



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

**DATE:** December 14, 2007  
**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Agenda Information for the December 21, 2007 Board Meeting

### CALL TO ORDER AT 9:30 AM

### ROLL CALL AND ESTABLISHMENT OF QUORUM

### PLEDGE OF ALLEGIANCE

### PUBLIC COMMUNICATIONS

Anyone wishing to address the Board on matters not appearing on the Agenda may do so now. The public may comment on any other matter listed on the agenda at the time the matter is being considered by the Board.

### CONSENT AGENDA

These matters include routine financial and administrative actions, which are usually approved by a single majority vote. Individual items may be removed from Consent for discussion and action.

- 1) **Approve Minutes of November 16, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve 2008 Calendar of Board Meetings and Other Events**
- 4) **Adopt Resolution 2007-10 Authorizing Five-Year Financing Through Caterpillar Financial Services Corporation for Purchase of Caterpillar 836H Landfill Compactor**

Please refer to the enclosed memo from Finance Manager Chuck Rees. With this action, the Board will be authorizing the execution of a five-year lease purchase agreement with Caterpillar Financial Services Corporation. The life of a landfill compactor has historically been ten years.

***Recommendation: Adopt Resolution 2007-10.***

**ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**

**5) Adopt Resolution 2007-11 in Memory of Supervisor Jerry Smith**

Please refer to the enclosed Resolution of Appreciation for Jerry Smith. Jerry sat on the District Board, representing unincorporated Monterey County, in his role of County Supervisor beginning in January 2005 until earlier this year when he was replaced on an interim basis by Supervisor Potter as a result of his health struggle. During his time on the Board, his interests in the District's affairs were keen and his contributions were significant. We will miss his personable style, kindness and love, summarized by one of his favorite passages:

*"I've learned that people will forget what you said, will forget what you did, but people will never forget how you made them feel" (Maya Angelou)*

The meeting will be adjourned in Supervisor Smith's memory.

***Recommendation: Adopt Resolution 2007-11 in Memory of Supervisor Jerry Smith.***

**6) Presentation on Maintenance Operation and Introduction of Personnel**

Equipment Maintenance Manager, Ron Mooneyham, will make a presentation on the operations of the maintenance shop and what is involved to keep the machines and equipment of the District running day-to-day, and will introduce his staff from that department. Please join me in acknowledging this experienced, dedicated, and knowledgeable staff.

***Recommendation: No Action Required***

**7) Presentation of Annual Audit for Fiscal Year 2006/2007 by Bianci, Kasavan & Pope, LLP, and Finance Manager**

Please refer to the enclosed memo from Finance Manager Chuck Rees and the Annual Audit Report for fiscal year 2006/2007. Ms. Kris Nolan, CPA and a partner in the firm of Bianci, Kasavan & Pope, LLP, will be present at the meeting to answer questions. Chuck and Ms. Nolan will make a presentation to review the finances for the fiscal year. There were three minor adjusting entries during the audit with no impact on the income statement.

***Recommendation: Accept Annual Audit for Fiscal Year 2006/2007.***

- 8) a. **Adopt Resolution 2007-12 Authorizing Purchase of New General Electric Jenbacher 420 Engine/Generator Without Competitive Bidding**  
b. **Authorize the Purchase of New General Electric Jenbacher 420 Engine/Generator from Western Energy Systems of Philadelphia, PA, for the Purchase Price of \$789,495**  
c. **Approve Project Budget and Authorize Modifications to Landfill Gas to Energy Project**

Please refer to the enclosed memo from Assistant General Manager Tim Flanagan. The Jenbacher engine/generator, installed in 1997, with nearly 70,000 hours of operation, is nearing the end of its useful life at the District. The choice is to either do a major overhaul of the existing engine for over \$400,000, or to purchase a new, upsized, more fuel and emissions efficient engine/generator. Staff is recommending purchasing a new unit as discussed in Tim's memo. If the Board concurs, there are three separate actions.

***Recommendations:***

- a. ***Adopt Resolution 2007-12 Authorizing Purchase of New General Electric Jenbacher 420 Engine/Generator Without Competitive Bidding.***  
b. ***Authorize the Purchase of New General Electric Jenbacher 420 Engine/Generator from Western Energy Systems of Philadelphia, PA, for the Purchase Price of \$789,495.***  
c. ***Approve Project Budget and Authorize Modifications to Landfill Gas to Energy Project.***
- 9) **Receive Quarterly Review of Employee Injuries and Property Loss Incidents**

Please refer to the enclosed memo from Safety Manager Jack Cook, summarizing incidents and injuries for the period July 1 through September 30, 2007. Staff will continue to closely track all incidents as to root cause and will continue focused employee training measures and general safety awareness as we move into 2008. Staff plans the next report to the Board on safety following the first quarter of the calendar year.

***Recommendation: Receive Quarterly Review of Employee Injuries and Property Loss Incidents.***

- 10) **Consider Salary Adjustment for Assistant General Manager**

Please refer to the enclosed memo from Administrative Services Manager Rich Norton, recommending a 7.5% salary increase, effective January 1, 2008, for the Assistant General Manager.

***Recommendation: Consider Salary Adjustment for Assistant General Manager.***

**11) Concur in Retaining Law Firm of Jensen & Coeur-Barron to Review Waste Flow Provisions of the Monterey Regional Waste Management Authority Joint Powers Agreement**

At the November meeting the Board adopted recommendations from the Ad Hoc Finance Committee. Several of the recommendations related to District Revenues, including reducing the opportunity for waste to travel outside of the waste shed (i.e. to the Monterey Peninsula Landfill) and the need for the community to support the District's infrastructure for recycling and waste management by directing wastes be delivered here for management, processing, and/or disposal. To that end, staff is recommending retaining the legal services of Jensen & Coeur-Barron, LLP, from Newport Beach, to review the Joint Powers Authority (JPA) Agreement of the Monterey Regional Waste Management Authority, in particular as it relates to waste flow control. Mr. Jensen has experience in this specialized area of law and is currently engaged with a southern California city on a similar matter.

For your review and concurrence, a copy of the Engagement Letter and Agreement are enclosed. The cost for the work would not exceed \$7,500. While the General Manager has been authorized by the Board to proceed with work under a cost of \$10,000, I wanted to bring this important matter before the Board to solicit any comments or to answer any questions as it proceeds. A teleconference call is scheduled with Mr. Jensen, including Rob, for December 19<sup>th</sup> and we will provide an update at the Board meeting.

*Recommendation: Concur in Retaining Law Firm of Jensen & Coeur-Barr.*

**STAFF REPORTS**

**12) Operating, Financial and Recycling Reports**

The Operating Report for November 2007 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County) during November 2007 was 28,720 tons, a decrease of 540 tons from October and down 3,182 tons, or (10.0%) from November of last year. These variances result primarily from a 37% decrease from November a year ago, in tonnage from the Commercial and Industrial customers. The tonnage from Santa Cruz County was 1,594 in November, 1,730 in October, 1,621 in September, 1,892 in August, 1,680 in July and 1,874 in June. Very little waste has been delivered from the City of Watsonville, pending finalizing the Regional Waste Agreement to do so.

The financial statements for November 2007 are enclosed. The Operating Income is \$100,000 for the month and \$878,000 year to date. The year-to-date total Operating Expenses are below budget levels at \$6,716,000. Year-to-date Operating Revenues are \$7,595,000, above last year, but below budget levels.

At the request of the City of Pacific Grove, Director Bales and I will attend the January 16<sup>th</sup> City Council meeting related to the District's proposed increase in miscellaneous fees, scheduled for Public Hearing and adoption at the January 18<sup>th</sup> meeting of the District Board.

Recently, Director Bales and District staff provided comments to the City of Pacific Grove related to a rate increase application from their hauler. These comments resulted in a cost savings to the City. Similarly, District staff provided input to the City of Carmel in their review of a rate increase application by their hauler, and District comments will result in cost savings to the City. These comments will ultimately not only save money, but also provide a more thorough review of the rate increase applications and bring a higher level of service to the City, as anticipated in the recommendations from the Ad Hoc Finance Committee and as adopted by the Board in November.

Finally, please review the enclosed informative memo from MRF Manager Harry Hunzie reporting on the performance of the new wood grinder, which has successfully doubled our grinding capacity for wood and green waste and will save labor costs in the future.

**13) Report on Public Education, Recycling, and Litter**

Please refer to the comprehensive and informative report from Public Education and Recycling Manager Jeff Lindenthal, which may answer some questions you have had about recycling and e-waste.

**OTHER CORRESPONDENCE**

**14) Letter to Member Agencies RE: Increase to Miscellaneous Waste Handling Fees and Minimum Charges**

This letter was sent as the Board requested at the November meeting.

## GENERAL MANAGER COMMUNICATIONS

- **Re-appointment of Leo Laska.** Congratulations to Chair Laska who recently won re-election at the PBCSD. He was recently re-appointed by PBCSD to a four year term on the District Board, from January 2008 through December 2011.
- **California Special District Association (CSDA) 2007 Major Accomplishments.** Enclosed, for your information is a flyer from CSDA on their major accomplishments for 2007.
- **LAFCO Budget Process Meeting.** For your information, I, along with two other general managers of local Special Districts, attended a meeting at LAFCO's office on November 29<sup>th</sup> with LAFCO Executive Director Kate McKenna, and County financial staff. The purpose of the meeting was to discuss the budgeting process of LAFCO, including their fee schedule and contingency funds for legal and other matters. As an outgrowth of the meeting, a report will be made by Ms. McKenna at the January 22<sup>nd</sup> meeting of the Special Districts Association of Monterey County, which Director Jordan and I plan to attend.
- **Upgraded Waste Screening Program.** For your information, an article, along with a correction, is enclosed from the November 29, 2007 edition of the Monterey County Weekly, outlining the District's upgrading waste screening program. On a related matter, staff is preparing a report to the Board related to punitive measures for customers not complying with requirements of the Districts Hazardous Waste Handling Procedures.
- **Australian Paul Perkins Tours District Facilities.** On December 4<sup>th</sup>, Professor Paul Perkins, from the Australian National University, toured District facilities. He is also involved with development of private enterprise in Australia dealing with water supply, wastewater treatment and energy supply. Professor Perkins, during December, toured two West Coast waste management facilities and will be touring two East Coast facilities. The other facilities include the Los Angeles County Sanitation Districts and the Delaware Solid Waste Authority. Professor Perkins was quite impressed with the array of cost effective, sensible programs our District has put in place and may return with other representatives from Australia to gather further information. When he does, I would invite any interested Board members to join in meeting them, as Professor Perkins expressed an interest in meeting you.
- **Annual Reports.** The Annual Reports will be available at the Board meeting. Staff will also deliver a number of copies to your City Hall for your use and distribution.
- **Employee Awards Luncheon.** As a reminder, the District will hold its annual employee awards and recognition luncheon, following the December 21<sup>st</sup> Board meeting. The luncheon begins at 11:30 and we are hopeful the Board meeting will be completed by 11:15 a.m. Please let Becky or me know if you are able to attend if you haven't already.

**BOARD COMMUNICATIONS**

**CLOSED SESSION**

A confidential packet is enclosed.

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed or Executive Session to consider specific matters dealing with pending or prospective litigation, real property negotiations, certain personnel matters, or to confer with District's Meyers-Milias-Brown representative.

- 1) Conference with Labor Negotiators:  
District Negotiators: William Merry, Richard Norton and Tim Flanagan  
Employee Organizations: Operating Engineers, Service Employees International Union,  
Management Employees
- 2) Personnel Matter
  - a. Public Employee Compensation: Assistant General Manager

**ADJOURNMENT**

The December 21<sup>st</sup> meeting will be adjourned in memory of Supervisor Smith.

**NEXT MEETING DATE: JANUARY 18, 2008**

Respectfully submitted,



William M. Merry