



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: June 13, 2008
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the June 20, 2008 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 May 16, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve Resolution of Appreciation (2008-04) for Retiring Salinas Valley Solid Waste Authority General Manager/Chief Administrative Officer Stephen Johnson**

On behalf of the Board and Staff of the District, we extend our best wishes to Steve and express our appreciation for his many years of dedicated service to the community.

Recommendation: Approve Resolution of Appreciation (2008-04).

4) Adopt Resolution of Appreciation (2008-05) for Retiring Monterey Bay Unified Air Pollution Control District Executive Officer Doug Quetin

On behalf of the Board and Staff of the District, we extend our best wishes to Doug and express our appreciation for his many years of dedicated service to the community.

Recommendation: Approve Resolution of Appreciation (2008-05).

5) Authorize Contract with Energy-Tech Consultants to Perform Electrical Engineering Work for the Installation of New Jenbacher 420 Landfill Gas to Energy Engine/Generator in the Amount of \$25,360

Please refer to the enclosed memo from Information Systems Manager Don Prescott, recommending authorization of the scope of work from Energy-Tech Consultants. Energy-Tech has assisted the District with past installations of engine/generators and has the knowledge and experience in completing electrical design drawings, in working with PG&E on interconnection issues and in providing support in engine start-up later this year.

Recommendation: Authorize Contract with Energy-Tech Consultants to Perform Electrical Engineering Work for the Installation of New Jenbacher 420 Landfill Gas to Energy Engine/Generator in the Amount of \$25,360.

6) Receive Recommendations from Ad Hoc Finance Committee Meeting of June 5, 2008

Please refer to the enclosed memo from Chair Laska summarizing the discussion from the meeting of June 5th. Staff presented the Final Budget to the Committee which supported bringing it to the June meeting of the Board for adoption.

Recommendation: Receive Recommendations from Ad Hoc Finance Committee Meeting of June 5, 2008.

PUBLIC HEARINGS AND BOARD ACTIONS

7) Consider Adoption of 2.9% Cost of Living Landfill Tipping Fee Increase Effective January 1, 2009

Please refer to the enclosed Fact Sheet outlining the need and justification for a proposed 2.9% Cost of Living increase to the landfill tipping fee, effective January 1, 2009. The matter has been discussed and supported by the ad hoc Finance Committee and by the Board in previous meetings and as a result has been incorporated into the Final Budget for FY 2008/2009.

A letter was sent to all customers of the District, notifying them of the proposed action. The only comment received was from the Pacific Grove City Manager who requested that I attend the June 18th meeting of their Council to speak to the need for the increase. The request was later withdrawn, since the council member who had made the request would not be in attendance at that meeting. A legal ad was placed in the Monterey Herald, as required. Comments will be taken at the Public Hearing to be held on the day of the Board meeting.

Recommendation: Adopt 2.9% Cost of Cost of Living Landfill Tipping Fee Increase Effective January 1, 2009.

8) Consider Adoption of Fee Schedule for Copying of Public Records and Board Meeting Packets

Please refer to the enclosed memo from Administrative Support Supervisor Becky Aguilar. The District does not currently have a policy or adopted fee schedule for copying of District documents when requested. Most other local public agencies have such fee schedules which staff has consulted in preparation of the proposed District fee schedule. A legal ad was placed in the Monterey Herald, as required.

No comments have been received to date on the matter. Comments will be taken at the Public Hearing to be held on the day of the Board meeting.

Recommendation: Adopt Fee Schedule for Copying of Public Records and Board Meeting Packets.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

9) Adopt Resolution 2008-06 Approving Final Budget for Fiscal Year 2008/09

Please refer to the enclosed Resolution and memo from Finance Manager Chuck Rees, along with the proposed Final Budget for FY 2008/2009. There are only minor adjustments from the preliminary Budget presented in May as described in Chuck's memo. Fiscal impacts from the recently negotiated agreements with the three employees groups are included in the Final Budget calculations, effective July 1, 2008. A cost of living adjustment to the basic landfill tipping fee has also been included in the Final Budget, effective January 1, 2009.

Staff met with the ad hoc Finance Committee on June 5th to review the Final Budget provisions which they supported. A summary of the meeting is provided under Agenda Item 6.

Recommendation: Adopt Resolution 2008-06 Approving Final Budget for Fiscal Year 2008/09.

- 10) Approve Memoranda of Understanding and Revised Discipline and Benefits Policies With (Items May be Continued Until After Closed Session):**
- a. Operating Engineers Union (OE3) Operations Unit**
 - b. Operating Engineers Union (OE3) Support Personnel Unit**
 - c. Management Employees**

Please refer to the enclosed memo from Administrative Services Manager Rich Norton and the revised Discipline and Benefits Policies. We have reached agreement with the three employee groups on a new three-year agreement. Enclosed is the draft MOU encompassing the terms of the Agreements negotiated with the employee groups and, which were negotiated within the guidelines provided by the Board. The draft MOUs for the three employee groups are included under Items a, b and c. The MOU's are intended to be adopted under one action, but may be separated and adopted individually.

Recommendation: Approve Memoranda of Understanding and Revised Discipline and Benefits Policies.

- 11) Approve Amendment to Memorandum of Understanding with Service Employees International Union Unit to Incorporate Cost of Living Adjustments and Revised Discipline Policy**

Please refer to the enclosed memo from Administrative Services Manager Rich Norton, along with attachments.

Recommendation: Approve Amendment to MOU with Service Employees International Union Unit to Incorporate Cost of Living Adjustments and Revised Discipline Policy.

- 12) Approve Compensation Improvements, Negotiated with Bargaining Groups, for Unrepresented Employees**

Please refer to my enclosed memo. Approval of these adjustments for the unrepresented employees is in keeping with past District practice.

Recommendation: Approve Compensation Improvements, Negotiated with Bargaining Groups, for Unrepresented Employees.

- 13) Authorize Chair to Cast Two Votes for Representatives to the Local Agency Formation Commission (LAFCO) of Monterey County**

Please refer to the enclosed information from LAFCO on the subject of election of LAFCO Commissioners. The ballot requests that two votes be cast to elect two from the list of five candidates. The candidate receiving the most votes will be elected to the Regular Member seat

and the candidate receiving the second highest number of votes will be elected to the Alternate Member seat. The ballots are due by July 22, 2008. The candidate statements sent by LAFCO are enclosed for your information. For your information, we have also enclosed a full list of current LAFCO Commissioners.

On a related matter, LAFCO adopted their final budget on May 19th, without making last minute changes. Enclosed is a copy of the letter the Board directed be sent to LAFCO regarding their 2008/09 Proposed Budget and Work Program. Executive Director Kate McKenna told me the Commissioners considered the District's comments in their decision making on May 19th. The matter of revising their fee schedule will be considered in late June.

Recommendation: Authorize Chair to Cast Two Votes for Representatives to the Local Agency Formation Commission (LAFCO) of Monterey County

14) Authorize General Manager and Assistant General Manager to Participate in the Clinton Climate Initiative, on a One Year Trial Basis

Please refer to Agenda Item 6 (Recommendations from Ad Hoc Finance Committee Meeting of June 5, 2008). In the memorandum, Item 5 outlines the program, some of which I will repeat here. A request was made by the General Manager, to allow participation by the Assistant General Manager and the General Manager, on a one-year trial basis, in a program to assist countries around the world in assessing their waste management programs and needs, and in the process control world wide green house gas emissions. The program is sponsored by the Clinton Climate Initiative, in cooperation with SWANA, the World Bank, and the International Solid Waste Association. Participation would include a two week site visit to one of 40 participating cities worldwide to assess current waste management programs and needs and, in cooperation with a team consisting of other volunteers and representatives from the host city, prepare a report of recommendations for improvements. A list of three current project sites including project work tasks is attached to the report from the ad hoc Finance Committee, for your information.

Our participation would be coordinated with our higher priority District responsibilities and we would not be away on the same project together, nor away at the same time. The Committee expressed concern for our safety if we were to travel to some of the locations, which we would certainly take into consideration when agreeing to accept an assignment. The hard costs for travel would be paid through the program. The individual, or their employer, would be responsible for their donation of time. The Committee supported the request, and would allow the participation on District time, since participation would potentially benefit the District.

Recommendation: Authorize General Manager and Assistant General Manager to Participate in the Clinton Climate Initiative, on a One Year Trial Basis.

STAFF REPORTS

15) Financial, Operating and Recycling Reports

The Operating Report for May 31, 2008 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) during May 2008 was 29,390 tons, an increase of 2,570 tons from April 2008 and up 1,292 tons, or (4.6%) from April of last year. These variances result primarily from a 48.5% increase from May a year ago, in tonnage from the Commercial and Industrial customers offset by decreases in Franchised Garbage (9.8%) and Cash Customers (7.5%) from May of last year. The waste from Santa Cruz County was 1,769 tons in May 2008 and a total of 22,244 tons for the thirteen months since deliveries began in May 2007, for an average of 1,711 tons per month. The City of Watsonville delivered 940 tons during the month of May 2008, with deliveries beginning on March 17, 2008.

The financial statements for April 30, 2008 are enclosed showing Operating Income of \$185,391. This is \$391 more than estimated in last month's packet. The financial statements for May 31, 2008 are not included due to the unanticipated absences of key accounting personnel. Tipping Fees Revenue for May were \$1,227,000 that is at budgeted levels for the month. Salary Expenses are 0.3% below budget for May. Operating Income for May has a preliminary estimate between \$80,000 and \$100,000.

16) Report on Public Education, Recycling and Litter

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal. This memo is very informative and reports on recent community activity related to the polystyrene packaging ordinance, litter concerns and local recycling news. Kudos to Vice-Chair McCloud for her leadership skills and Carmel-by-the-Sea's updating of their take-out food packaging ordinance. Today CHP Captain Lynch toured District facilities and left "very impressed".

17) Report on SWANA Legislative Task Force Activity

Please refer to the enclosed SWANA Legislative Task Force Agenda, which lists the top priority bills, and provides website addresses if you would like further information. Also enclosed is a letter sent by the District to oppose AB 2640, which would mandate increased green waste diversion from landfills even though markets may not exist for such material.

The priority bills continue to be those related to increased recycling mandates. SB 1020 (Padilla) would increase diversion levels to 75%. The bill was expected to be final this week, but at this writing is not. SB 1016 (Wiggins) is backed by the California Integrated Waste

Management Board, and would change accounting methods to a “per capita generation” basis, and would require less waste to be landfilled. That is another way of saying “recycle more”. The bill was sent to the printers on June 11th and has been set for hearing in the Assembly Natural Resources Committee on Monday, June 23rd. SWANA will be reviewing the final provisions of the bill and will provide comments at the June 23 hearing.

OTHER CORRESPONDENCE

18) Letter from Sweetser & Associates RE: SWANA Western Regional Symposium Load Checking Training

As Mr. Sweetser points out in his letter, the measures the District has taken to enhance its waste screening program have been very productive in reducing the amount of hazardous material found in the loads of customers.

19) Letter from Monterey County RE: Improper Handling and Disposal of Hazardous Waste by the Kronlund Company of Big Sur

In the course of District staff conducting inspections of incoming loads, one load contained a large amount of hazardous materials. All-in-all, it would appear that the District’s enhanced waste screening efforts have resulted in hazardous materials being managed more responsibly by our customers.

On the topic of screening for hazardous wastes at landfills, please see the enclosed article from the *LA Times* and a news release from the Department of Toxic Substances Control (DTSC). DTSC staff carried out a number of inspections one day in May at the huge Puente Hills Landfill located near Whittier, and issued a number of citations for illegal disposal of hazardous waste.

GENERAL MANAGER COMMUNICATIONS

- **Convene MRWMD Task Force on Strategic Planning.** Please refer to the enclosed draft letter which we proposed to send to managers of member agencies requesting their participation in two meetings of a MRWMD Task Force on Strategic Planning. The ad hoc Finance Committee members have provided input on a previous draft of the letter. The goal would be to have senior staff from each of the member agencies participate. Please provide your comments to Becky or me prior to or at the meeting.

- **Trash to Energy Plant**. Please refer to the enclosed article from the June 6, 2008 edition of the *Monterey Herald*. The same story appeared the next day in the *Santa Cruz Sentinel*. And on June 11th, a letter to the *Herald* suggested the Santa Cruz based trash plant seemed to be “a good way to get rid of garbage”. For your information, I asked a nationally recognized consultant for his comments which are as follows:

“The largest scale facility currently being planned is in Florida, and it has been in the planning and permitting stages for a couple of years. I recently wrote an article that gives a brief overview of the state of the practice regarding plasmas arc. In my humble opinion, it is not ready for prime time. I suspect that the Adaptive Arc people will run into significant hurdles on the permitting side, because they have no real data from what I understand to back up their claims, at least I have not seen it or heard of it.

And to add some California flavor. I have had discussions with several air districts over this and they have said they would be unwilling to grant permits for these plants without much more test data on emissions. At best, they would offer some form of Research & Development permit, which would grant them limited operation for testing. I don't see anyone getting the financing needed in light of inability to get the plants fully authorized and permitted. And you can imagine how difficult the CEQA process would be to get one of these fully permitted. For one to happen in California, I believe one would have to be installed, operated, and tested elsewhere in the US first before we could maneuver through their permitting process here.”

Where does the District stand? In my view, the District over the last 25 years has put into place the infrastructure for zero waste management. There are very few facilities in the United States that offer the simple, flexible, cost effective waste management programs that we do.

Improvements need to be made and plans are underway to do so, working cooperatively with other regional groups in the process. The Board and staff of the District has much to be proud of in its accomplishments over the last 57 years.

- **Waste Facility More Than a Dump**. Mary Claypool wrote a nice article (enclosed) for the May 29th edition of the *Herald*.
- **General Manager Vacation**. I will be out of the office from July 6th until August 4th, on vacation with my family and out of the country for much of the time. In my absence, Assistant General Manager Tim Flanagan will be in charge, and he sit in my absence with the Board at the July meeting. I appreciate the support of the Board to allow me this opportunity, and I appreciate the strong staff support which will allow the good work of the District to move forward in my absence.

ELECTION OF OFFICERS FOR FISCAL YEAR 2008/2009

The one year term of Chair and Vice Chair of the District Board ends with the June meeting. Chair Laska was elected to the position in January 2007 following the departure from the Board of Monterey Mayor Albert, who served as Chair for five years. He was re-elected in June 2007. Vice Chair McCloud has served in that position since January 2005 with re-election each year since then. Nominations for the positions of Chair and Vice Chair may be made on the day of the meeting. There are no procedures outlined in the governing legislation of the District related to election of officers. Nor has the District adopted formal procedures for such elections. There is no limitation to the number of one year terms an officer may serve. Board Members interested in serving in either of these positions may contact Chair Laska or me for further information.

Elections for the Monterey Regional Waste Management Authority will be held in July in conjunction with the annual meeting of the Authority. Traditionally, the Authority officers have been the same as for the District.

CLOSED SESSION

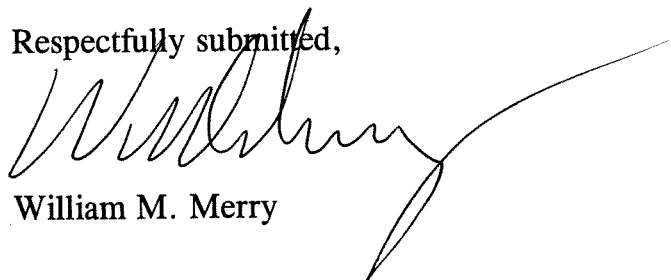
There will be a closed session. There is no confidential packet enclosed.

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-Milias-Brown representative.

- 1) Conference with Legal Counsel - Existing Litigation
 - a) Gracie Arreola v. Monterey Regional Waste Management District, et al.
Monterey County Superior Court Case No. M90896
- 2) 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: JULY 18, 2008

Respectfully submitted,



William M. Merry