



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: April 11, 2008
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the April 18, 2008 Board Meeting

CALL TO ORDER AT 9:30 AM

INTRODUCTION OF NEW BOARD MEMBER ILA METTEE-MCCUTCHON

We wish to extend our welcome to newly appointed Supervisor Mettee-McCutchon. We will provide a "New Boardmember" binder of information to aid her in becoming more acquainted with the District and I will arrange to give her a tour of District facilities.

I would also like to take this opportunity, on behalf of the Board, to thank Supervisor Potter and his Aide Kathleen Lee for filling in to represent the County on the District Board since April 2007, during the absence and subsequent passing of Supervisor Smith.

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 March 21, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

3) Presentation on Materials Recovery Facility Operations

Materials Recovery Facility (MRF) Manager Harry Hunzie will give a presentation on the operations of the MRF. His presentation will focus on the 12-year performance of the MRF, one of the first mixed waste (dirty) MRFs in the U.S., which has served as a successful example of integrated waste management to many visitors who come to the site from around the world each year. The District's MRF operation is a critical piece of the District's overall operations, and which diverted over 60% of all material going into it during 2007. Additionally, it provides roughly half of the community diversion achieved (approximately 60%) on behalf of the member agencies.

4) Adopt Recommendations Resulting From Ad Hoc Finance Committee Meeting of March 27, 2008

Please refer to the enclosed memo from Chairman Laska summarizing the discussion of, and making recommendations from, the Ad Hoc Finance Committee at their meeting of March 27, 2008. The highlights from the meeting include:

- The projected tonnage for FY 2008/2009 Budget will be 232,000 tons (down by 17% from 279,904 tons in 2005), and will be projected to remain flat for the next two to three years; plus the regional tonnage received from Santa Cruz County.
- Include a Consumer Price Index (CPI) factor, adjusted to include fuel costs and capital equipment costs, and which would be applied automatically on January 1 of each year, to adjust the landfill basic tipping fee.
- Consider temporarily reducing District reserves below the 25% level of the Operating Budget
- Reducing staffing levels through forced layoffs would be only a last resort effort to reduce expenses.

Attached to the memo were several informational items, including:

- District Guiding Principles, outlining present policy regarding reserves
- Staff memo presenting Update on Declining Refuse Tonnages
- Staff memo outlining Relationship between Residential Garbage Rates and Landfill Tipping Fees
- Informational Salinas Valley Solid Waste Authority staff memo to SVSWA Board of Directors recommending a \$5 per ton increase to landfill tipping fees, to \$63 per ton, effective July 1, 2008.

Staff wishes to extend their appreciation to the Committee Members for their thoughtful consideration and comments which have lead to these recommendations.

Recommendation: Adopt Recommendations Resulting From Ad Hoc Finance Committee Meeting of March 27, 2008.

- 5) **Award Three Year Contract to Hayashi & Wayland (H&W) Accounting and Consulting, LLP of Salinas, to Perform Annual Audit for Fiscal Years 2007/2008 through 2009/2010 at a cost of \$89,900**

Please refer to the enclosed memo from Finance Manager Chuck Rees, along with Proposal from H&W. Three good proposals were received and reviewed. The proposal from Hayashi & Wayland was considered by staff to be the most responsive to the needs of the District, with strong consideration given to the experience of the firm in successfully and responsibly working with staff to produce thorough audit reports in a timely manner in the past.

Recommendation: Award Three Year Contract to Hayashi & Wayland, to Perform Annual Audit for Fiscal Years 2007/2008 through 2009/2010 at a cost of \$89,900.

- 6) **Approve Phase II of District Site Security Camera System at Estimated Cost of \$125,000; and Authorize Agreement with Advanced Integration Security of San Jose, CA, to Provide Engineering Design Services for Site Security Camera System, in Accordance with Scope of Work, at a Cost Not to Exceed \$28,500**

Please refer to the attached memo from Information Systems Manager Don Prescott. Staff has had plans to make upgrades and improvements to the existing camera security system for the last several years, but we have put it off due to a lack of funding. The existing camera system was installed in 1996, and is in poor condition and technologically out of date. The cameras are important in carrying out District operations, to improve safety, security and monitoring of operations.

Recommendation: Approve Phase II of District Site Security Camera System at Estimated Cost of \$125,000; and Authorize Agreement with Advanced Integration Security of San Jose, CA, to Provide Engineering Design Services for Site Security Camera System, in Accordance With Scope of Work, at a Cost Not to Exceed \$28,500.

- 7) **Receive 1st Quarter Review of Employee Injuries and Property Loss Incidents for 2008**

Please refer to the enclosed memo from Safety Manager Jack Cook. Jack is doing an excellent job, working with District staff to provide safety and related training to all staff, and to monitor and follow-up on work related incidents. By receiving this report on injuries and incidents at the Board level, the District workers compensation carrier, Special District Risk Management Authority (SDRMA) formerly provided a 1% reduction in premium costs for the District. Unfortunately, we have been informed that SDRMA will no longer provide that incentive reduction.

Recommendation: Receive 1st Quarter Review of Employee Injuries and Property Loss Incidents for 2008.

STAFF REPORTS**8) Financial, Operating and Recycling Reports**

The Operating Report for March 31, 2008 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) during March 2008 was 24,911 tons (26,836 tons minus 1,925 tons), an increase of 449 tons from February 2008 and down 4,381 tons, or (15.0%) from March of last year. These variances result primarily from a 38.2% decrease from March a year ago, in tonnage from the Commercial and Industrial customers and a 7.9% decrease in Franchised Garbage from March of last year. The Regional Waste tonnage from Santa Cruz County (including the City of Watsonville) was 1,722 in January 2008; 1,646 in February 2008; 1,925 in March 2008; and a total of 13,780 tons for the eight months of 2007 since deliveries began in May 2007, for an average of 1,707 tons per month. The City of Watsonville delivered 300 tons during the month of March, with deliveries beginning on March 17, 2008.

The financial statements for March 31, 2008 are enclosed; the Operating Income for the month was \$172,396. Total Tipping Fee Revenue is below budget for the month and year-to-date by 1.2% and 6.5% respectfully. Year-to-date Salary Expenses are at budget levels. Year-to-date Operating Revenues are above last year by \$682,967, but below budget levels by 3.3%.

The next meeting of the ad hoc Finance Committee is scheduled for 9 am, Wednesday, April 23rd at the administrative offices of the PBCSD.

9) Report on the April 15th Meeting of the Special District's Association of Monterey County (SDAMC)

Enclosed for your information is the agenda for the April 15th meeting of the SDAMC, along with the minutes of the January 15th meeting. Director Jordan and I plan to attend the meeting.

10) Report on SWANA Legislative Task Force Activity

Enclosed is information on proposed solid waste and recycling legislation. The agenda from the SWANA Legislative Task Force (LTF) is enclosed, which contains a number of useful links, along with the Bill Matrix of the LTF, with asterisk (*) marks denoting bills of particular interest to the LTF.

Two bills have been of particular interest, SB1016 (Wiggins), and SB1020 (Padilla). The Wiggins bill is moving forward, with strong support from the CIWMB staff, and proposes to change the way diversion is measured. The Padilla bill proposes to raise statewide diversion levels above the current 50%, to 60% or 75%. SWANA is watching these two bills closely and is working with the authors wherever possible. Please let me know if you have a particular question or interest in any of this legislation.

11) **Strategic Plan Update**

For your information, we have enclosed an updated Strategic Work Plan for 2007-2017. As you can see, staff is busy working on a number of items on the list, although those items affecting finances are top priority for us all.

OTHER CORRESPONDENCE

12) **Letter Dated April 9, 2008 to City Managers Re: Environmentally Acceptable Food Packaging Ordinance**

This letter was sent to city managers as approved by the Board at their March meeting.

GENERAL MANAGER COMMUNICATIONS

- **Status report on Biosolids Management Plan.** Staff has begun work on a cooperative effort with Monterey Regional Water Pollution Control Agency (MRWPCA) to review and set the rate charged for Biosolids. The work is due to be completed by June 1st, and it is anticipated the results of the study will be included in the Final Budget for FY 2008/2009.
- **Status Report on Preparation of Feasibility Study, in Cooperation with Salinas Valley Solid Waste Authority (SVSWA), Regarding Waste Flow from North Monterey County.** Staff is working with Monterey County and SVSWA staffs to explore options for managing the waste from North Monterey County, after closure of Crazy Horse Canyon Landfill at the end of 2008. One option would be to allow all of North County waste to come to the Monterey Peninsula Landfill for management, processing and/or disposal, which would be a much closer hauling distance (by half) than trucking it to the Johnson Canyon Landfill east of Gonzales.
- **Receive Report on Regional Waste Initiatives, including Regional Organics Composting Effort.** Enclosed, for your information, is a copy of a Santa Cruz County staff report, dated March 13, 2008, providing a status report on waste management issues in that County. District staff continues to work with staff from Santa Cruz County on the Regional Organics Composting effort.
- **Submit Application for SWANA Household Hazardous Waste Program Award.** On April 11th, staff will submit an application for the 2008 SWANA Special Waste Excellence Award. The application submittal contains information over the 20-year life of the District's industry-leading HHW program. The applications will be judged over the next few months, with results available this summer and the awards made at WasteCon in the fall.
- **Monterey Weekly Article "Waste Not".** Enclosed, for your information is a very comprehensive and accurate article on recycling and waste management in Western Monterey County, from March 27th Edition of the Monterey County Weekly.

- **Monterey County Clean-Up Day, April 20, 8 a.m. to Noon.** The District will be participating in the clean-up event by collecting household batteries and fluorescent tubes at the parking lot in front of Home Depot in Seaside (flyer enclosed). Kudos to Seaside City staff for assisting with the complicated process to obtain the permits for carrying out the collection event. District staff will be at the location from 9 a.m. to noon.

BOARD COMMUNICATIONS

CLOSED SESSION

There is no closed session scheduled.

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: MAY 16, 2008

Respectfully submitted,


William M. Merry