



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: May 11, 2007
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the May 18, 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 April 20, 2007 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Issuance of Request for Proposals to Contract for Professional Uniform Services**

Please refer to the enclosed memo from Site Manager Richard Petitt. The District selected AmeriPride Service three years ago, following a competitive proposal process, to supply and clean employee uniforms. The contract with AmeriPride is now on a month-to-month basis and staff is recommending Board authorization to issue a Request for Proposals for services.

Recommendation: Authorize Issuance of Request for Proposals.

4) Authorize Award of Contract to DeMarco Painting & Decorating, Inc, to Conduct for Phase I Painting of Interior Structure of Materials Recovery Facility

Please refer to the enclosed memo from MRF Manager Harry Hunzie. The lowest price to complete the work, among the three submitted, was by DeMarco Painting in the amount of \$117,030, which was \$60,570 less than the next highest price submitted.

Recommendation: Authorize Award of Contract to DeMarco Painting & Decorating, Inc.

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) Adopt Preliminary Budget for Fiscal Year 2007-2008

Enclosed for your consideration is the Preliminary Budget. The Preliminary Budget package has been prepared by Finance Manager Chuck Rees, with significant assistance from the entire Management Team. In Chuck's Budget memo you will see the District is experiencing a weaker than expected financial year. The District's current budget has a net income of \$1,278,000 and a reduction in unrestricted cash of \$1,111,000. Staff now anticipates a current year net income of \$684,600 and a decrease in unrestricted cash of \$1,208,400. Budget Revenues are projected to increase by 8% over the current year estimates, and Expenses are projected to be 2% above the current year estimates. The Preliminary Budget includes acceptance of 25,000 tons of regional waste from Santa Cruz County. The Preliminary Budget also includes a previously approved rate increase from \$43 per ton to \$45 per ton on January 1, 2008.

The Ad Hoc Finance/Personnel Committee consisting of Chair Laska and Directors Bales, Gray, and Pendergrass met on April 26th and again on May 8th with staff to review and discuss the Preliminary Budget. As Chuck and Rich discuss in their memos, and at the direction of the Committee, \$2 million in expenses was eliminated from the Preliminary Budget between the two meetings. As you will see in your review, the reduction in expenses was achieved in not filling positions and other proposed changes in operations.

Tim and the operations managers, along with all managers, have been meeting since January to discuss needs across the organization, in preparing this Preliminary Budget. Along with Chuck and Rich, they have all worked hard and have done a fine job in bringing this budget to you for consideration and approval. The Ad Hoc Finance/Personnel Committee concurred with the Preliminary Budget at the May 8th meeting.

Recommendation: Adopt Preliminary Budget for Fiscal Year 2007-2008.

6) Support Proposed County Landfill Buffer Zone Ordinance

Enclosed for your information is a memo and attachments from Senior Engineer Rick Shedden, along with several recent news articles on the topic. Staff met with officials from the City of Marina on May 9th to discuss the proposed Ordinance, which calls for a 1,000 foot buffer extending from the property line of the Monterey Peninsula Landfill. I discussed the feasibility of requesting the County to include a 2,500 foot buffer zone around the Monterey Peninsula Landfill with Environmental Health Director Allan Stroh. He advised that the ordinance as drafted has been under consideration for many years and to make such a change at this time would jeopardize the entire process for the proposed County ordinance. If the District is interested in pursuing a buffer zone greater than 1,000 feet, perhaps "an area of interest" extending up to 2,500 feet from the landfill property boundary, a more productive approach may be through separate discussions with the Armstrongs who own the property, the City of Marina, and others affected by such discussions.

Recommendation: Authorize Letter of Support for County Landfill Buffer Zone Ordinance.

7) Update on LAFCO Proposed Budget for 2007-2008.

Enclosed for your review is the LAFCO Proposed Budget Worksheet, for Fiscal Year 2007-2008, as adopted on April 23, 2007. LAFCO's budget was included in your packets last month, and has now been revised downward by \$100,000, as a result of action taken by the LAFCO Commissioners at their meeting on April 23rd. Funding was reduced or eliminated in three reserves: litigation defense, accrued leave benefit liability, and general contingencies. At the April 23rd LAFCO meeting, comments and concerns were considered over the steep increases in the LAFCO budgets over the last two years. A copy of the District's letter sent following your April meeting is enclosed. The District's share of the contribution is now \$46,693. This is a 15% increase over last year's contribution of \$40,603 and a 100% increase over the \$23,237 contribution of two years ago. The Commission will be considering adoption of the final budget at their May 21st meeting. LAFCO Executive Officer McKenna will be studying revisions to the current fee schedule during the coming year, and intends to include stakeholders in the discussions. My recommendation is to support LAFCO's budget for FY 2007-2008. If you concur, no Board action is required.

Recommendation: No Action Required.

8) Report on State Legislation Related to Recycling and Waste Management

At the April meeting the Board directed that two letters be sent regarding pending state legislation on recycling. The letters are enclosed. The first letter addressed SB 1020, expressing concerns over proposed increases in the state mandated recycling/diversion rate, from 50% to 75%. SB1016 (Wiggins) is under review. Senator Wiggins is proposing an alternative bill to SB1020, aimed at requiring that programs be carried out to achieve diversion, and has requested that stakeholders provide input. District staff has provided comments to SWANA, to be forwarded to the Senators office. Vice Chair McCloud forwarded information from the League of California Cities (enclosed), which has taken a “no position” on these bills, although they have concerns about the effects to local government if diversion rates are increased.

The second letter from the District addressed AB1610 (Nunez), which proposes increases to the landfill tipping fee, from \$1.40 per ton to as much as \$2.00 per ton. The District’s position was “oppose unless amended”. It appears there will be an increase in the landfill tipping fees of some amount. SWANA will be working with the League, CSAC and other interested parties to provide input in the process.

On a related note, AB712 (DeLeon) proposes to add \$0.50 to the landfill tipping fee, for air quality improvement purposes. This is a Waste Management sponsored bill, aimed at recovering costs mandated by the state to reduce exhaust emissions from waste collection vehicles, forklifts and off-road vehicles used at waste management facilities including landfills. Waste Management is very concerned about the financial impacts to the solid waste industry as a result of the Governors Climate Action Plan, greenhouse gas legislation, along with ongoing efforts by the California Integrated Waste Management Board to revise CCR Title 27, governing landfill gas monitoring and control for active landfills.

Recommendation: No Action Required.

STAFF REPORTS

9) Financial, Operating, and Recycling Reports

The financial statement for the month of March is enclosed. Total Operating Revenues for the month were \$1,427,019, up \$249,000 from last month. For the month, total Operating Expenses were at \$1,351,677, slightly above last month, and Net Operating Income was a positive \$75,341, whereas last month it was a minus \$158,034.

The April Operating Report is enclosed. The Total Solid Waste Accepted into the site during April was 26,433 tons, a decrease of 3,000 tons or 10% from March, and was the down 5% from April of last year. The franchised garbage and the cash customers into the site for the month compare favorably with March 2006. As reported last month the commercial and industrial tonnages continue to be noticeably lower since last July, when compared to the same period a year ago. This downward trending may be due to reduced construction activity locally, a slowing of the economy, material being hauled out of the wasteshed, or some other reason. Staff is researching the cause for this decrease and will report to the Board as soon as we learn more.

10) Report from Public Education and Recycling Manager

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal, along with several related news articles. The District Litter Committee, chaired by Mayor McCloud, met on May 9th and received reports on the very effective efforts in cleaning up litter on several recent community events including: on May 8th - CalTrans devoted substantial resources to picking up litter throughout the County; on April 21st - the County, in cooperation with many other public agencies and volunteers carried out the second annual Clean County day, where volunteers increased from 20 a year ago to nearly 500 this year. The efforts of CalTrans, California Highway Patrol, the County and the Cities, and the many volunteers are to be acknowledged and very much appreciated.

11) Report on Acceptance of Regional Waste

Please refer to the enclosed memo from Assistant General Manager Tim Flanagan. The Agreement to accept regional waste for landfilling has been signed by both the District and the County of Santa Cruz. The first load of waste was received at 8:36 a.m. on Tuesday, May 1st, carrying 17 tons of waste. Six loads are delivered daily, and as Tim reports in his memo, the operation is proceeding smoothly.

Please take the time to read the enclosed April 5th memo from Santa Cruz County Public Works Director Thomas Bolich to the Board of Supervisors outlining the process involved for the County in reaching its decision to send their waste from Ben Lomand Transfer Station to the Monterey Peninsula Landfill and recommending execution of the Agreement with the District.

12) Report on Upgraded Waste Screening Program

Please refer to the enclosed articles which report on recent incidents related to mismanagement of hospital waste in the San Jose area. Staff has conducted waste screening

of incoming loads from the Community Hospital of the Monterey Peninsula (CHOMP) and has found no irregularities. In addition, HHW Program Manager Glen Evett has been in contract with CHOMP staff to be sure they are in compliance with state regulations in this regard.

Also enclosed is a letter dated May 4, 2007, sent to over 400 customers of the District, with their monthly statements, outlining provisions of the District's upgraded waste screening program and requesting them to sign a statement that they have read and will follow the District's policy on management of hazardous and prohibited material. We have received a dozen signed replies so far, and no complaints. A meeting is scheduled for May 30th at the District offices to answer any questions stemming from the letter.

As reported to you last month, Steve Johnson, a County representative, and I will appear at the monthly meeting of the City Managers, on May 18th (agenda enclosed), to outline the need to adopt the proposed Construction and Demolition Model Ordinances, and to incorporate an amendment to the City Building Permit applications to include a place for contractors to sign off that they have complied with local rules and regulations related to management of asbestos containing materials and other hazardous materials from their projects.

13) Status Report Landfill Gas Project

Please refer to the enclosed memo from Assistant General Manager Tim Flanagan. We are pleased to report that the new short block arrived on site this week to replace the engine that failed three weeks ago. We hope to have the Unit Two engine up and running by the first part of June.

OTHER CORRESPONDENCE

14) Notice from Special District Risk Management Authority (SDRMA) RE: Nominations for Board of Directors

I have enclosed correspondence from the (SDRMA) regarding upcoming nominations for their Board of Directors. Three seats are up for election and the nomination filing deadline is July 6, 2007.

If one of the Directors would like to be nominated to serve on the SDRMA board, the candidate must be nominated by a resolution of the District Board. Staff would bring this forward for consideration at the June meeting if desired.

GENERAL MANAGER COMMUNICATIONS

- Strategic Planning Work Plan. Staff has been working with Candace Ingram to develop the Work Plan from the April 18th Strategic Planning Session. However, with the primary staff focus on the budget preparation, the Work Plan is not ready for your review. We will plan to send the Work Plan to you for review as it becomes available later this month.
- Bird Count at Landfill. A representative of the Monterey County Bird-a-thon was on site April 28th to conduct a bird count. His observation post was on Module 4 near the active face of the landfill. During his count, he observed 15 species of birds as shown on his enclosed summary. By the way, if you are interested in getting a copy of the Bird Study conducted about ten years ago at the site by the Audubon Society, let Becky or me know. It was an enlightening and informative study.
- Public Employee News. At the February Board meeting, two District employees, Luis Cazares and Efrain Lopez were recognized by the Board and photos were taken with them, Board Chair Laska and Operating Engineers Local 3 (OE3) Director Don Dietrich. Enclosed is a nice article from the OE3 *Engineers News*, April 2007.
- Employee Family Picnic, 11 a.m. to 3 p.m., May 20, at Toro Park. Enclosed is an announcement for the District sponsored employee Picnic. A parking pass for Toro Park is also enclosed. If you are available to attend, please RSVP with Becky.
- SWANA Wastecon October 16 -18, 2007, Reno. The Annual Symposium for the Solid Waste Association of North America (SWANA) will be held from October 16-18, 2007 in Reno. Wastecon 2007 is a combination of technical sessions, training classes and tradeshow. If you are interested in attending, please let Becky or me know.

BOARD COMMUNICATIONS

CLOSED SESSION

There is an enclosed confidential envelope for the close 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.

1) Conference with Labor Negotiators

District Negotiators: William Merry and Richard Norton

Employee Organizations: Operating Engineers Operation Unit
Operating Engineers Support Personnel Employees
Service Employees International Union
Management Employees

NEXT MEETING DATE: JUNE 15, 2007

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William M. Merry', with a long, sweeping flourish extending to the right.

William M. Merry