



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: July 13, 2007
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the July 20, 2007 Board Meeting

NOTICE: We will hold a Monterey Regional Waste Management *Authority* meeting at 9:30 a.m., just before the District meeting. The Authority meeting should only take a few minutes. Please note you will need to elect new Authority Officers. District Vice Chair McCloud serves as Vice Chair of the Authority. Dan Albert served as Authority Chair while Chair of the District Board. Since Dan's departure from the District Board in December, that position has been held vacant pending this election. Since the County is not a member of the Authority Board, it would be appropriate for the County representative to be excused during the brief Authority meeting.

MONTEREY REGIONAL WASTE MANAGEMENT AUTHORITY

CALL TO ORDER AT 9:30 A.M.

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.

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

1) Election of Officers for Fiscal Year 2007/2008

Historically, the Authority Board has elected the same officers as the District Board. That is not absolutely necessary, but makes things less complicated. Last month the District Board re-elected Chair Leo Laska and Vice Chair Sue McCloud.

Recommendation: Elect Authority Chair and Vice Chair for Fiscal Year 2007/2008.

2) **Approve Minutes of July 21, 2006 Meeting**

Recommendation: Approve Minutes of July 21, 2006 Meeting.

3) **Adopt Resolution 2007-1A Establishing Authority Investment Policy and Guidelines for Fiscal Year 2007/2008**

Please refer to the enclosed memo and attachments from Finance Manager Chuck Rees.

Recommendation: Adopt Resolution 2007-1A.

4) **Adopt Resolution 2007-2A Approving the Form Of and Authorizing the Execution Of a Sixth Amended Joint Powers Agreement.**

Please refer to the enclosed memo from Administrative Services Manager Rich Norton. The amendment is a non-substantive administrative matter. SDRMA's Sixth Amended Joint Powers Agreement is available. If you would like a copy (paper or electronic), please contact Becky to request a copy.

Recommendation: Adopt Resolution 2007-2A.

CORRESPONDENCE

BOARD COMMUNICATIONS

ADJOURNMENT

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

CALL TO ORDER AT 9:35 AM (OR IMMEDIATELY FOLLOWING MRWMA MEETING)

ROLL CALL AND ESTABLISHMENT OF QUORUM

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 June 15, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Issuance of Request for Proposals for Landfill Compactor**

Please refer to enclosed memo from Assistant General Manager Tim Flanagan. Staff, with support of Counsel, is seeking Board approval to issue a Request for Proposals for the purchase of this expensive piece of equipment, instrumental to the District landfill operations in achieving maximum compaction of the refuse in the landfill.

Recommendation: 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**

Please refer to the enclosed memo from Site Manager Richard Petitt. Staff is recommending a three-year contract with AmeriPride, which provided the lowest cost proposal for services. AmeriPride has provided this service to the District for the past four years.

Recommendation: 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)**

Please refer to the enclosed memo and Strategic Planning Ten-Year Workplan. My memo outlines the process followed in preparing the Workplan. Candace Ingram will make a presentation reviewing the Workplan. Following her presentation, there will be time for questions and comments. I am very pleased with the work Candace has done in facilitating this process, working with the Board and providing guidance to staff. The process has been very valuable for staff in assessing District programs and the future direction for the District. I look forward to hearing your comments on the Workplan, and moving forward to begin work on it.

Recommendation: 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

Please refer to the enclosed memo from Finance Manager Chuck Rees. The Principal Auditor for Kasavan & Pope, Paul Nowinski conducted the audits for the District the last two years, with one year left on the three-year contract. Paul has left Kasavan & Pope, to work for Blanding, Boyer & Rockwell, LLP, out of their Carmel office. Paul has requested to conduct the audit with his new firm, and Kasavan & Pope is not opposed to the transfer of work.

Recommendation: 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

Please refer to the enclosed memo and attachments from Finance Manager Chuck Rees.

Recommendation: Adopt Resolution 2007-05.

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)

Please refer to the enclosed memo from Administrative Services Manager Rich Norton. The amendment is a non-substantive administrative matter.

Recommendation: Adopt Resolution 2007-06.

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

Enclosed is a draft letter opposing AB 712 (DeLeon), which I am recommending the Board authorize sending. AB 712 (DeLeon) is the Waste Management sponsored bill, calling for a \$0.50 per ton increase to the landfill tipping fee, with the money to be used to offset anticipated costs to control air emissions. The bill is moving forward in the legislature. SWANA has taken a "Concern" position on the bill, although a number of the individual local members of the SWANA Legislative Task Force (LTF) have sent letters of opposition. It is my understanding the League of Cities and CSAC are opposed to the bill. I have reviewed the bill, and have concluded that it would be difficult for most 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.

To date, the District has sent three letters on proposed legislation:

- ▶ AB 1610 (Nunez)-Solid Waste Fees: OPPOSE Unless Amended. The letter was sent April 20th. This bill was subsequently gutted and converted to an oil refineries bill.
- ▶ SB 1020 (Padilla)-Diversion: CONCERN. The letter was sent April 20th. This bill is continually being revised. On the SWANA LTF teleconference call of July 12th, we agreed to support a compromise measure of “60% diversion requirement by the year 2015; and a goal (not a mandate) of 75% diversion, if accompanied by certain assumptions, such as allowing credit for conversion technologies.” The dialogue on this bill continues.
- ▶ AB 904 (Feuer) Fast Food Packaging Reduction & Recycling: SUPPORT. The letter was sent June 18th. This bill is moving through the legislature as a two year bill.

Tim, in my absence, attended the County’s Legislative Committee meeting held on June 20th, to provide information on bills related to solid waste and recycling, and I plan to attend their July 31st meeting if requested.

Recommendation: Authorize Letter of Opposition to AB 712 (DeLeon).

10) Accept Report on District Health Insurance

Please refer to the enclosed memo from Administrative Services Manager Rich Norton. A Committee comprised of District employees has held several meetings over the last year to address concerns over the continued increases in health care costs. The enclosed Report presents the status of the Committee’s work which will be completed in the next couple of months.

Recommendation: Accept Report on District Health Insurance.

STAFF REPORTS

11) Financial, Operating, and Recycling Reports

The financial statement for the month of May is enclosed. Total Operating Revenues for the month were \$1,439,440, down slightly from last month. For the month, total Operating Expenses were at \$1,251,903, again down slightly from last month. Net Operating Income was again a positive \$187,536, the same as last month, and making it three months in row with Net Income. Decreased revenues are principally a result of reduced tonnages into the site, and reduced power sales. Reduced tonnages into the site, will be an issue as increased diversion occurs in the community and is a matter staff continues to review, and will be discussing with

the Board in future meetings. Staff is working hard to get all four engine/generators up and running reliably and regularly to improve power production. The revenues from the Last Chance Mercantile have been very strong ending the year at over \$600,000, a record high. Staff continues efforts to control operating expenses.

The Operating Report through June 30, 2007 is enclosed. The report shows the 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. These decreases in solid waste accepted into the site from month to month are now apparent in the year end reduction of approximately 25,000 tons below projections, even with deliveries of waste for disposal from the County of Santa Cruz of over 2,500 tons during May and June. The loss of 25,000 tons of waste reflects approximately \$1 million in lost revenues. This is concerning since the tonnage projections for fiscal year 2007/2008, while carefully made with due deliberation, now appear to be slightly too high. Staff will prepare a report on the year end tonnage figures and their operational and financial implications for the August meeting.

The AB 939 Recycling Rates, as of June 18, 2007 are enclosed. The report shows the recycling rates for the first quarter of 2007, where the numbers for Del Rey Oaks have dropped off by 5% as result of the demolition activity at the old Ralph's grocery store. If the project manager has kept track of the amount of diversion/recycling and disposal which occurred with the project, the city could yet get diversion credit when their annual report is filed. The communities as a whole are doing very well with diversion, and should take pride in that fact.

12) Report on Public Education, Recycling, and Litter

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal. Jeff provides an excellent report with details on the SWANA Gold Excellence Award for the Landfill Gas Project, local and statewide recycling activities, litter and public outreach activities.

He also notes the District website has been revised, please visit it at: www.mrwmd.org Beginning in July, our complete Board packets will now be available electronically from the District website.

13) Report on Regional Waste

Please refer to the enclosed report from Santa Cruz Director of Public Works, Thomas L. Bulich, dated May 31, 2007 and reported to the Board of Supervisors at their June 12th meeting. The memo reports on Santa Cruz County's comprehensive and long term waste management plans. The memo mentions the Disposal Agreement with the District as an element of the County's plan for waste management.

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

Enclosed for your information is the Agenda for the July 17th meeting of the Special Districts Association of Monterey County, along with the Minutes of the April 10th meeting. Director Jordan and I plan to attend the meeting of July 17th. A representative of the California Special District's Association (CSDA) will be at the meeting, to highlight the upcoming CSDA conference to be held in Monterey October 1-4. The conference will include a tour of the District's operations, and I will be moderating a session at the conference.

OTHER CORRESPONDENCE

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

As Jeff mentions in his memo (Item 12), the District's Renewable Landfill Gas-to-Energy Project has been awarded SWANA's Gold Excellence Award, the highest achievement. With over 20 years of successful operating history, this award and recognition is well deserved. The success of this project over the years is due to a general manager at the time with a vision, a public-private venture from the outset in financing and developing the project, dedicated staff efforts over the years, and last but certainly not least, Board trust and support of staff recommendations and efforts for over twenty years. Several staff members contributed in putting together the application, but Jeff and Becky did an excellent job pulling it all together.

16) Letter to Monterey Bay Unified Air Pollution Control District RE: Letter of Support for AB2766 – Motor Vehicle Emission Reduction Grant Program

The County of Santa Cruz Department of Public Works will be working with Ecology Action to conduct an inventory of mobile-source carbon dioxide emissions. I spoke with Doug Quetin on the matter and subsequently sent a letter of support in conducting the inventory.

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.

You may recall I agreed to serve on the 2007 steering committee for the Annual Greener Landfills Forum sponsored by the U.S. Environmental Protection Agency and its co-sponsors. Over the past several months we have held monthly teleconference calls in developing the agenda. This week they invited me to speak on the District's Renewable Landfill Gas-to-Energy Project, as a case study. This limited attendance forum is by invitation only, but if someone from the Board is interested in attending, I would be pleased to request an invitation for you.

GENERAL MANAGER COMMUNICATIONS

- **Waste Screening.** Enclosed is an article from the June 29, 2007 edition of the *Carmel Pine Cone*, titled “Remodeling boom leads to illegal dumping of asbestos”. The article is factual and will be helpful in spreading the word to homeowners and the construction industry in managing their demolition projects.
- **Salinas Valley Water Diversion Project (Rubber Dam).** Enclosed are two recent articles from the *Monterey County Herald*, reporting that the Monterey County Water Resources Agency has obtained approval from the Board of Supervisors for the purchase of the 5.6 acre parcel and have gained a key approval from the Federal National Marine Fisheries Service.
- **SWANA WasteCon and California Special Districts Association Conference.** SWANA WasteCon will be held October 15 to 18 in Reno and the California Special Districts Association Conference will be held October 1 to 4 in Monterey. If you are interested in attending either of these conferences, please let Becky or me know.

BOARD COMMUNICATIONS

CLOSED SESSION

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.

NEXT MEETING DATE: AUGUST 17, 2007

Respectfully submitted,



William M. Merry