



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: September 12, 2008
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the September 19, 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 August 15, 2008 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Authorize Purchase of a New Tink Bucket for Wheel Loader from Quinn Company of Salinas, CA in Amount of \$33,703.30**

Please refer to the enclosed memo from Equipment Maintenance Manager. The new loader bucket would replace a unit which is eight years old and worn out.

Recommendation: Authorize Purchase of a New Tink Bucket for Wheel Loader from Quinn Company of Salinas, CA in Amount of \$33,703.30.

4) Authorize Request for Proposals for Purchase of New Wheel Loader

Please refer to the enclosed memo from Equipment Maintenance Manager Ron Mooneyham, requesting to solicit proposals for a new wheeled loader.

Recommendation: Authorize Request for Proposals for Purchase of New Wheel Loader.

PRESENTATIONS

5) Thirty-Five Year Award to Legal Counsel Robert Wellington

Congratulations to Legal Counsel Rob Wellington on his 35 years of service to the District! Thirty five years ago, the Board of the Garbage and Refuse Disposal District, chaired by Lee Mackey of Monterey County, appointed an ad hoc committee consisting of Directors Nail (Monterey), Bales (Pacific Grove) and Bayless (Carmel) to explore the matter of retaining legal counsel. Previously the County provided legal advice to the District. The ad hoc committee returned with a selection and Mr. Wellington was hired at a retainer of \$125 per month. We appreciate the sound legal advice Rob and his firm have provided to the District, along with the strong working relationships maintained with staff and the Board.

6) Presentation on District Public Education and Community Outreach Program

Public Education and Recycling Manager Jeff Lindenthal will give a presentation on District efforts on public education and community outreach. There is no enclosed information. Public education and outreach efforts will play an increasingly critical role in community successes to reduce, reuse, recycle, and rot.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) Receive Report from Chair of Ad Hoc Finance Committee on Meeting of August 22, 2008

Please refer to the enclosed memo from Chair Laska summarizing the discussion of the meeting of August 22nd. The committee received information on operations and finances. The primary topics of discussion were the proposed tip fee increase for biosolids and the current and future plans for management of biosolids. The committee supported raising the tipping fee for biosolids to \$30 per ton, beginning January 1, 2009. The committee also received staff information on the landfill gas to energy project and future power sales.

The next meeting of the ad hoc Finance Committee is set for September 29th to review the draft annual audit. A committee of the Board will be scheduled to meet on the matter of power sales in early October.

Recommendation: Receive Report from Chair of Ad Hoc Finance Committee on Meeting of August 22, 2008.

8) Receive Staff Report and Schedule Public Hearing to Consider Increase in Tipping Fee for Acceptance of Biosolids for Processing and Disposal, from \$23 Per Ton (Average) to \$30 Per Ton

Please refer to the enclosed memo from Senior Engineer Rick Shedden. The ad hoc Finance Committee considered this matter in their meeting of August 22nd and supported the staff recommendation to raise the tipping fee for biosolids from \$23 per ton (average) to \$30 per ton.

The MRWPCA and the District have jointly retained the consulting firm of R3 to review the Districts expenses to manage biosolids. R3 has concluded the Districts expenses and proposed rate increase to \$30 per ton are “reasonable”. Staffs of the MRWPCA and the District have met to review and discuss the R3 report. The increase in the tipping fees for biosolids will include biosolids from all sources, including Santa Clara County, and is proposed to be effective January 1, 2009. Written notice was provided to the generators of biosolids in late 2007 that the District was considering an increase in the tipping fee for biosolids to as much as \$35 per ton, so accommodations could be made in their planning and budgeting.

Recommendation: Schedule Public Hearing to Consider Increase in Tipping Fee for Acceptance of Biosolids for Processing and Disposal, from \$23 Per Ton (Average) to \$30 Per Ton.

9) Approve Revisions to Harassment and Discrimination Policy

Please refer to the enclosed memo from Administrative Services Manager Rich Norton and the revised District Policy on harassment and discrimination. This item was carried over from the August meeting to allow final review and comment by legal counsel. The existing District policy is out of date, necessitating the need for an updated and revised policy, which has been developed in cooperation with District counsel and in consultation with the employee groups.

Recommendation: Approve Revisions to Harassment and Discrimination Policy.

10) Adopt Resolution 2008-10 Authorizing Five Year Lease Purchase Agreement with Municipal Finance Corporation for the Purchase and Installation of a New GE Jenbacher Model JGS 420 Engine/Generator

Please refer to the enclosed memo from Finance Manager Chuck Rees. The new engine/generator unit is on site and due for installation in November, following the peak summer energy demand season. Preparations are now underway for the installation, including coordination with PG&E and upgrading of the site and electrical interface for the new unit. With the installation, the generating capability of the four engine generators will be five megawatts of renewable energy, enough to power 5,000 homes.

Recommendation: Adopt Resolution 2008-10 Authorizing Five Year Lease Purchase Agreement with Municipal Finance Corporation for the Purchase and Installation of a New GE Jenbacher Model JGS 420 Engine/Generator.

11) Authorize General Manager to Make Contributions to SWANA's Applied Research Foundation, Not to Exceed \$5,000 Annually

Enclosed, for your information, is a letter request from SWANA, requesting an annual contribution to its Applied Research Foundation (ARF). As you recall, when this request came before the Board last year, the Board directed the General Manager to send a letter to SWANA expressing concerns over funding of the ARF. As a result, SWANA has renewed their efforts in raising funds, which is summarized in the enclosed letter and recent email to the District. In addition, the letter references several research topics carried out over the last year by the ARF. All are valuable and reliable sources of information. In particular the Benchmarking of MSW Landfills Report contained several specific, measurable benchmarks used in the industry and here at the District to measure landfill operations performance in a continuing effort to improve operating efficiencies. The District derives great benefit from its active role in and support of SWANA's ARF.

The amount of the contribution request of \$3,242, is based on the amount of waste managed per year, times \$0.01 per ton. The \$0.01 per ton was not increased as SWANA proposed last year. Staff has reviewed actual tonnages managed here at the District for FY 2007/08 and has determined it to be 339,000 tons. While there is less tonnage arriving at the gate, it is more than offset by increased regional waste deliveries. With Board concurrence, we propose to pay the invoice on the revised tonnage, which would make the contribution total \$3,390.

With this in mind, we urge the Board to continue support in funding the SWANA ARF and authorize the General Manager to make future contributions, not to exceed \$5,000 annually.

Recommendation: Authorize General Manager to Make Contributions to SWANA's Applied Research Foundation, Not to Exceed \$5,000 Annually.

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

Enclosed is information from LAFCO requesting a second round of balloting for election of one Independent Special District Regular Member to serve a four-year term on the Local Agency Formation Commission of Monterey County. Due to a tie vote (14-14), no representative was elected on the first round. On the first round voting conducted at the June meeting, the District Board voted for Ms. McGowan. Chair Laska concurred it would be most prudent to return this item to the Board at this time, to allow consideration of the two candidates now on the ballot, Ms. McGowan and Mr. Champion. Background statements have been supplied by both and are included for your information.

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

13) Receive Six-Month Staff Report on Updated Waste Screening Program

Please refer to the enclosed memo from Household Hazardous Waste and Last Chance Mercantile Manager Glen Evett. This sixth month report is presented as requested by the Board. The upgraded waste screening program is working very well and the results shown in Glen's report would indicate that customers are doing a better job in keeping hazardous materials out of the wastestream. Staff is to be commended for their diligent efforts with implementation of the upgraded waste screening measures.

Recommendation: No Action Required

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

The LTF conducted a teleconference call on September 4th. At that time, it was reported there are 850 legislative bills lined up waiting for the Governors signature. Among them are 6 bills on the SWANA LTF "support list". All bills await the outcome of the budget stalemate.

SB 1020 (Padilla) is dead. This was the bill that contained language to increase mandated diversion levels from 50% to 60% or 75%. It is anticipated another similar bill will be introduced in the next legislative session. SB1016 (Wiggins), was supported by SWANA. It has been enrolled to the Governor. This bill would change accounting methods for AB 939 tracking, and calls for landfilling less waste.

There is considerable interest among a growing contingent in California, and the nation, for extended producer responsibility (EPR). EPR would have manufacturers assume greater responsibility when manufacturing products, including how long the product will last, how it will be recycled or disposed, including an upfront program to take back

products at the end of their useful life. A simple, successful example of EPR is occurring with the take back program for car batteries, where 99% of worn-out car batteries are taken back to the point of sale. A couple of examples of items that would greatly benefit from a take back program are fluorescent tubes and household batteries. At the SWANA LTF Annual Workshop to be held this year in Monterey, we hope to hear from the California Director of the Product Stewardship Group, Heide Sanbourne, on the group's plan to bring forward a comprehensive EPR bill in the next legislative session. LTF members are very interested in the concept. For more information on EPR you may wish to read the enclosed information or visit one of the following websites.

- California Product Stewardship: www.caproductstewardship.org
- National Product Stewardship: www.productstewardship.us

The District, along with a number of other solid waste organizations and departments, contributes to the support of the LTF. The District's annual contribution, as a medium sized Special District, is \$2,000. The SWANA LTF website contains detailed information on proposed legislation and regulatory matters related to waste management and may be accessed at: www.swanacal-leg.org

Recommendation: No Action Required

15) Update on Strategic Plan (2007 – 2017)

Enclosed, for your information, is the updated Strategic Planning Work Plan (2007-2017). The document has been useful in directing and focusing staff efforts with programs, planning and finances. In particular it is gratifying to see staff efforts focused within the framework of the Workplan on biosolids management and landfill gas management and energy recovery efforts. The planned Strategic Task Force member agency meeting scheduled for October 8th was envisioned under Task B1 (a, b, c and d), to develop and strengthen strategic community partnerships.

Recommendation: No Action Required

STAFF REPORTS

16) Financial, Operating and Recycling Reports

The pre-audit financial statements for June 2008 are enclosed. The audit fieldwork was completed on August 29th and to date no adjusting entries have been proposed. The audit review process is anticipated to be completed by September 29, 2008. The pre-audit Operating Income for the fiscal year 2007/08 is \$1,235,000 which is \$44,000 above the

mid year estimate. Unrestricted Cash as of June 30, 2008 is \$7,734,000 or \$1,328,000 above the midyear estimate due primarily to the delay in capital spending. The preliminary August financials show Total Operating Revenues were \$1,450,000 (4.4% below budget) down from July due primarily to a 10% decrease in accepted solid waste.

The Operating Report for August 31, 2008 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) during August 2008 was 26,290 tons, a decrease of 2,905 (10%) tons from July 2008 and 4,876 tons (or 15.6%) from August 2007. The variances from July 2008 resulted from decreased refuse from Franchise Haulers (1,035 tons - 7.1%), Cash customers (1,072 tons - 16.2%) and Commercial and Industrial haulers (795 tons - 9.8%). The tonnage from Santa Cruz County was 1,835 in August 2008 (down 247 tons from July 2008). The City of Watsonville delivered 1,049 tons during the month of August 2008 (up 7 tons from July 2008).

The sharp drop in tonnage for the month occurs in all three sectors of waste origin shown above. The weak economy is a primary reason for the drop, which results in less economic activity and less trash. Fortunately, revenue from sources other than solid waste made up a portion of the revenue drop.

17) Report on Public Education, Recycling and Litter

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

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

- **Appoint Ad Hoc Power Sales Committee.** The topic of power sales and related landfill gas to energy topics will carry significant implications to the District in the next few months. With this in mind, Chair Laska intends to appoint an ad hoc Power Sales Committee at the Board meeting, to meet as needed on the matter.
- **MSW Editor's Comment: "Why Let Stewardship Get in the Way of a Quick Buck?"** Enclosed is an editorial from *MSW Magazine* editor John Trotti. It is a very poignant article on the practice in the United States of shipping "recycled" materials, valuable resources, to Asia, only to have it return to our shores, in many cases, in the form of air emissions five days later. Food for thought as we consider the impacts of our actions in the global economy.

- **Update on Receipt of Burn Debris Resulting from Fires in Big Sur.** There has been only one load of material delivered to the landfill, as a result of the action by the Board in August. More deliveries are anticipated.
- **Update on Regional Waste Management.** Please refer to the enclosed Santa Cruz County Public Works Directors report to his Board on waste management plans in that County. You will note mention of the District's name in the report. The report is informational for you. It is also noteworthy that the topic of the proposed County landfill buffer zone ordinance is being discussed, mostly on the Salinas side of the County. We anticipate the matter will reappear at the County level later this year or early next.
- **District Wins Big at Monterey County Fair.** The District received two first-place awards for our "Green Garden" exhibit at the recent Monterey County Fair. The awards included the *Water-Wise Landscape Award*, from the Water Awareness Committee of Monterey County, and a first place award in the *Home Garden Improvement* category which included a \$1,000 prize. The District exhibit featured an environmentally friendly dog house featuring a living roof, rainwater collection system and was built from salvaged materials from the Last Chance Mercantile. The exhibit promoted reducing lawn area, and replacing it with attractive District recycled wood chips, drought-tolerant and native plants, and a compost area. Special thanks to Public Education Coordinator Kimberle Herring for her vision and work on this project.
- **Monterey County Integrated Waste Management Task Force (MCIWMTF).** The County Integrated Waste Management Task Force is alive and well. But its by-laws need to be updated. As Chair of the Task Force during 2008-09, the by-law update is a primary goal of mine. Therefore your City may be requested to re-appoint a person to the Task Force this fall. With a reinvigorated membership, it is hoped the Task Force will serve more actively in an advisory role to the Board of Supervisors.
- **October 8th Strategic Planning Task Force Meeting.** The meeting has been scheduled and the agenda is being developed. Chair Laska and Director Gray plan to attend the meeting. We are very pleased with the support and feedback received thus far from the member agencies. This very important meeting is anticipated to carry significant financial implications to the residents of the District.
- **SWANA WASTECON 2008.** The annual technical symposium and trade show for the Solid Waste Association of North America (SWANA), WASTECON 2008, will be held this year in Tampa, Florida, October 20-23. This year's convention will focus in particular on energy, climate, and the emerging carbon economy. This is a great opportunity for Board members to learn more about waste management. Please let Becky or me know if you are interested in attending, prior to the registration cutoff date of September 19th.

- **California Special Districts Association Conference**. The 39th conference & exhibition of the California Special Districts Association will be held September 22-25 in Irvine. The District is an active member in CSDA and staff plans on attending. If you are interested in attending, please let Becky or me know.

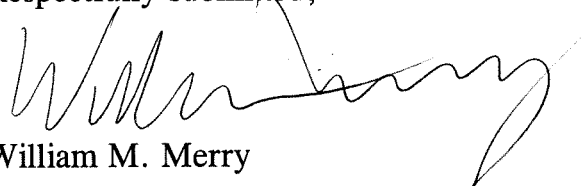
BOARD COMMUNICATIONS

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: OCTOBER 17, 2008

Respectfully submitted,


William M. Merry