



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

**DATE:** May 8, 2009  
**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Agenda Information for the May 15, 2009 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 April 17, 2009 Regular Board Meeting
- 2) Approve Report of Disbursements

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

- 3) Accept Report from Finance Committee Chair on Meeting of April 20, 2009

Please refer to the enclosed memo from Chair Laska summarizing the discussion and recommendations from the meeting of the Finance Committee held on April 20<sup>th</sup>.

***Recommendation: Accept Report from Finance Committee Chair on Meeting of April 20, 2009.***

**4) Adopt Preliminary Budget for Fiscal Year 2009/10**

Enclosed for your consideration is the Preliminary Budget for Fiscal Year 2009/10. The Preliminary Budget package has been prepared by Finance Manager Chuck Rees, with considerable assistance from the management staff, operational staff, administrative staff, the Finance Committee, and the ad hoc Personnel Committee. I would like to acknowledge the dedicated efforts of all, in particular Chuck's efforts, along with the thoughtful direction provided by the Board Committees and all Board members.

Staff has been working under the close direction of the Board for the last two years in controlling expenses, and to match them to revenues which have fallen below estimates each of the last two years. The proposed Preliminary Budget does not anticipate an increase to the current basic landfill tipping fee. It does call for a continued hiring freeze for non essential positions, which has been in effect for the last two years, along with deferred capital spending and deferred maintenance spending for non essential items.

Please refer to the enclosed Preliminary Budget and associated memos and related information. Chuck will be making a presentation at the meeting.

***Recommendation: Adopt Preliminary Budget for Fiscal Year 2009/10.***

**5) Provide Direction to General Manager Relative to Retaining a Firm to Assist in Securing Federal Stimulus Package Funds**

Please refer to my enclosed memo and related material. Staff has been researching the feasibility of the District applying for federal stimulus funds for several months. While several anticipated District projects and programs would appear to be eligible for funding, the funding pathway to bring funds from Washington to the District is unclear and uncertain to say the least. Retaining the services of an outside consultant, who has local knowledge, such as Mr. Freshman of Troutman Sanders, would increase the likelihood of success of securing such funds, if they are to be secured by this District.

***Recommendation: Provide Direction to General Manager Relative to Retaining a Firm to Assist in Securing Federal Stimulus Package Funds.***

## STAFF REPORTS

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

The financial statements for April 2009 have not been completed due to the early date of the Board Meeting. The revenues from the materials crossing the scales were down 1.6% from last month and down 12.9% from April 2008. Refuse Accepted (excluding Regional Waste) for April increased by 281 tons from last month or 1.1% and decreased by 1,336 tons or 7.4% from last year. The total refuse for the last 12 months was 209,085 tons, down 21,192 tons or 9.2% from the 12-month period ending April 2008.

The Operating Report for April 30, 2009 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) was 24,371 tons, a decrease of 2,450 tons (or 9.1%) from April 2008. The variances resulted from decreased waste from Franchise Haulers (2,023 tons – 14.5%) and Commercial and Industrial haulers (637 tons – 8.4%) offset by the increased waste from Cash customers (210 tons – 4.0%). Santa Cruz County delivered 4 loads, down 1,637 tons from last year. The City of Watsonville delivered 1,178 tons, up 316 tons (36.6%) from March 2009.

The Carmel Area Wastewater District (CAWD) took action at their April 23<sup>rd</sup> Board meeting, by a unanimous vote, to send their biosolids to the Central Valley for land application on alfalfa and cotton fields, instead of sending it to the District and thereby saving some money. Assistant General Manager Tim Flanagan and Chair Laska attended the meeting. Tim spoke in support of sending the biosolids to the District, where the infrastructure is in place to securely handle the material and where the District needs the revenue. The CAWD General Manager, Ray von Dohren, during and following the meeting expressed an interest in meeting with the District and MRWPCA representatives to discuss bringing about a sustainable, long term program to manage biosolids in this community, within the next year or so, and that CAWD would be willing to bring their biosolids to such a program. It is worth mentioning that such discussions have been ongoing for the past two years between us.

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

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal. The District was active in events of April 18<sup>th</sup>, Clean Monterey County Day, and the events surrounding Earth Day on April 22<sup>nd</sup>. I was quite gratified by the active community turnout found at Marina's Locke Paddon Park on April 18<sup>th</sup> and also in Monterey at various community cleanups. The County is to be commended for its active leadership role in making Clean Monterey County Day become such a big success.

**8) Report on April 21, 2009 Meeting of Special Districts Association of Monterey County**

Please refer to the memo from Director Parker reporting on the April 21, 2009 meeting of Special Districts Association of Monterey County. Supervisor Parker, representing the District at the meeting, spoke to the group on opportunities for cities, the County, and Special Districts to work together, now more than ever in this difficult economy.

**9) Report on State Recycling and Solid Waste Management Legislation**

Please refer to the enclosed summary of legislation related to recycling and solid waste. Also enclosed are two articles authored by SWANA members speaking about the need to shift funding mechanisms as a result of declining tonnages. The priority legislation, of greatest interest to the District, is as follows:

- **AB 283 (Chesbro)** – Extended Producer Responsibility. SWANA Supports if Amended. This is a comprehensive bill that would require greater product stewardship by producers.
- **AB 479 (Chesbro)** – Solid waste: Diversion. SWANA Opposes. This bill would increase diversion levels to 60% by 2015, requires other diversion efforts, and has considerable opposition.
- **AB 1173 (Huffman)** – Recycling: compact fluorescent lamps. Huffman's CoS Requesting SWANA Supports. This bill would create and allocate funds to establish a statewide system for take back and collection of fluorescent tubes. If certain details in the take-back provisions and fund allocations are worked out with the author, SWANA will support this bill.
- **SB 25 (Padilla)** – Solid Waste: Diversion. SWANA Opposes. This bill would require a statewide diversion rate of 60% by 2015, along with other provisions, and a \$2.13 per ton increase to the landfill tipping fee.
- **SB 44 (Denham)** – Integrated Waste Management. This was the bill to abolish the Waste Board. It died, but it may come back to life in the form of another bill. As you may know, the Governor, in early May, again called for abolishment of the Board, in an effort to save money.

As time allows, staff will prepare letters of support for AB 283 and AB 1173 and letters of opposition on AB 479 and SB 25.

Two upcoming dates are noteworthy. First is the May 19<sup>th</sup> Special Election, which will determine if the voters will support the measures aimed to bring additional money to the State. The second is May 28<sup>th</sup>, the date by which the State will apparently incorporate the election results into the State Budget. If all Special Election measures were to fail, it is estimated the State will end up with a \$15 to \$20 billion budget deficit by June.

**OTHER CORRESPONDENCE**

**10) Letter to Monterey County Integrated Waste Management Task Force Members RE: Appointment to the Task Force**

Enclosed is a letter that was sent to members of the Monterey County Integrated Waste Management Task Force (MCIWMTF) asking that they ensure a representative attend the meetings of the MCIWMTF on their behalf.

**GENERAL MANAGER COMMUNICATIONS**

- **Board Workshop Report.** A special thank you to all of you for making the time to attend the Strategic Planning Workshop on April 29<sup>th</sup>. The fact that all Board members and all staff were able to make the time to attend this important workshop is a strong testament to your commitment to the future, and for effective and efficient management of resources (i.e., wastes) in this community. There was good discussion that day and staff appreciated the feedback received. As requested, staff will create time at future Board meetings to discuss selected items in detail. A summary of the meeting will be provided to the Board as soon as it is made available by Candy Ingram and further reviewed by staff, possibly as early as the June meeting.
- **PG&E Interim Power Sales Agreement.** Rob's office reviewed the final Interim Power Sales Agreement, to sell power from engine/generator Units 1 and 4. Marty Mattes of the Nossaman law firm in San Francisco with whom the District has worked in the past and who specializes in electric power regulatory matters, also reviewed the Agreement, under Rob's direction. After minor changes to the Agreement, both PG&E and I signed the Agreement at the end of April. Staff will continue to work on the 10 year Agreement to sell power from all four engine/generator units to PG&E and we hope to have that completed by the end of the summer.
- **Per Diem and Reimbursable Meeting Expenses for Board Members.** Following an inquiry from more than one Board member regarding meeting attendance reimbursement for the month of April, I have enclosed Article 3 from the Public Resources Code for Garbage and Refuse Disposal Districts, which governs the District. Article 3, Section 49123b states that "Members of the district board may also receive not more than fifty dollars (\$50) per diem for each day of actual attendance at the meetings of the board, with the per diem to be established by order of the board and entered upon its minutes. No member of the district board shall, however, receive more than one hundred dollars (\$100) per diem in any calendar month." The Chair is compensated an extra \$100 per month. During April, some Board members attended four meetings on behalf of the District. I have discussed this matter with Rob and Chair Laska in the past, in terms of seeking state legislation to update this 60 year old provision to compensate Board members for their valuable time. If you so direct, I will work with Rob to seek an opportunity to request an update to this provision of state law.

**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

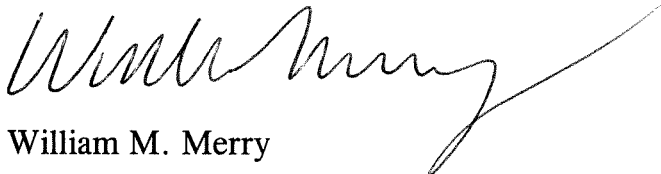
Employee Organizations: Operating Engineers, Service Employees International Union,  
Management Employees

2) Conference with Legal Counsel- Existing Litigation

Arreola v. Monterey Regional Waste Management District, et al  
Monterey County Superior Court Case No. M90896

**NEXT MEETING DATE: JUNE 19, 2009**

Respectfully submitted,



William M. Merry