



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: August 13, 2010
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the August 20, 2010 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. *Please limit comments to a maximum of three (3) minutes.* 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 July 16, 2010 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 July 21, 2010

Please refer to the enclosed memo from Chair Laska summarizing the July 21st Finance Committee meeting. Among other things, the Committee discussed the ongoing work effort by HF&H consultants on alternative funding mechanisms and the consolidated franchise agreements, and how revenue received from regional waste acceptance can benefit the District as a form of "alternate financing". The Committee also discussed the District's plans for renewable power to support the proposed Regional Water Project (RWP) and staff was

requested to provide a report at the August Board meeting. The next meeting of the Finance Committee will be on Tuesday, August 24th, at 9:30 a.m.

Recommendation: Accept Report from Finance Committee Chair on Meeting of July 21, 2010.

- 4) **Approve a Multi-Year Landfill Disposal Agreement with Green Waste Recovery/Zanker Road Resource Management LLP (GWR), for Acceptance of Municipal Solid Waste for Disposal of Residue Originating from GWR Facilities in San Jose and in Santa Clara County (Item May be Continued Until After Closed Session)**

Please refer to the enclosed memo and attachments, from Assistant General Manager Tim Flanagan. This item has been previously discussed by the Finance Committee, and by the Board in closed session. As outlined in Tim's memo, and the attached "Fact Sheet", approval of this Agreement, would benefit the District and its member agencies by utilizing a very small portion (7 years) of the Monterey Peninsula Landfill's remaining site life (166 years). The revenue received (a third of it guaranteed and amounting to over \$24 million over the 15-year contract) could be used to help keep tipping fee increases down for District member agencies and/or support District programs and facility improvements to reduce waste and increase diversion and energy recovery. An environmental review report (CEQA) prepared by EMC Planning Group (EMC), has concluded the project is exempt from CEQA requirements, as outlined in EMC's enclosed report and as discussed in Tim's memo.

This matter has been discussed in general with the District's Strategic Planning Advisory Task Force (Task Force), and in particular at their meeting of August 12th. In addition, I have had discussions with, or made myself available to, each of the city/County/PBCSD managers or their representatives, to discuss the matter in more detail over the last three weeks. All seemed to be supportive of approval of this Agreement, in particular if it benefits the District member agencies and if it helps to keep down landfill tipping fee increases. Staff has concluded this Agreement would bring considerable benefit to the District and its member agencies and urge its approval. District Legal Counsel, along with special legal counsel, has participated in preparation and review of the Agreement. Upon Board approval, and execution of the Agreement, deliveries of waste could begin within 30 days. In the event it is necessary to adjourn to closed session to discuss certain aspects of this Agreement, a closed session has been scheduled on the agenda.

Recommendation: Approve a Multi-Year Landfill Disposal Agreement with Green Waste Recovery/Zanker Road Resource Management LLP (GWR), for Acceptance of Municipal Solid Waste for Disposal of Residue Originating from GWR Facilities in San Jose and in Santa Clara County.

5) Receive Staff Presentation and Approve Renewable Energy Facility Planning Memorandum of Understanding Between the Monterey Regional Waste Management District, Marina Coast Water District, Monterey County Water Resources Agency, and the Monterey Regional Water Pollution Control Agency

Please refer to the enclosed memos from Information System Manager Don Prescott, including the proposed Memorandum of Understanding (MOU) between the four public agencies. This matter is brought before the Board at this time to provide information regarding anticipated project costs for the District to provide renewable power to support the Regional Water Project (RWP), and the timing of events at the District to do so. Don's memos outline this information, as will his presentation. As requested by the Finance Committee, a Project Development Schedule and a feasibility level Capital Cost estimate to provide renewable power to a RWP have been provided for your information.

The MOU is intended to reflect formal action by the four agencies to demonstrate the commitment of each agency to work together cooperatively and effectively for the benefit of the community to support the RWP and development of a new water supply as efficiently and cost effectively as reasonable. Upon approval by the four agencies, the MOU will be presented to the California Public Utilities Commission, the California Coastal Commission, and other agencies and parties as deemed appropriate, such as potential funding agencies, to demonstrate the regional need for the RWP and the willingness to work cooperatively to attain it. Meetings have been held recently among the general managers of the four agencies to develop the MOU. Given the time sensitivity of the RWP, all intend to bring the MOU to their Boards in the August timeframe for approval. Additionally, upon approval, a task list and master schedule of events is being developed, and some of the milestone dates from the master schedule are reflected in the schedule of events presented by Don in his memo.

Recommendation: Approve Renewable Energy Production Planning Memorandum of Understanding Between the Monterey Regional Waste Management District, Marina Coast Water District, Monterey County Water Resources Agency and Monterey Regional Water Pollution Control Agency.

6) Authorize Staff to Consider a 15-Year Power Sales Agreement (PSA), in Addition to a 10-Year PSA, During Negotiations with Pacific Gas and Electric Company, to Sell Renewable Power Produced from the Landfill Gas to Energy Project

Please refer to the enclosed March 12, 2010 memo from Don Prescott. This matter was last discussed at the March Board meeting, at which time the Board authorized the General Manager to execute a 10-year agreement with Pacific Gas & Electric (PG&E) for the sale of renewable energy, pending final review by District Legal Counsel. The March staff report is still accurate. Since March, staff has been communicating regularly with PG&E over the

other terms of a 10-year agreement. The discussions have been moving forward, although slower than anticipated. Recently, PG&E offered a 15 year agreement to the District.

A 15-year agreement was not previously available to us, but staff believes it *may* be beneficial to the District, and we would like your authorization to discuss it further. The 15-year agreement would have the same flexibility provisions for delivering power to a RWP, that have been included in our discussions with PG&E over a 10-year agreement.

Recommendation: Authorize Staff to Consider a 15-Year Power Sales Agreement (PSA), in Addition to a 10-Year PSA, During Negotiations with Pacific Gas and Electric Company, to Sell Renewable Power Produced from the Landfill Gas to Energy Project.

7) Award Pavement Management Projects 2010 Contract to Low Bidder, The Don Chapin Company of Salinas, CA, in the Amount of \$196,560

Please refer to the enclosed memo from Senior Engineer Rick Shedden. All of the paving work is for repairs to existing pavement, most of it along the levee roadway which runs for nearly a mile between the landfill and the river. The levee roadway is a primary access roadway leading to the landfill and to the back end of the site and the Salinas River Diversion Project (the Rubber Dam). This paving work has been delayed for several years, but as the levee road continues to deteriorate, the work becomes more critical to be completed. The other paving repairs have also been delayed due to lack of funding, and need to proceed.

Recommendation: Award Pavement Management Projects 2010 Contract to Low Bidder, The Don Chapin Company of Salinas, CA, in the Amount of \$196,560.

8) Authorize Contract with Bryce Consulting of Sacramento, CA, to Conduct Total Compensation Study in an Amount Not-to-Exceed \$25,000

Please refer to the enclosed memo from Administrative Services Manager Rich Norton, along with the Proposal from Bryce Consulting. At the June meeting, the Board authorized issuance of a Request for Proposals (RFP) to conduct the compensation study. As Rich states in his memo, six proposals were submitted and staff is recommending Bryce Consulting to complete the compensation study. Rich and I were very impressed with the quality of their proposal, and the experience and knowledge demonstrated during our interview with the two principals of the firm. We also believe that their approach to the work, with one of the principals completing essentially all of the work, and using the other principal for a sounding board and quality control, will result in the most reliable results, which can be most effectively communicated to the Board and the employee groups, and provide the best working relationship for all involved as the work is completed. We highly recommend Bryce Consulting and urge your authorization to retain them.

Their proposed price to complete the work is within the amount included in the FY 2010/11 Budget.

Recommendation: Authorize Contract with Bryce Consulting of Sacramento, CA, to Conduct Compensation Study in an Amount Not to Exceed \$25,000.

9) Appoint General Manager as District Representative and Assistant General Manager as Alternate to Monterey County Integrated Waste Management Task Force

Please refer to the enclosed revised bylaws, adopted on July 27, 2010 by the Monterey County Board of Supervisors (BOS), governing the functioning of the Monterey County Integrated Waste Management Task Force (County Task Force), along with the agenda for the next meeting of the County Task Force on September 8th, which will be held in the District Administrative Offices at 1:30 p.m. The bylaws have not been revised since first adopted in 1990. With the revision, all of the appointing agencies, including all cities and each of the members of the BOS, along with other community groups, will need to make appointments to the County Task Force. The County Task Force meetings were very well attended in the early 1990s, but have been lightly attended over the last several years. As the current Chair of the County Task Force, I am hopeful that future meeting agendas will contain content meaningful enough to attract attendance.

Under the original bylaws, as General Manager, I have served as the District's appointee to the County Task Force, and as Assistant General Manager, Tim has been the alternate. These appointments would continue under the new bylaws. The appointees continue to serve until they are replaced.

Recommendation: Appoint General Manager as District Representative and Assistant General Manager as Alternate to Monterey County Integrated Waste Management Task Force.

10 Approve Request by General Manager to Submit Application as Candidate for International Secretary to the Solid Waste Association of North America (SWANA)

Please refer to the Report of the Finance Committee Chair under Agenda Item 3. The Finance Committee unanimously supported my request to submit an application as a candidate for the position of International Secretary of the Board of the Solid Waste Association of North America (SWANA). Earlier this year, I was asked by the current SWANA President, and head of the nominating committee, to consider submitting an application to serve as an Officer for SWANA International. It is an honor to me to be asked and it reflects well on the District. It would require a commitment by me, and the District, if I were selected. I would plan to conduct as much of the SWANA business as possible on my own time. It is a five-

year commitment, which would involve serving one-year terms in each of the officer positions. The term of service would be from August 2011 until August 2016.

Under Item 6 of the enclosed solicitation, documentation is required that states that the Board of Directors acknowledges the candidate's obligation to attend board meetings, etc. I am requesting District support for attendance at three meetings per year (two days per meeting) of the Executive Committee/International Board, at an estimated travel expense of \$5,000 per year, to cover airfare, hotel and meals. Why am I interested? I believe I have the necessary experience, knowledge, skills, and ability at this time to provide effective leadership to SWANA, and would like to give back to the organization which has given so much to me and to the District.

I was asked 10 years ago to submit an application, as was the previous general manager of the District. Since then, I have gained considerable experience. California is considerably out in front of the rest of the nation when it comes to waste management issues, and the District is highly regarded within SWANA. The District has been a strong supporter of SWANA over the last 30 years, and if the Board is willing to support the submittal of my application, I would be grateful. If selected, I would do my best in carrying out the assigned duties. Applications are due by December 31, 2010. I anticipate there will be several qualified applications submitted and only one will be selected sometime early in 2011.

Recommendation: Approve Request by General Manager to Submit Application as Candidate for International Secretary to SWANA.

STAFF REPORTS

11) Finance, Operating, and Recycling Reports

The financial statements for June 30 and July 31, 2010 are not included due to the year-end close and audit procedures. Hayashi & Wayland will begin their audit fieldwork on August 24th. Tipping Fees Revenue for the fiscal year ended June 30, 2010 is \$12,642,000, which is 1.8% below budget. Total Operating Revenues for the fiscal year are \$18,117,000, which is 3.3% above budget due to increased prices for recyclables and power sales. The preliminary Tipping Fees Revenue for July 2010 is \$1,100,000, below last year by \$50,000 and above budget by \$50,000. Refuse Accepted (excluding Regional Waste) for July 2010 was 18,559 tons, an increase of 953 tons (5.4%) from July 2009 and decrease of 454 tons (2.4%) from June 2010. The total refuse for the last 12 months was 198,370 tons, down 1,207 tons or 0.6% from the 12-month period ending July 2009.

The Operating Report for July 2010 is enclosed. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County, Watsonville and Scotts Valley) was 26,310 tons, a decrease of 3,146 tons or 10.7% from June 2010 and up 7 tons from July 2009. The variances from last year resulted from increased refuse tonnage from Cash customers (1,634 tons – 29.2%) partially offset by a decreased waste from Franchise Haulers (771 tons –5.8%), and Commercial and Industrial haulers (856 tons – 11.4%). The cities of Watsonville and Scotts Valley delivered 1,259 and 562 tons respectively.

As requested by Vice Chair McCloud, Chuck and I contacted the FORA Executive Director and discussed FORA's banking transactions and deposits held with First National Bank (FNB) and other banking institutions. The discussions were informative; no adjustments were made to District financial transactions or deposit procedures with FNB at this time.

12) Report on Public Education, Recycling and Litter, Including AB 939 and SB 1016 Reports

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal. Jeff's memo contains some very informative and useful information regarding local diversion efforts. The memo also presents the new SB 1016 reporting format for calculating recycling numbers. This new format replaces the old AB 939 format. The good news is that even with the new accounting, the District member agencies are well above the State diversion requirements, which allows time to make good decisions over future plans.

13) Report on Employee Injuries and Property Loss Incidents for Fiscal Year 2009/10

Please refer to the enclosed memo from Safety Manager Jack Cook. The annual report generally reflects progress in reducing lost time accidents, incident occurrences, and costs for workers compensation claims. However, to make progress in all areas at the same time is akin to herding cats. Jack, working with Rich Norton, has put together an informative and useful report which reflects a lot of sustained effort by Jack, and the entire staff at the District, to work safely every day. Jack has made it a priority to provide training and raise awareness over safety. His persistence in doing so has saved the District many tens of thousands of dollars, as shown in the Safety Accomplishments portion of his memo. The goal for 2010/11 is to sustain the effort in training and a focus on working safely every day, and to improve on end of year statistics to further reduce incidents and accidents.

14) Report on July 20, 2010 Monterey County Special Districts Association Meeting

Please refer to the enclosed summary of the July 20th meeting of the Monterey County Special Districts Association.

15) Report on August 12, 2010 Strategic Planning Advisory Task Force Meeting

Please refer to the enclosed agenda along with a list of attendees at the August 12th meeting. HF&H Consultants (HF&H) provided the Task Force with information regarding the member agency and District benefits of a consolidated franchise collection agreement. A presentation was also made on the value of receiving regional waste for disposal as an alternate funding mechanism available to the District. HF&H will make a presentation to the District Board in October as a status report to the Board on their efforts to date, which have been primarily to provide information to the Task Force for discussion and consideration. No decisions have been made to date by the Task Force in terms of going in one direction or another with a consolidated franchise agreement.

16) Report on SWANA Legislative Task Force and Legislative Update

The Legislative Task Force (LTF) held a teleconference on August 5th; the agenda for the meeting is enclosed. The Legislature has just returned from their July break and all bills just went to the suspense file, to be heard August 12th and 13th. August 31st will be the last day to pass bills off the floor. There is one bill discussed, of local interest:

- **AB 1998 (Brownley) Single-use carry-out bags** – SWANA’s position is “Watch”. The bill passed the Senate Environmental Quality Committee last week. The bill will be amended further and is a contentious subject. CSAC and the League of Cities may take a “No Position” as the way the bill is written now takes away local flexibility. A Statewide EIR is being prepared on the single use carry out bags; San Jose has a draft of the EIR. The American Chemical Council submitted a 220-page letter of comment to the EIR document. So far, San Francisco, Fairfax and Palo Alto have banned use of plastic bags. Santa Monica has introduced a fee on their use. On August 12th, the Bill moved along and was referred to the Rules Committee by the Senate Appropriations Committee.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

- **Salinas Valley Solid Waste Authority (SVSWA) Request for Proposals (RFP) for Organics Processing, Product Marketing, and Diversion Services.** The District intends to submit a proposal to the SVSWA on August 20th, in response to their RFP for organics processing, product marketing, and diversion services. The RFP is to process organic material throughout the SVSWA jurisdictional area. At the April meeting, the Board authorized the General Manager to submit a Proposal. The SVSWA delayed submittal of the proposals until August over contractual issues on their end.

- **WasteCon.** The SWANA Wastecon Annual Exhibition will be jointly held this year with the American Public Works Association (APWA), August 14-18. I will be attending, along with Director Bales. Tim and Jeff are providing presentations on District operations. Tim's presentation is entitled "Environmental Responsibility Assists in Meeting Social Needs at The Last Chance Mercantile - The Monterey Peninsula Landfill's Reuse Store", and Jeff's presentation is entitled "Social Networking & Viral Marketing: Essential Tools For Building Community Support".
- **Special District Risk Management Authority (SDRMA) Board of Directors Appointment.** We received a Notice of a Director Vacancy on the SDRMA Board of Directors. If you have an interest in being considered, please let Becky or me know, and we will place an item on the September agenda to request the Board to nominate you as a candidate for the position. Please refer to the enclosed SDRMA letter for more information.

BOARD COMMUNICATIONS

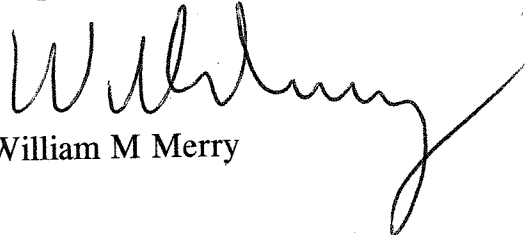
CLOSED SESSION

There is no material enclosed in your packet for the closed session.

- 1) Conference with Property Negotiators
 - Property: Landfill Site Space/Capacity
 - District Negotiators: William Merry and Tim Flanagan
 - Negotiating parties: Santa Cruz County and Green Waste Recovery/Zanker Road Resource Management
 - Terms: All Terms and Conditions

NEXT MEETING DATE: SEPTEMBER 17, 2010

Respectfully submitted,



William M Merry