newsworthy items such as the SWANA award. Lewis Leader, District Public Relations Consultant, stated he would work with staff. She also requested staff send a letter to each member agency outlining the provisions of the new state plastic bag recycling law (AB 2449), affecting grocery stores, which became law July 1, 2007.

13) Report on Regional Waste

The Board reviewed a report from Santa Cruz Director of Public Works, Thomas L. Bulich, reporting on Santa Cruz County's comprehensive and long term waste management plans which includes the Disposal Agreement with the District as an element of the County's plan for waste management. General Manager stated the City of Watsonville contacted the District to express interest in bringing approximately 15,000 tons of waste per year to the District site. District staff will be meeting with city staff to discuss further.

14) Report on April 10, 2007 Meeting of Special Districts Association of Monterey County

The Board reviewed the agenda for the July 17th meeting of the Special Districts Association of Monterey County, and the minutes of the April 10th meeting. General Manager stated he and Director Jordan had attended the

meeting of July 17th. Kate McKenna, Director of the Local Agency Formation Commission (LAFCO) had provided a presentation and intends to include special districts in budget discussions in the future.

General Manager also commented that a representative from the California Special District's Association (CSDA) had attended the meeting seeking volunteers from local special districts for the upcoming CSDA conference to be held in Monterey October 1-4. District staff has offered to volunteer as the conference will include a tour of the District's operations and General Manager stated he would be making a presentation at the conference, on "Districts Making a Difference".

OTHER CORRESPONDENCE

15) Letter from Solid Waste Association of North America (SWANA) RE: Receipt of 2007 Landfill Gas Utilization Gold Excellence Award

The Board reviewed a letter from the Solid Waste Association of North America (SWANA) notifying the District that it had been awarded SWANA's Gold Excellence Award, the highest achievement, for its Renewable Landfill Gas-to-Energy Project. The award will be presented at WASTECON 2007, the annual exposition hosted by the SWANA in October.

16) Letter to Monterey Bay Unified Air Pollution Control District RE: Letter of Support for AB 2766 – Motor Vehicle Emission Reduction Grant Program

The Board reviewed a letter sent by the General Manager to the Monterey Bay Unified Air Pollution Control District in support for AB 2766. Santa Cruz County Department of Public Works would work with Ecology Action to conduct an inventory of mobile-source carbon dioxide emissions.

Virginia Johnson of Ecology Action addressed the Board and expressed appreciation for the District's support and stated that they would be building a template that could be useful to Monterey County if they wished to conduct a carbon inventory. She also expressed appreciation for the District's leadership in the various programs in the tri-county area and looked forward to further partnerships with the District.

17) Letter from CIFAL-Atlanta/Unitar/U.S. Environmental Protection Agency RE: Invitation to Speak at Greener Landfills Forum on September 18th in Davis, CA

The Board reviewed a letter from CIFAL-Atlanta/Unitar/U.S. Environmental Protection Agency inviting General Manager to speak at their Annual Greener Landfills Forum on the District's Renewable Landfill Gas-to-Energy Project, as a case study.

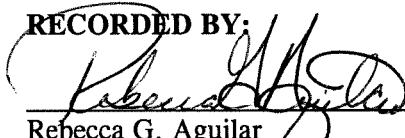
GENERAL MANAGER COMMUNICATIONS

General Manager reviewed with the Board an article from the June 29, 2007 edition of the *Carmel Pine Cone*, titled "Remodeling boom leads to illegal dumping of asbestos" which is helpful in spreading the word to homeowners and the construction industry in managing their demolition projects. He also stated the City of Carmel-by-the-Sea had adopted a Construction and Demolition Ordinance.

ADJOURNMENT

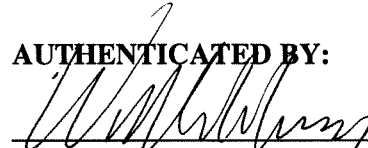
There being no further business to come before the Board at this time, the July 20, 2007 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to August 17, 2007 by Chair Laska at 10:55 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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