

WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

RICHARD NORTON
ADMIN. SERVICES MGR.

ROBERT WELLINGTON
COUNSEL



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
December 18, 2009

Boardroom
Monterey Peninsula Landfill
Marina, CA

MEMBERS PRESENT Leo Laska (Chair), Pebble Beach Community Services District Boardmember
Sue McCloud (Vice Chair), City of Carmel-by-the-Sea Mayor
Gary Bales, City of Pacific Grove
David Pendergrass, City of Sand City Mayor
Libby Downey, City of Monterey Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Ian Oglesby, City of Seaside Councilmember
Bruce Delgado, City of Marina Mayor
Kristin Clark, City of Del Rey Oaks Vice Mayor

MEMBERS ABSENT: None

STAFF PRESENT: William M. Merry, General Manager
Rob Wellington, Legal Counsel
Tim Flanagan, Assistant General Manager
Rick Shedden, Senior Engineer
Richard Norton, Administrative Services Manager
Chuck Rees, Finance Manager
Don Prescott, Information Systems Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Harry Hunzie, Materials Recovery Facility Manager
Jeff Lindenthal, Public Education and Recycling Manager
Jack Cook, Safety Manager
Richard Petitt, Site Manager
Rebecca Aguilar, Administrative Support Supervisor
Amber Watson, Administrative Support Specialist
Kimberle Herring, Public Education Coordinator
Clyde Walkup, MRF Operations Supervisor/OE3 Operations Shop Steward

OTHERS PRESENT: Angela Brantley, City of Monterey
Bob Hilton, Hilton Farnkopf & Hobson
Rob Hilton, Hilton Farnkopf & Hobson
Matt Fore, Monterey County Environmental Health Department
Gary Parola, Monterey Disposal Services

OTHERS PRESENT: Ton Buell, Monterey Regional Water Pollution Control Agency
(Continued) Patrick Mathews, Salinas Valley Solid Waste Authority
Candace Ingram, The Ingram Group
Felipe Melchor, Waste Management
Michael LaRussa, Waste Management
Stephanie Moreno, Waste Management
Jay Ramos, Waste Management
Lewis Leader

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice having been duly given and the presence of a quorum established, the December 18, 2009, Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Laska at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no comments from the public.

Emergency Agenda Item:

Chair Laska informed the Board that staff was requesting the addition of an emergency item to the agenda authorizing General Manager to send a letter of commitment to the California Energy Commission (CEC) to install alternative fuel and charging stations at the District site. General Manager stated the request had been received earlier that morning and the letter was due at the CEC by January 6, 2010. Legal Counsel stated that since this item required Board action prior to the next Board meeting, it was appropriate to add it as an emergency item, if approved by the Board.

It was moved by Vice Chair McCloud, seconded, and *Unanimously Carried To: Add "Authorize General Manager to Send Letter of Commitment to the California Energy Commission to Install Alternative and Renewable Fuel Infrastructure" as an Emergency Item to the Agenda.*

CONSENT AGENDA

Vice Chair McCloud requested to pull Item 4 from the Consent Agenda for Board discussion.

Following a motion by Director Delgado, and seconded, the Board approved the following action, with Vice Chair McCloud abstaining from Item 1 because she was not present at the November 20, 2009 meeting:

- 1) **Approve Minutes of November 20, 2009 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve 2010 Calendar of Board Meetings and Other Events**
- 5) **Adopt Resolution of Appreciation (2009-12) for Rick Mauck, Retiring from the City of Santa Clara**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

4) Approve General Manager Goals for 2010

The Board discussed the General Manager's goals for 2010 and expressed differences of opinion on the measurement of the goals and whether they were too specific.

It was moved by Director Pendergrass, seconded, and Supported by Chair Laska, Directors Bales, Clark, Delgado, Downey, Oglesby, Parker, and Pendergrass; Opposed by Vice Chair McCloud To: Approve General Manager's Goals for 2010.

PRESENTATION

6) "Greater Regional Waste Management System Cooperation?" by Hilton Farnkopf & Hobson (HF&H) Consultants

General Manager stated that HF&H had made a similar presentation to the Districts member agency Strategic Planning Advisory Task Force meeting on December 2nd, which was summarized in the minutes from that meeting (Agenda Item 7).

Bob Hilton addressed the Board and expressed appreciation for the opportunity to work with District staff on the concept of consolidation of the member agency franchise agreements. He provided the Board with a presentation giving an overview of current franchise conditions and summarized opportunities for member agencies to work cooperatively to: update contract language, improve services, and maximize value to rate payers and member agencies. He provided a procurement schedule and suggested that over the next two years, franchise agreements not be renewed or extended, to provide sufficient time for member agencies and the District to explore the benefits, alternatives, and options in pursuing a consolidated franchise agreement and to seek input of key players. Because the agreements do not expire until 2015, it would still allow three years to negotiate an agreement with the current haulers, if the member agencies choose to do so.

Board discussion followed regarding increasing costs, the two-year delay, losing member agency autonomy, and the difficulty in obtaining uniform agreements. Mr. Hilton responded to the discussion and stated that there were many other California communities that have benefited from this process with lowered monthly garbage bills and increased service levels. Each member agency would have the opportunity to fine tune their agreements with the ability to add services to the uniform agreements. The Board continued discussion under Agenda Item 7.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) Receive Minutes from the December 2, 2009 District Strategic Planning Advisory Task Force Meeting and Authorize Letter to Member Agencies Requesting Two-Year Moratorium on Extension of Franchise Agreements

The Board reviewed the minutes from the December 2nd meeting of the Districts member agency Strategic Planning Advisory Task Force (Task Force). General Manager reported that eight of the nine member agencies had been represented at the meeting. Staff was requesting Board authorization to send a letter to the member agencies requesting a two-year moratorium on the extension of franchise agreements, which would allow time to explore this issue, as suggested by Mr. Hilton.

Felipe Melchor, General Manager for Waste Management (WM), addressed the Board and requested that the Board delay action on this item until WM had reviewed the material provided to the Task Force since WM had just received it earlier in the week. He also provided material to the Board regarding WM services and accolades and requested that WM be a part of any discussions held related to this matter. Vice Chair McCloud asked if the two year moratorium on franchise extensions was something he "could live with", and he responded yes he could.

Extensive Board discussion followed regarding the presentation by Mr. Hilton, along with concern over the two-year moratorium; satisfaction of and support with the current haulers, and desire to have the franchised haulers included in discussions. Vice Chair McCloud inquired whether WM had been a part of the Task Force. General Manager responded that only District member agencies attended the meetings but that he had spoken with Mr. Melchor regarding the issue and their participation at the appropriate time. The Vice Chair then expressed concern with the two year time frame, for reasons associated with state and local economic issues, and suggested it be reduced to one year. Director Parker suggested this could be a good opportunity to think about "what is possible and what would we like to see for our communities" for future waste management services.

It was moved by Vice Chair McCloud and seconded To: Authorize Letter to Member Agencies Requesting a One-Year Moratorium on Extension of Franchise Agreements and Include the Franchised Haulers with any Subsequent Discussion Related to This Matter. Motion was supported by Chair Laska, Vice Chair McCloud, Directors Parker and Oglesby; opposed by Directors Bales, Pendergrass, Downey, Delgado, and Clark. Therefore the motion failed.

It was moved by Director Downey and seconded To: Continue This Item Until the February Board Meeting to Allow for Discussions with the Franchised Haulers, Legal Counsel, and the Strategic Planning Advisory Task Force, and Bring Back Information to the Board on Questions Raised. The motion was supported by Directors Bales, Pendergrass, Downey, and Clark; opposed by Chair Laska, Vice Chair McCloud, Directors Parker, Oglesby, and Delgado. Therefore the motion failed.

Vice Chair McCloud stated that this idea of consolidation is one that is being discussed within and between the member agencies every day and the Board was not necessarily making any commitment on behalf of the cities they represent, just providing time to be able to further discuss this matter along with the pros and cons. Director Oglesby stated that the Board was not taking any action on behalf of the cities, rather that this request is just to take time to research this topic. Doing so will show our constituents that we are exploring "every avenue" to evaluate finances and services and it will still be left to each city to determine if they want to come together as a group.

It was moved by Vice Chair McCloud, seconded, and Unanimously Carried To: Authorize General Manager to Send a Letter to Member Agency City Managers Requesting Participation Over the Next Year to Further Evaluate the Consolidation of Franchise Agreements and Recommending That Member Agencies Not Extend Existing Franchise Agreements During the One Year Period.

Chair Laska turned the meeting over to Vice Chair McCloud and retired at 11:08 a.m.

8) Receive Report on Listing of Carbon Offset Credits with the Climate Action Reserve (CAR), and Supplying Renewable Energy to Regional Water Project

The Board reviewed a memorandum from Information Systems Manager Don Prescott reporting on the acceptance of the District's application by the Climate Action Reserve (CAR) to be able to earn carbon offset credits. The next step is to assess options for sale of the carbon offset credits.

The memorandum also provided a brief summary of a recent meeting on supplying renewable power for a regional water supply project. District staff is preparing a report for the Board on alternatives for supplying renewable power to a regional water project, along with the cost to do so and an implementation schedule.

No Action Taken.

9) Authorize Purchase of Siemens Continuous Methane (Landfill Gas) Monitoring Unit at a Cost Not to Exceed \$50,000

The Board reviewed a memorandum from Information Systems Manager requesting authorization to purchase a landfill gas continuous monitoring and metering device at a cost not to exceed \$50,000. The device will continuously record the methane content and volume of the landfill gas consumed by the engines, eliminating the need for manual recording and will pay for itself in a little over a year by eliminating the 10% discount imposed by the Climate Action Reserve (CAR) when using a portable measuring device.

It was moved by Director Delgado, seconded, and Unanimously Carried To: Authorize Purchase of Siemens Continuous Methane (Landfill Gas) Monitoring Unit at a Cost Not to Exceed \$50,000.

10) Approve Long-Term Agreement with City of Scotts Valley to Accept Waste for Disposal at Rate of \$28 Per Ton

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding a long term agreement with the City of Scotts Valley to accept waste for disposal. The Board also reviewed the draft agreement. As reported in the memorandum, the District is to accommodate the anticipated 10,000 tons per year of refuse for disposal without compromising the District's current 75-year disposal reserve policy, as established by the Board. The refuse would be accepted at a rate of \$28 per ton and landfilled. The language of the agreement is consistent with the long-term disposal agreements signed in 2007 with the County of Santa Cruz and the City of Watsonville.

Mr. Felipe Melchor, of Waste Management (WM) inquired why the City of Scotts Valley was receiving a reduced rate when WM and other local haulers paid the current tipping fee of \$46.25 per ton. General Manager responded that Scotts Valley would not be utilizing any other District services such as recycling from the Materials Recovery Facility and services from the Household Hazardous Waste Program.

It was moved by Director Pendergrass, seconded, and Unanimously Carried To: Approve Long-Term Agreement with City of Scotts Valley to Accept Waste for Disposal at Rate of \$28 Per Ton.

EMERGENCY ITEM

E1A) Authorize General Manager to Send Letter of Commitment to the California Energy Commission to Install Alternative and Renewable Fuel Infrastructure

General Manager reviewed with the Board a request for the District to partner with the Monterey Bay Electric Vehicle Alliance, and Ecology Action, in their application to the California Energy Commission (CEC) for funding in support of the Alternative and Renewable Fuel and Vehicle Technology Program. The letter of commitment to the CEC needs to be received by January 6, 2010.

Board discussion followed regarding the program and the installation of the charging meters.

It was moved by Director Downey, seconded, and Unanimously Carried To: Authorize General Manager to Send Letter of Commitment to the California Energy Commission to Install Alternative and Renewable Fuel Infrastructure.

STAFF REPORTS

11) Financial, Operating, and Recycling Reports

The Board reviewed the financial statements for November 2009. The Operating Income for November is \$98,204 and \$739,979 year-to-date. The year-to-date total Operating Expenses are below budget by 0.95% at \$6,848,519. The year-to-date Operating Revenues are \$7,588,498, above last year and budget by \$109,181 (1.46%) and \$281,334 (1.60%), respectfully. Refuse Accepted (excluding Regional Waste) for November decreased by 26 tons or 0.2% from last year and by 1,543 tons from last month or 9.0%. The total refuse for the last 12 months was 198,902 tons, down 17,773 tons or 8.2%, from the 12-month period ending November 2008.

The Board also reviewed the Operating Report for November 2009. The Total Solid Waste Accepted into the site (excluding regional waste from Santa Cruz County and Watsonville) was 24,117 tons, an increase of 215 tons from November 2008. Santa Cruz County delivered 24 tons of refuse, down 1,482 tons from November 2008, and the City of Watsonville delivered 1,016 tons, up 133 tons from November 2008.

12) Report on Public Education, Recycling and Litter

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal. The District has been very active in the community sponsoring a workshop and working cooperatively with other local agencies on the topics of reuse and the capture of rainwater.

OTHER CORRESPONDENCE

13) Letter to Assemblyman Bill Monning RE: Request for Legislation - Board Member Per Diem

The Board reviewed a letter that was prepared and sent, at their direction, to Assemblyman Monning's office requesting consideration of legislation to change Board Member Per Diem. General Manager stated that Assemblyman Monning's office had informed him that due to the economy and challenging finances, it is not a good time to take such a measure forward, and the Assemblyman will not be doing so at this time, but will reconsider the request in the fall of 2010.

14) Letter to Assemblyman Bill Monning RE: Request for Legislation - Ordinances

The Board reviewed a letter that was prepared and sent, at their direction, to Assemblyman Monning's office requesting consideration of legislation to allow the District to adopt ordinances. Assemblyman Monning's office is considering the matter and has requested additional information from the District.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the Salinas Valley Solid Waste Authority (SVSWA) is not interested in holding another joint meeting of Board members pending completion of discussions by their Board on their ten-year financial plan

sometime early in 2010. He also reported that discussions were held with the Monterey Regional Water Pollution Control Agency senior staff on management of biosolids and opportunities to work together to develop new sources of renewable power production. A plan is being prepared by staff which will outline potential opportunities for renewable energy production and place a priority on the most promising opportunities.

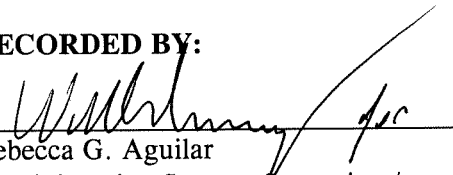
BOARD COMMUNICATIONS

Director Downey inquired of Legal Counsel if it was appropriate to contact him if she had any questions. Legal Counsel responded that as the District and Board's legal counsel, he is available to speak with Boardmembers should the need arise.

ADJOURNMENT

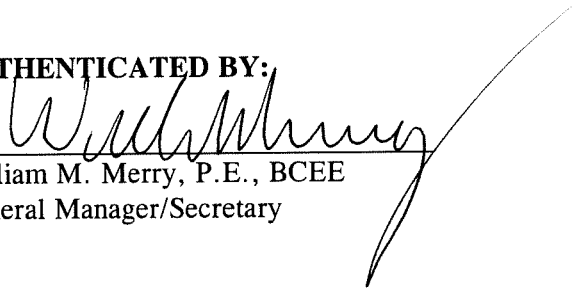
There being no further business to come before the Board at this time, the December 18, 2009 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to January 15, 2010 by Vice Chair McCloud at 11:35 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



William M. Merry, P.E., BCEE
General Manager/Secretary