



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: December 12, 2008
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the December 19, 2008 Board Meeting

For your information, Director Jordan is not able to be physically present at the meeting, but since it is his last meeting with the Board and he would like to attend, plans have been made to allow him to attend the meeting remotely by teleconference, as noticed on the agenda.

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.

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 21, 2008 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Approve 2009 Calendar of Board Meetings and Other Events

Please review the enclosed 2009 Calendar of Board Meetings. Please note the League of California Cities meeting next year is being held from September 16th to the 19th; the Board

meeting is on September 18th. Additionally, upon final direction of the Board, we will hold a one day (or ½ day) workshop sometime in March or April, please check your calendars to be able to select a couple of potential dates for the meeting. Tentative dates are March 25th, April 1st, 22nd or 29th.

4) Approve Purchase of Two Used Pickup Trucks

Please refer to the enclosed memo from Equipment Maintenance Manager Ron Mooneyham. The Board previously authorized this purchase. The pick up trucks to be replaced are a 1996 Ford F-250 with over 200,000 miles used by the Site Manager and a 1994 Ford F-250 with over 160,000 miles, used by the site crew. The purchase price will be within the amount budgeted.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) Receive Report from Chair on December 10, 2008 Ad Hoc Power Sales Committee Meeting

Please refer to the enclosed memo from Chair Laska on the meeting of the ad hoc Power sales committee, held on December 10th. Staff is continuing work on the proposed new agreement with PG&E. The process to finalize details is slower than anticipated. The agreement is anticipated to be ready for consideration at the January Board meeting.

Recommendation: Receive Report from Chair on Ad Hoc Power Sales Committee Meeting.

6) Receive Status Report on Proposed Power Purchase and Sales Agreement with PG&E to Sell Renewable Power from the Landfill Gas to Energy Facility

Please refer to the enclosed memo from Information Systems Manager Don Prescott. Staff is continuing to work on the proposed new agreement with PG&E. A staff presentation is planned for the January meeting. Lyndel Melton of RMC has agreed to attend the January meeting to make a brief statement and to answer any questions related to future power deliveries to a planned water project. Staff will do our best to prepare a timeline for their project, based on their input, leading to a start-up date which on the “very aggressive side” could be as early as the end of 2011.

Recommendation: No Action Required

7) Receive Report from Chair on December 10, 2008 Finance Committee Meeting

Please refer to the enclosed memo from Chair Laska on the meeting of the Finance Committee, held on December 10th. The Finance Committee received information from staff that tonnages into the site continue to decrease, worsening an already reduced revenue stream. Staff was requested to continue work to revise tonnage and revenue estimates in preparation for the mid-year budget review at the January Board meeting. The matter of having a single solid waste agency in the County was discussed and direction was provided.

Recommendation: Receive Report from Chair on December 10, 2008 Finance Committee Meeting.

8) Receive Report from Chair on December 2, 2008 Ad Hoc Personnel Committee Meeting

Please refer to the enclosed memo from Chair Laska on the meeting of the Personnel Committee, held on December 2nd. The ad hoc Personnel Committee met to consider and make recommendations on several items which appear on the December meeting agenda.

Recommendation: Receive Report from Chair on December 2, 2008 Ad Hoc Personnel Committee Meeting.

9) Authorize Contract with Liebert Cassidy Whitmore to Assist with Labor Negotiations (Item May be Continued Until After Closed Session)

Please refer to the enclosed scope of work from Liebert Cassidy Whitmore to assist with labor negotiations with the SEIU bargaining group. The four-year contract with this employee group will expire on June 30, 2009. Negotiations are anticipated to begin in early 2009. Funds for this work are included in the FY 2008/09 Budget, in the amount of \$20,000. As you recall, Donna Williamson assisted the District earlier this year in negotiations with three District labor groups. As this matter may involve negotiations with an employee group(s), it may be continued until after closed session. This recommendation was supported by the ad hoc Personnel Committee.

Recommendation: Authorize Contract with Liebert Cassidy Whitmore for Assistance in Negotiations.

10) Consider Approval of Salary Adjustments for Designated Positions and Corresponding Amendments to Memoranda of Understanding with Bargaining Groups (Item May be Continued Until After Closed Session)

Please refer to the enclosed memo from Administrative Services Manager Rich Norton. Rich has followed up on the verbal agreements with the management employees to conduct a salary survey for certain positions and to review salary and reclassification of two other positions as discussed in meetings with the Finance Committee. Staff is recommending salary adjustments to certain positions as justified by the survey data. We understand this is a very difficult economic climate in which to increase anyone's salary. However, we have been negotiating and discussing this matter of a salary survey with the management employees for over a year now, and the salary survey matter has been on the table for consideration for nearly five years, and we have finally completed the discussions and the work. I very respectfully request that you give it your careful consideration. This recommendation has been supported by the ad hoc Personnel Committee.

Recommendation: Consider Approval of Salary Adjustments for Designated Positions and Corresponding Amendments to Memoranda of Understanding with Bargaining Groups.

11) Consider One-Time Use of Health Insurance Savings to Partially Offset Employee Contributions Required with 21% Rate Increase for Family Coverage (Item May be Continued Until After Closed Session)

Please refer to the enclosed memo from Administrative Services Manager Rich Norton. The recent news from our insurance carrier that the premiums for family coverage would increase by 21% was not good news. However, the accompanying 28% decrease in the rate for the single employee coverage was an unprecedented move by the insurance company. Staff recommendation is to use some of the savings to the District for the reduction for single coverage, to help offset the large increase in premiums for family coverage.

Recommendation: Consider One-Time Use of Health Insurance Savings to Partially Offset Employee Contributions Required with 21% Rate Increase for Family Coverage.

12) Consider Request from On-Site Compost Operator, Sunland Gardens Products, to Forbear Expenses Related to Use of District Property

Please refer to the enclosed memo from Assistant General Manager Tim Flanagan, along with a letter from Sunland Gardens. With the difficult economy, the District's longtime on-site compost operator is faced with severe financial constraints and has requested the

District to forgive the rent for leasing 60 acres, amounting to \$42,000 per year, along with the cost for water used in their operations. Staff is recommending denial of the request. Staff will continue to meet with Sunland, and other potential compost operators as appropriate, to come up with viable alternatives going forward.

Recommendation: Deny Request from On-Site Compost Operator, Sunland Gardens Products, to Forbear Expenses Related to Use of District Property.

STAFF REPORTS

13) Financial, Operating and Recycling Reports

The financial statements for November 2008 have been completed and are enclosed. The Operating Income for November is \$15,763 and \$579,734 year-to-date. The year-to-date total Operating Expenses are below budget levels at \$6,899,583. The year-to-date Operating Revenues are \$7,479,317, below last year and budget by \$92,618 and \$101,933, respectfully. Power Sales revenues are below budget for the month by 1.53% due the planned replacement of the Jenbacher engine/generator. Refuse Accepted (excluding Regional Waste) for November decreased by 3,475 tons or 18.3% from last year. Fortunately, revenue from Regional Waste and farm field plastic loads has helped to make up for this decrease.

The Operating Report for November 30, 2008 is enclosed. The Total Solid Waste Accepted into the site (excluding Regional Waste from Santa Cruz County and Watsonville) during November 2008 was 23,902 tons, a decrease of 4,817 tons (or 16.8%) from November 2007. The variances resulted from decreased refuse from Franchise Haulers (3,077 tons – 21.0%), Commercial and Industrial haulers (1,506 tons – 18.6%) and Cash customers (234 tons – 3.9%). The tonnage from Santa Cruz County was 1,506 in November 2008 (down 74 tons from October 2008). The City of Watsonville delivered 883 tons during the month of November 2008 (down 288 tons from October 2008).

The price of recyclables has improved slightly. The price for scrap metal is now \$35 per ton; however, cardboard has no current monetary value. The District continues to prioritize the recovery of bottles and cans which has a redemption value. The District has received requests to landfill baled cardboard due to lack of a market. The District has declined these requests. Staff anticipates that revenues from sales of recyclables will be negatively impacted in the budget from \$200,000 to \$250,000.

14) Report on Public Education, Recycling and Litter

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal.

15) Update on Strategic Plan (2007–2017)

Enclosed, for your information, is the updated Strategic Workplan (2007-2017).

16) Update on Acceptance of Regional Waste

Enclosed for your information are several recent newspaper articles related to regional waste management. Three *Santa Cruz Sentinel* articles report on recent developments related to the Buena Vista Landfill. First, the Board of Supervisors may be changing course on a planned “EcoPark”, due to lack of money and lack of remaining landfill capacity and/or space to carry out the plan. Therefore, the County may be sending increased amounts of trash to the Monterey Peninsula Landfill sooner than they may have otherwise. Secondly, the Board of Supervisors will step away from plans to locate a plasma arc conversion technology facility at the Buena Vista Landfill due to the developer’s failure to produce required environmental emissions data as requested and related feasibility questions. As a separate enclosed article reports, a similar experience surfaced in Sacramento. The December 5th *Santa Cruz Sentinel* article contains inaccuracies, to which the District replied in a letter to the editor, which is enclosed.

The recent developments related to conversion technology, illustrates the point that this expensive technology is not well developed for use in this State. In fact, the State already is being restrictive in its definition of what is a “conversion technology”, as referenced in the enclosed letter. While the enclosed letter is sent out of Los Angeles, the Los Angeles Division of the League of California Cities has signed on to it, and the broad topics contained in the letter should be of interest to us all. The City of Los Angeles is moving forward to build a pilot conversion technology plant and the industry in the state is interested to see how it develops. It is also noteworthy that the Salinas Valley Solid Waste Authority continues to allocate money and time to a high heat conversion process to convert waste to a more inert material.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

- **MRWMD Strategic Planning Advisory Task Force Meeting of December 3rd**. The District convened the second meeting of its Strategic Planning Advisory Task Force Meeting, which was again, well attended. One noteworthy topic of discussion, for which there was consensus, was to set a 75% diversion goal for the year 2015 (or so).

The Advisory Task Force has discussed various means to improve local recycling and diversion programs while also improving financial and operational efficiencies. We will continue those discussions in 2009. There is no doubt the State is interested in increasing diversion, and increased commercial recycling may be mandated under the California Air Resources Board Climate Change Scoping Plan. In addition, by December 3, 2008, Senator Padilla had already introduced SB25 into the new legislative session, a new bill calling for increased diversion (75%?) by some future year (2020?) and picking up where his bill failed in the last session. Having said all this, with the financial constraints as they are in the economy, it would seem very unlikely for the District to be able to successfully bring forward any new diversion program if it costs more money.

The topic of increased diversion, along with several other items of discussion from the Task Force will be presented in the minutes from the meeting when they are available. It is then envisioned that the Guiding Principles of the District may be revised to incorporate appropriate items from the meetings, and presented to the Board for consideration and adoption early next year. The discussion resulting from the Task Force meetings will be useful in the planned Board Workshop in the Spring of 2009.

- **John Laird appointed to California Integrated Waste Management Board (CIWMB)**. Please refer to the enclosed announcement that former Assemblyman Laird has been appointed by the Assembly Speaker Karen Bass to the CIWMB for a two-year term, effective December 1, 2008. I have contacted Mr. Laird's office to invite him for a tour of the District's economical and practical facilities which are often referred to around the state by way of comparison.
- **Annual Reports Completed**. The Annual Reports for FY 2007/08 have returned from the printers and will be available for distribution. If you would like to take some with you after the meeting, we will have some available. We will also deliver them to City Hall, to the local libraries, and local public agencies.
- **District Awards Luncheon**. Please plan to join us at the annual awards luncheon, which will begin at 11:30 a.m., right after the Board meeting

BOARD COMMUNICATIONS

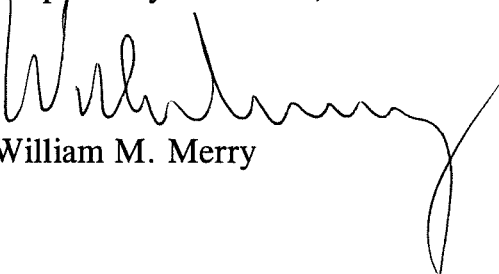
CLOSED SESSION

Enclosed is a confidential packet for the closed session.

- 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) Conference with Legal Counsel- Existing Litigation
Arreola v. Monterey Regional Waste Management District, et al
Monterey County Superior Court Case No. M90896
- 3) Personnel Matter
 - a. Public Employee Performance Evaluation: General Manager

NEXT MEETING DATE: JANUARY 16, 2009

Respectfully submitted,



William M. Merry