



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: January 8, 2008
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the January 18, 2008 Board Meeting

Welcome to 2008. The heavy winter weather over the January 4th weekend had quite an impact on our community. The site came out of it in good shape, thanks to thorough preparations by staff this fall. Our best wishes to you and your families for the coming year.

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.

PRESENTATIONS

1) **Three Year Award to Director Joseph Russell**

Congratulations, with our gratitude, to Director Russell for his service to the District over the last three years. Thank you.

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.

2) **Approve Minutes of December 21, 2007 Regular Board Meeting**

3) Approve Report of Disbursements

4) Authorize Request for Proposals for Preparation of Annual Audit for Fiscal Years 2007/08 through 2009/10

Please refer to the enclosed memo from Finance Manager Chuck Rees. Proposals will be solicited from firms across the state, as presented. If there are any firms you would like to have added to the list, please let us know at the meeting. The term of this contract is anticipated to be three years.

Recommendation: Authorize Request for Proposals.

PUBLIC HEARING TO CONSIDER INCREASE TO MISCELLANEOUS WASTE HANDLING FEES AND MINIMUM CHARGES EFFECTIVE FEBRUARY 1, 2008

At the November 16, 2007 meeting, the Board scheduled a public hearing to consider adjustments to miscellaneous fees. As staff memo was presented for Board discussion at the November meeting, and has since been updated and is included under Agenda Item 5. The proposed fee increases have been advertised in the Herald, as required, on January 6th and 12th. As of this writing, no comments have been received. On November 30, 2007, a letter was sent to all District city managers, Pebble Beach Community Services District General Manager, and the County, informing them of the proposed fee increase. As a result, the City of Pacific Grove requested Director Bales and me appear at their January 16th Council meeting. No other similar requests were made.

At the meeting, the Board Chair will open the public hearing, receive comments, and close the public hearing.

ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) Adopt Resolution 2008-01 Approving Increases to Miscellaneous Waste Handling Fees and Minimum Charges Effective February 1, 2008

Please refer to the enclosed memo from Information Systems Manager Don Prescott. The memo has been updated from a similar memo presented to the Board at the November meeting and it reflects comments made at the meeting in November. In general, the proposed fee increases reflect increased costs in District operations, resulting from increased regulatory and enforcement oversight as well as changes in District operational objectives.

The District Board and staff have been managing the District budget and finances very closely over the last 12 months. The proposed fee adjustments have resulted from that effort. The ad

hoc Finance Committee and the Board will receive further staff reports and recommendation on ways to improve revenues, reduce expenses and strengthen finances in upcoming months.

Recommendation: Adopt Resolution 2008-01.

6) Presentation on Air Quality Regulatory Impacts (AB 32) on District Operations, by The Shaw Group

Rich Merrill, the Regional Director for Air Quality Services with the Shaw Group (formerly EMCON) will make a presentation on air quality regulatory impacts associated with District operations. The purpose of the presentation is to provide an overview of the current, pending and probable air quality rules and regulations that are expected to impact District waste management operations. The presentation will highlight significant anticipated efforts and costs to comply with regulatory emission impacts of on-road and off-road vehicles, landfill gas emissions, and implications for future plans for landfill, landfill gas, composting, and recycling operations.

Rich is one of a handful of experts in California who understand these complex regulations. He has worked with District staff for nearly ten years on existing air permits and has demonstrated a thorough understanding of District operations and the regulations.

Recommendation: No action required.

7) Authorize Staff to Negotiate a Contract with The Don Chapin Company for Sand Excavation and Marketing Project

Please refer to the enclosed memo from Senior Engineer Rick Shedden. Staff has completed a process to issue Requests for Proposals, conduct interviews and select a firm to negotiate with for sand excavation and marketing. The firm recommended for negotiation is The Don Chapin Company, headquartered in northern Monterey County.

Recommendation: Authorize Staff to Negotiate a Contract with The Don Chapin Company.

8) Receive Report on Polystyrene Fast Food Packaging and Proposed Ban

Please refer to the enclosed memo and information from Public Education and Recycling Manager Jeff Lindenthal. As Jeff explains in his memo, this proposed action originated from the Peninsula Litter Abatement Task Force's meeting in November and at the request of Vice-Chair McCloud at the December meeting. Staff, working with interested member agency staff, is in the process of preparing a comprehensive policy, including a work plan for implementation, which cities County-wide could use in adopting such a ban.

The purpose in presenting this item is to take your comments and answer questions, as staff continues work on a draft policy to ban the use of polystyrene fast food packaging by Monterey Peninsula cities. Jeff will be available to show examples of the types of materials being considered with the ban.

Recommendation: No Action Required.

9) Receive Report on January 15, 2008 Meeting of Special Districts Association of Monterey County

Enclosed, for your information, is the agenda for the January 15th meeting and the minutes from the meeting held October 16, 2007. Director Jordan and I will be attending the meeting.

In addition, I and a couple of other local Special District Managers will be meeting with LAFCO Executive Director (ED) Kate McKenna earlier in the day on the 15th to review the cost allocation formula for Special District's in funding LAFCO's budget. She may make a presentation and provide further details at the January 15th meeting. Director Jordan and I will provide any additional information at the Board meeting.

Recommendation: No Action Required.

STAFF REPORTS

10) Financial, Operating and Recycling Reports

The Operating Report for December 2007 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County) during December 2007 was 23,783 tons, an decrease of 4,937 tons from November and down 1,625 tons, or (6.4%) from December of last year. These variances result primarily from a 44.7% decrease from December a year ago, in tonnage from the Commercial and Industrial customers. The tonnage from Santa Cruz County was 1,526 in December, 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 December 2007 are not completely analyzed and are not enclosed; however the Operating Income for the month is projected at a loss of less than \$20,000. Total Tipping Fee Revenue is below budget for the month and year-to-date by 1.7% and 3.9% respectfully. Year-to-date Salary Expenses are at budget levels. Year-to-date Operating Revenues are above last year by 2.7%, but below budget levels by 1.9%.

On December 20th the District submitted an application to the U.S. Department of Energy's Renewable Energy Production Incentive (REPI) Program, to request incentive rebates for generation of renewable power from two of the landfill gas to energy units which qualify for such incentives, the 1 megawatt Jenbacher unit installed in 2002 and the 1.6 megawatt Caterpillar unit installed in 2006. We anticipate receiving approximately \$25,000, perhaps more, in incentive payments. I appreciate Don Prescott's efforts to summarize the data and prepare the applications. As some of you may recall, the District submitted similar applications in the past, but has not done so recently, because the Department of Energy severely reduced funding for the incentive program, with no funds allocated for the lower tier landfill gas to energy projects.

The heavy winter weather always has an impact on site operations, since most of our operations occur outdoors. We do our best to prepare for the winter weather, as we did in anticipation of the heavy rainfall and winds over the January 4th weekend. Thanks to thorough preparation by staff this fall, the site stood up well with only minor problems. There is a considerable amount of litter, which takes several days to pick up after such an event, and other impacts from the weather. With such weather related and other unexpected events, the reduced staffing at the District impacts our ability to respond as quickly as we would like to such events. Staff will be evaluating these longer term impacts on site operations.

The ad hoc Finance Committee has scheduled a meeting for Monday, January 28th at the Administrative offices of the PBCSD.

11) Report on Public Education, Recycling, and Litter

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

12) Report on Acceptance of Regional Waste.

Please refer to the enclosed memo from Assistant General Manager Tim Flanagan. Tim's memo covers a wide range of staff activity with other regional agencies related to current and planned operations, such as composting, waste diversion, landfilling and landfill gas operations. Staff would like to hear your comments and is prepared to answer questions as we move forward with these critical and important initiatives aimed at increasing marginal revenue, reducing operating expenses and improving operating efficiencies in recycling programs, diversion, and waste management.

13) Report on 2007 Landfill Sliver Fill Construction Quality Assurance Project

Please refer to the enclosed memo from Senior Engineer Rick Shedden, along with an Executive Summary Report on the construction quality assurance work performed by Vector Engineers on

the final cover for the landfill sliver fill this fall. Following the heavy rains and weather of the past few days, the slope weathered the storm very well, with minimal soil erosion. We are very pleased with their work, and the work of District staff, who put the final cover in place this fall, instead of hiring outside contractors, thereby saving a considerable amount of money for the District.

14) Report on SWANA Legislative Task Force and 2008 Work Plan

Enclosed, for your information is the 2008 Work Plan for the SWANA Legislative Task Force. At the top of page one, you will see the top 8 priorities for the Statewide Legislative Task Force for the upcoming year. As Vice Chair of the Task Force, I can assure you it is a significant challenge to keep up with proposed legislation and regulatory changes. Several District staff, along with consultants, participates in being watchful for proposed legislation and regulatory changes affecting District operations and local programs. I will forward a copy of this Work Plan to Deanna Sessums and Nick Chiulos of the County for their information and use.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

- **Report on SWANA Applied Research Foundation (ARF)**. Recently, we received word from SWANA that the organization has increased efforts to solicit broader support from the membership to fund the ARF. The District sent a letter to SWANA last fall, along with its contribution of support based on tonnage, requesting such an effort. SWANA's International Board is supporting the effort, which includes solicitation letters and advertisements in the trade journals.
- **SWANA Senior Executive Seminar**. I will be attending SWANA's Senior Executive Seminar in New Orleans from January 10-12, where I will sit on a panel discussing waste flow control measures being considered or taken around the country.
- **Enhanced Waste Screening**. Staff is working on a report related to punitive measures for customers who have not signed the letter stating they will comply with District hazardous waste handling procedures. We anticipate the report and recommendations will be made at the February Board meeting.
- **Proposed County Landfill Buffer Zone Ordinance**. The County is proceeding with stakeholder meetings related to the proposed ordinance which would establish buffer zones around active and closed landfills in the County. The proposed ordinance continues to call for a 1,000 foot buffer zone around the Monterey Peninsula Landfill, with no residential development within the buffer zone. District staff will attend all three of the proposed stakeholder meetings, as the County has requested. On December 19th, John Ramirez of the County, and I met with Supervisor Potter

to review the matter with him. The three stakeholder meetings are scheduled for:

- Tuesday, February 12th, at 6:30 p.m. at the Marina Public Library
- Tuesday, February 19th, at 6:30 p.m. at the Prunedale Grange Hall
- Tuesday, February 26th, at 6:30 p.m. in King City

- **Upcoming Board ad hoc Committee Meetings.** As a reminder, the following ad hoc Committee meetings have been scheduled:

- **Finance Committee:** Monday, January 28th, 9-11 a.m. at the administrative offices of the PBCSD. Chair Laska and Directors Bales, Pendergrass, and Gray.
- **Personnel Committee:** Thursday, February 14th, 9-11 a.m. at the administrative offices of the PBCSD. Chair Laska and Directors Bales, Pendergrass, and Jordan. Rob will also attend.
- **Meeting between Salinas Valley Solid Waste Authority (SVSWA) and District Boardmembers:** Friday, February 1st, 2-4 p.m. at the MRWMD administrative offices. Chair Laska and Director Bales, along with SVSWA Executive Committee members Calcagno, Worthy, and De La Rosa, SVSWA General Manager Steve Johnson, Tim and me.

BOARD COMMUNICATIONS

CLOSED SESSION

A confidential packet is enclosed.

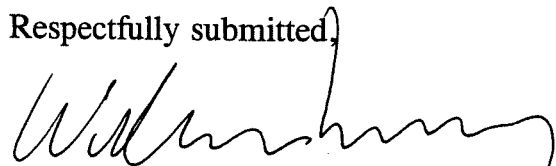
As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed or Executive Session to consider specific matters dealing with pending or prospective litigation, real property negotiations, certain personnel matters, or to confer with District's Meyers-Milius-Brown representative.

1) Conference with Labor Negotiators:

District Negotiators: William Merry, Richard Norton and Tim Flanagan
Employee Organizations: Operating Engineers, Service Employees International Union,
Management Employees

NEXT MEETING DATE: FEBRUARY 15, 2008

Respectfully submitted,



William M. Merry