



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

**DATE:** November 13, 2008  
**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Agenda Information for the November 21, 2008 Board Meeting

### 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 October 17, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Purchase of New Caterpillar 938H Wheel Loader from Quinn Company of Salinas, CA, in the Amount of \$227,000**

Please refer to the enclosed memo from Equipment Maintenance Manager Ron Mooneyham. Funds have been included in the FY 08/09 Budget for the purchase of this essential piece of equipment used in the Materials Recovery Facility.

**4) Adopt Resolution of Appreciation (2008-11) for Retiring Association of Monterey Bay Area Governments Retiring Executive Director Nicolas Papadakis**

Nick worked at AMBAG for 31 years, most of that time as Executive Director. I have enjoyed working with him during that period and he has always provided sound advice when needed. We wish him the very best in his retirement.

**5) Adopt Resolution of Appreciation (2008-12) for Retiring Senior Materials Recovery Facility Operator Ron Lebda**

Ron has contributed much to the District during his eight years here. He has a special ability to reach out to include people whenever possible, an ability that served him well in his supervisory position. We thank Ron for his service to the District and wish him well in his retirement.

**PUBLIC HEARING**

**6) Conduct Public Hearing to Consider Increase in Tipping Fee for Acceptance of Biosolids for Processing and Disposal, from \$25 Per Ton to \$30 Per Ton, Effective January 1, 2009.**

A public hearing will be conducted to hear comments on the proposed fee increase. Staff will make a presentation. Please refer to the enclosed memo, along with supporting attachments, from Assistant General Manager Tim Flanagan. At the September meeting the Board received a staff report on the matter along with a request to set a public hearing for the October meeting. The Board granted a request at the September meeting to delay the public hearing until November to allow more time for review of the R3 consultants report and the assumptions leading to the recommendation to increase the tipping fee to \$30 per ton. As Tim reports in his memo, District staff has discussed the proposed fee increase with the generators of biosolids. None are objecting to the proposed increase. No other comments or letters have been received to date from the public. The matter was included for discussion at the November 6<sup>th</sup> meeting of the Finance Committee, which has supported the fee increase since their meeting of August 22<sup>nd</sup>.

**OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**

**7) Adopt Resolution 2008-13 Approving Increase in Tipping Fee for Acceptance of Biosolids for Processing and Disposal, from \$25 Per Ton to \$30 Per Ton**

Please refer to the enclosed staff report and attached information included under Item 6, and consider staff recommendation.

***Recommendation: Adopt Resolution 2008-13 Approving Increase in Tipping Fee for Acceptance of Biosolids for Processing and Disposal, from \$25 Per Ton to \$30 Per Ton.***

**8) Receive Report from Chair of Finance Committee on Meeting of November 6, 2008**

Please refer to the enclosed memo from Chair Laska summarizing the meeting of the Finance Committee on November 6<sup>th</sup>. The Committee received staff reports on the operations and finances of the District. Staff was directed to prepare a mid-year Budget report for the January Board meeting.

*Recommendation: Receive Report from Chair of Finance Committee on Meeting of November 6, 2008.*

**9) Receive Report from Chair of Ad Hoc Power Sales Committee on Meeting of November 6, 2008**

Please refer to the enclosed memo from Chair Laska summarizing the meeting of the ad hoc Power Sales Committee on November 6<sup>th</sup>. The Committee received a status report from staff on the proposed amendment of the Power Sales Agreement (PSA) with PG&E, which would increase the amount paid to the District for delivery of renewable power from the Landfill Gas to Energy Project.

*Recommendation: Receive Report from Chair of Ad Hoc Power Sales Committee on Meeting of November 6, 2008.*

**10) Authorize Staff to Prepare Documents to Amend Power Sales Agreement with PG&E, to Sell Power at the California Public Utilities Commission Market Price Referent 2009 Delivery Price of \$0.0998 per Kilowatt-Hour, for a Term of 10 Years, for Consideration of Adoption at December 19, 2008 Board Meeting**

Please refer to the enclosed memo from Information Systems Manager Don Prescott. The District received word on November 10<sup>th</sup> that the California Public Utilities Commission released the 2008 Market Price Referents. In turn, PG&E has verbally confirmed with the District that a 10-year contract is available to the District to deliver power at a rate of \$0.0998 per kilowatt-hour. As Don explains in his memo, this is a very attractive offer for the District. At the same time, there is considerable interest in renewable power, which may push energy prices higher over the next 5 to 10 years. Staff will be gathering additional information related to the sale of renewable power prior to meeting with the ad hoc Power Sales Committee in December as we consider the proposed offer from PG&E. Staff then intends to bring the matter to the Board for adoption at the December meeting.

*Recommendation: Authorize Staff to Prepare Documents to Amend Power Sales Agreement with PG&E, to Sell Power at the California Public Utilities Commission Market Price Referent 2009 Delivery Price of \$0.0998 per Kilowatt-Hour, for a Term of 10 Years, for Consideration of Adoption at December 19, 2008 Board Meeting.*

**11) Approve Draft Annual Report for Fiscal Year 2007/08**

Please refer to the enclosed Draft Annual Report for Fiscal Year 2007/08, prepared by Public Education and Recycling Manager Jeff Lindenthal and Public Education Coordinator Kimberle Herring, with assistance from additional staff. We continue to make format changes to the annual report in an effort to highlight certain aspects of the District's programs and to make the report more easily understood in the community.

*Recommendation: Approve Draft Annual Report for Fiscal Year 2007/08.*

**12) Authorize Chair to Cast Vote for LAFCO Special District Alternate Member**

Please refer to the enclosed information from LAFCO regarding the election of one Independent Special District Alternate Member to serve a four-year term on the Local Agency Formation Commission of Monterey County. This ballot is subsequent to the recent election of Don Champion of the North Monterey County Fire Protection District, who was elected over incumbent Ann McGowan. There are three candidates running for the one position, Vince Ferrante, Moss Landing Harbor District; Thomas Moore, Marina Coast Water District; and Kenneth Nishi, Marina Coast Water District. Enclosed is information from LAFCO on each of the candidates. Also enclosed, are letters received directly by the District from two of the candidates.

On a related matter, the agenda for the October 21<sup>st</sup> meeting of the Special District's Association of Monterey County, along with minutes from the July 15, 2008 meeting are enclosed for your information.

*Recommendation: Authorize Chair to Cast Vote for LAFCO Special District Alternate Member.*

**13) Adopt Resolution 2008-14 Providing the Tax Benefit Offered by Section 414(h)(2) of the Internal Revenue Code to Employer Paid Member Contributions to District Employees Who Are Members of the California Public Employees Retirement System (PERS)**

Please refer to the enclosed memo from Administrative Services Manager Rich Norton. This action is an administrative matter. There is no additional financial or other obligation to the District with this action. Several other local public agencies who are members of PERS have already enacted a similar resolution.

*Recommendation: Adopt Resolution 2008-14 Providing the Tax Benefit Offered by Section 414(h)(2) of the Internal Revenue Code to Employer Paid Member Contributions to District Employees Who Are Members of the California Public Employees Retirement System.*

## STAFF REPORTS

### **14) Financial, Operating and Recycling Reports**

The financial statements for October 2008 have been completed and are enclosed. The Operating Income for October is \$65,555 and \$563,970 year-to-date. The year-to-date total Operating Expenses are below budget levels at \$5,532,038. The year-to-date Operating Revenues are \$6,096,008.75, above last year and budget. Refuse Accepted (excluding Regional Waste) for October decreased by 1,593 tons or 8.0% from last year. Fortunately, revenue from sources other than refuse has helped to make up for this decrease.

The Operating Report for October 31, 2008 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) during October 2008 was 26,587 tons, a decrease of 2,674 tons (or 9.1%) from October 2007. The variances resulted from decreased refuse from Franchise Haulers (1,943 tons - 12.9%), Commercial and Industrial haulers (1,014 tons - 11.7%) and was partially offset by an increase in Cash customers (283 tons - 5.2%). The tonnage from Santa Cruz County was 1,580 in October 2008 (down 14 tons from September 2008). The City of Watsonville delivered 1,171 tons during the month of October 2008 (up 98 tons from September 2008).

The price of recyclables has continued to decrease. The price for scrap metal is now \$25 per ton and cardboard has no current monetary value. These declines in commodity prices, if they continue at this level, will negatively affect the District's budget from \$250,000 to \$300,000. In the larger view, this market uncertainty and volatility is one reason why District staff continues to maintain that control of the wastestream and responsibility to achieve mandated recycling levels is best left in the hands of a publicly controlled facility.

### **15) Report on Public Education, Recycling and Litter**

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal. Jeff reports on the November 9<sup>th</sup> 60 Minutes exposé concerning e-waste exports to the Far East. The recycler the District contracts with is located in the Bay Area and has been recognized as a responsible recycler, which we verified by a staff visit to the facility last year. The District has seen a dramatic drop in prices for recyclable commodities over the last month, also enclosed is an article reporting on the dramatic impact this is having in the State and worldwide. This decline in prices may reduce the amount of recycling in the near term as local governments and their haulers reconsider how to pay for recycling programs which have now lost their revenue value. Lastly, Jeff reports on the County's proposal to adopt a 75% waste diversion goal as part of the County's General Plan.

**16) Report on Solid Waste Association of North America 2008 Wastecon Technical Conference and Tradeshow**

Enclosed is a memorandum from Director Bales regarding his attendance at SWANA's 2008 Wastecon, which was held in Tampa, Florida, the week of October 21-23, 2008. The theme of the conference this year was "Reducing Our Carbon Footprint - Energy, Climate and the Solid Waste Connection". As Director Bales reports, there were many good sessions pertaining to issues we are dealing with at the District and in the local community. In particular it was noteworthy to me that it is critically important to put in place *and support* the infrastructure to manage solid waste, from collection through processing and ultimate disposal. Additionally, waste conversion is well established in some other countries, but is for the most part untested in the US. And, at \$150 to \$300 per ton, it is expensive compared to California tipping fees in the \$45 to \$80 range.

**17) Report on SWANA Legislative Task Force (LTF) Activity and State Legislation**

Please refer to the enclosed summary of 2007/2008 Legislation prepared by the SWANA Legislative Task Force. The Report highlights the six most significant pieces of legislation for the 2007/08 Legislative Session. They are as follows:

- SB 1016 (Wiggins) Diversion: Annual Report. *Signed by Governor on 9/29/08.*
- SB 1020 (Padilla) Solid Waste: Diversion. *Died, failed to pass Legislative deadline.*
- SB 1252 (Padilla) Vehicles: dealers: consumer protection. *Died.*
- AB 1390 (Huffman) Solid Waste: diversion: illegal dumping: fees. *Died.*
- AB 2640 (Huffman) Solid Waste: compostable organics management. *Died.*
- AB 2866 (De Leon) Solid Waste; closure liability; solid waste disposal fees. *Died.*

Please refer to the enclosed report for details. The SWANA LTF will be holding its annual meeting on November 14<sup>th</sup> and 15<sup>th</sup> in Monterey, and will be developing a Workplan for 2009. I am serving a two-year term as Vice Chair of the LTF during 2008/09. A key element of the 2009 Workplan will be Extended Producer Responsibility.

**OTHER CORRESPONDENCE****18) Letter From Monterey County Re: Disposal Fees**

The enclosed letter was sent from the County Environmental Director in response to a letter request from the District sent in August inquiring how the County spent the approximately \$500,000 per year sent to them from the District and the Salinas Valley Solid Waste Authority. The County fees assessed to the District amounts to just under \$1 per ton on all waste brought to the Monterey Peninsula Landfill for disposal. As you can see, County staff carries out a wide range of solid waste related activity under this program.

19) Letter From California Ocean Protection Council Re: Appreciation of Support

**GENERAL MANAGER COMMUNICATIONS**

- **Director Terms Expiring in December 2008.** The four year terms of Directors Pendergrass, Jordan, Gray and Russell expire at the end of 2008. We will be sending letters to these four cities to request appointments for a new four-year term.
- **Purchase of Verified Diesel Emission Control Systems (VDECS).** At the October meeting, the Board authorized the General Manager to make the final purchase for these systems. The final cost for seven muffler systems was \$158,482.56. There is \$220,000 allocated in this year's budget for this purchase.
- **Update on Proposed County Landfill Buffer Zone Ordinance.** The Salinas Valley Solid Waste Authority Board will be taking action to remove the requirement for a buffer zone around landfills within its boundaries. The County at this point, still intends to consider a landfill buffer zone ordinance in 2009.
- **"Trash is Turning Into Key Power Source for New Jersey"**. Enclosed is an article forwarded to us by Vice Chair McCloud. The article reports that landfills are sources of electricity in the form of landfill gas and could also be sites for wind or solar generated electricity.

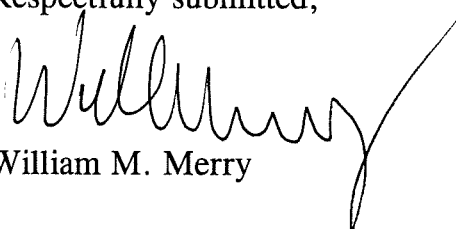
**BOARD COMMUNICATIONS**

**CLOSED 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.

**NEXT MEETING DATE: DECEMBER 19, 2008**

Respectfully submitted,

  
William M. Merry