



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: May 14, 2010
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the May 21, 2010 Board Meeting

CALL TO ORDER AT 9:30 AM

PLEDGE OF ALLEGIANCE

ROLL CALL AND ESTABLISHMENT OF QUORUM

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 April 16, 2010 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve Purchase of Eleven 3-Yard and Three 14-Yard Dumpster-Style Debris Bins from Consolidated Fabricators of Galt, CA, at a Cost of \$11,102.34**

Please refer to the enclosed memo from Equipment Maintenance Manager Ron Mooneyham.

- 4) **Approve Purchase of Landfill Gas Engine Olympus IFlex FX Videoscope (Borescope) from Olympus NDT Inc., of Houston, TX, at a Cost of \$41,135**

Please refer to the enclosed memo from Site Manager Richard Pettit. Staff has long considered the value of this purchase and has concluded it will contribute to more efficient operation of the engine generators.

PRESENTATION

5) Presentation by Assemblyman Bill Monning

At my invitation, Assemblyman Bill Monning will be present to address the Board. We have asked him to provide his views from Sacramento on legislation that may have the greatest impact on the District, including the impact of unfunded mandates on local jurisdictions and on public agencies like ours, AB 32, and “universal wastes” such as household batteries and fluorescent bulbs. We also asked for his view on Extended Producer Responsibility (EPR) as an effective tool in reversing the current trend to have local government pick up the costs to manage many items in the waste stream. He may also comment on local concerns over polystyrene pollution on our local beaches. He is aware that four cities and the County of Monterey, have adopted bans on polystyrene fast food packaging, and that there is a litter related interest in one-use plastic bags and what measures can we take to reduce consumption.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

6) Review Finance, Operating and Recycling Reports

This item is normally later on the agenda, but it has been moved up this month to allow staff to provide the latest financial and operational information as the Board considers the report from the Finance Committee and then considers adoption of the Preliminary Budget.

The financial statements for April 2010 have been completed and are enclosed. The Operating Income for April is \$142,853 and \$713,251 year-to-date. The year-to-date total Operating Expenses of \$13,895,841, are below budget by \$122,492. The year-to-date Operating Revenues are \$14,609,092, above last year by \$460,772 and below budget by \$7,575. Refuse Accepted (excluding Regional Waste) for April increased by 38 tons, or 0.2%, from last year and decreased by 246 tons, or 1.4%, from last month. The total refuse for the last 12 months was 193,498 tons, down 12,209 tons, or 5.9%, from the 12-month period ending April 2009.

The Operating Report for April 30, 2010 is enclosed. The Total Solid Waste Accepted into the site (excluding Regional Waste) during April 2010 was 26,770 tons, an increase of 2,399 tons (or 9.8%) from April 2009. The variances resulted from increased waste from Franchise Haulers (603 tons – 5.1%), Cash customers (324 tons – 5.9%) and Commercial and Industrial haulers (1,472 tons – 21.1%). Regional Waste increased by 557 tons, due primarily to the new contract for regional waste from Scotts Valley.

The District has done its banking at First National Bank for many, many years. On April 29, 2010, Pacific Capital Bancorp (PCB) the parent of First National Bank of Central California

(FNB), entered into an agreement with Ford Financial Fund, L.P. (Ford) to invest approximately \$500 million in PCB as part of an overall recapitalization plan. After the transaction is completed Ford will own approximately 91% of PCB's common stock, the current shareholders will own approximately 2%, and the US Treasury will control 7% through the TARP funds program. Ford will take an active management roll in PCB. Ford was involved in the purchase and turn around of distressed lenders during the savings-and-loan crisis in the 1980s and 1990s. Please see the attached letter from FNB President Clayton C. Larson.

7) Accept Report from Finance Committee Chair on Meeting of April 26, 2010

Please refer to the enclosed memo from Chair Laska summarizing the meeting of the Finance Committee held on April 26th. The Committee reviewed the Preliminary budget and requested staff to prepare the Preliminary Budget to include an increase to the tip fee of \$5.00 per ton, beginning January 1, 2011.

The next meeting of the Finance Committee is scheduled for Tuesday, May 25th at 9:30 a.m.

Recommendation: Accept Report from Finance Committee Chair on Meeting of April 26, 2010.

8) Adopt Preliminary Budget for Fiscal Year 2010/11

Enclosed for your consideration is the Preliminary Budget for Fiscal Year 2010/11. The Preliminary Budget package has been prepared by Finance Manager Chuck Rees, with considerable input from staff and the Board and its Committees.

Staff has been working under the close direction of the Board for the last three years now in controlling expenses, and to match them to revenues which have fallen below estimates each of the last three years, and where tonnages into the site have declined significantly over the period. The proposed Preliminary Budget anticipates an increase to the basic landfill tip fee of \$5.00 per ton, effective January 1, 2011. An increase of \$5.00 per ton equates to an increase of 2% to 3%, or roughly \$0.50 per month to the residential customer. The tip fee would increase to \$51.25 per ton. The enclosed Fact Sheet outlines the need for the fee increase.

The Preliminary Budget does call for a continued hiring freeze for non essential positions, which has been in effect for the last three years, along with continued deferred capital spending and deferred maintenance spending for non essential items. Staff has taken a number of actions to reduce expenses, as outlined in Tim's enclosed memo. Finally, staff continues to pursue every opportunity to enhance operational revenues. Chuck will be making a presentation on the Preliminary Budget at the meeting.

Recommendation: Adopt Preliminary Budget for Fiscal Year 2010/11.

9) Receive Update on CalRecycle Grant Funding and Authorize Staff to Proceed with Implementation of On-Site Buyback Center

Please refer to the enclosed memo from Public Education and Recycling Manager Jeff Lindenthal. The District has been planning to implement a beverage container buyback center and is seeking your authorization to accept CalRecycle grant funds and implement the buyback center. It would be operated out of the Last Chance Mercantile facility.

Recommendation: Authorize Staff to Proceed with Implementation of On-Site Buyback Center.

STAFF REPORTS

10) Report on Public Education, Recycling and Litter

Enclosed is a memo from Public Education and Recycling Manager. As noted in his memo, there has been a lot of recent interest in food waste composting. The District, in cooperation with on-site compost operator Keith Day, holds a permit to compost up to 300 tons per day, including food scraps. The current input is well below that number, but we are now receiving food scraps from a number of different sources in Monterey and Santa Cruz Counties. While there is a lot of interest in composting food scraps, there are a number of challenges for all involved in terms of training staff, storage and transportation, as well as associated costs, and possessing necessary permits.

11) Report on May 12, 2010 Meeting of the Monterey County Integrated Waste Management Task Force

Please refer to the enclosed memo from Public Education and Recycling Manager. The County Integrated Waste Management Task Force (MCIWMTF) met on May 12th in Carmel. At the meeting, revised by-laws were adopted, replacing the original ones adopted in 1990. The new by-laws have brought the membership categories (enclosed) up to date. Following adoption of the new by-laws by the County in the next 60 days, each city will be requested to adopt them, and to formally appoint a representative to the MCIWMTF. The MCIWMTF is scheduled to meet again on September 8th, under its new set of by-laws.

12) Report on Meeting of Special Districts Association of Monterey County on April 22, 2010

Please see enclosed memo from Director Parker summarizing the meeting.

13) Report on SWANA Legislative Task Force (LTF) and Legislative Update

The LTF held a teleconference call on May 6th and discussed several legislative topics. Perhaps the most encompassing was the discussion over AB 32/GHG Emissions/Carbon Summit. Comments were expressed that there is a lot of activity at the State and Federal levels as regulations are being developed, with more and more overlap occurring between agencies. An initiative to overturn AB 32 is anticipated for the fall ballot. In April, the City of Lancaster passed a Resolution requesting suspension of implementation of AB 32, and some other cities may be expected to follow.

OTHER CORRESPONDENCE

14) Letter to Haulers/Collection Service Providers in the Central Coast Region RE: Participation in District Strategic Planning Advisory Task Force Discussions

Staff and HF&H Consultants have begun work on alternative funding sources and topics related to updating and consolidating the franchise agreements. The next meeting of the District Strategic Planning Advisory Task Force (SPATF) is on Wednesday, June 2nd, from 9:30 to 11:30 a.m. As stated in the enclosed letter, an afternoon session is scheduled from 12:30 to 2:30 p.m., which the franchised haulers have been invited to attend.

Chair Laska and Director Downey have been participating in these Task Force meetings, and their input has been invaluable. If one or two more Board members are interested in attending, your input would be welcome and would be a good addition to this important process. Please contact Chair Laska or me if you are interested.

GENERAL MANAGER COMMUNICATIONS

- **Election of Officers.** Election of Officers will occur at the end of the June meeting. The one year term of Chair and Vice Chair of the District Board ends with the June meeting. Chair Laska was elected to the position in January 2007 following the departure of Monterey Mayor Dan Albert, who served as Chair for five years. Chair Laska has been re-elected in June each year since then. Vice Chair McCloud has served in that position since January 2005 with re-election in June each year since then. Nominations for the positions of Chair and Vice Chair may be made on the day of the June meeting. There are no procedures outlined in the governing legislation of the District related to election of officers, nor has the District Board adopted formal procedures for such elections. There is no limitation to the number of one-year terms an officer may serve. Board Members interested in serving in either of these positions may contact Chair Laska or me for further information.

Elections for the Monterey Regional Waste Management Authority will be held in July in conjunction with the annual meeting of the Authority. Traditionally, the Authority officers have been the same as for the District.

- **Letter from Waste Management (WM)**. A letter was sent to me, dated April 12th, but received on April 27, 2010, from Felipe Melchor, District Manager for Waste Management. The letter provided details on public outreach, multi-family recycling and the company's Lamptacker program. I believe you were all copied on the letter, so I did not put a copy in the packet.
- **Monterey County Overall Economic Development Commission**. On May 12th, the Commission held its meeting at the District administrative offices and toured our facilities. Six of the eight Commissioners attended the meeting. One of the topics on their agenda was renewable energy.
- **Open House for District Operations**. The District will host a community Open House and Tour on June 12th, from 10 a.m. to 2 p.m. This event will showcase District programs including the Materials Recovery Facility, composting, Landfill Gas-to-Energy, the Last Chance Mercantile, and landfill disposal. Bus tours will be offered every hour, similar to the way FORA conducts tours on the former Fort Ord and refreshments will be served at the Last Chance Mercantile. Local haulers will be invited to set up a display showcasing the materials they accept in their recycling program and the public will have the opportunity to go behind the scenes on the tours of our program areas.

BOARD COMMUNICATIONS

CLOSED SESSION

There is a closed session with the meeting and a confidential packet is enclosed.

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.

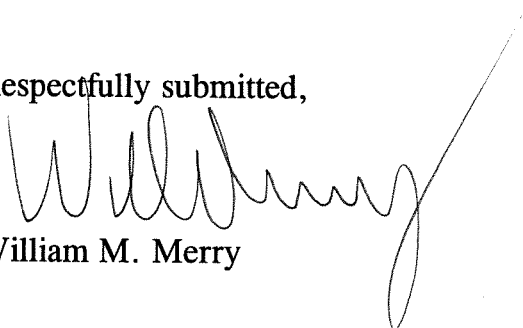
1) Conference with Labor Negotiators:

District Negotiators: William Merry, Richard Norton and Tim Flanagan

Employee Organizations: Operating Engineers, Represented Hourly Unit, Management Employees

NEXT MEETING DATE: JUNE 18, 2010

Respectfully submitted,



William M. Merry