

Date of Hearing: April 6, 2016

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Susan Talamantes Eggman, Chair

AB 1817 (Mark Stone) – As Introduced February 8, 2016

SUBJECT: Solid waste: garbage and refuse disposal districts: board of directors.

SUMMARY: Increases the cap on compensation for the board of directors of a garbage and refuse disposal district. Specifically, **this bill:**

- 1) Deletes existing law that provides board members of garbage and refuse disposal districts (board members) with a maximum of \$50 per diem per meeting, and instead, requires board members to receive compensation that does not exceed \$100 per meeting, as specified.
- 2) Deletes the existing monthly limit for each board member of \$100 in a calendar month, and instead, authorizes a board member to receive compensation for up to six days in a calendar month.
- 3) Authorizes a board member to receive compensation for a day of service rendered as director by request of the board.
- 4) Removes the process by which the board establishes the amount of compensation and includes the amount in its minutes.
- 5) Makes other technical changes.

EXISTING LAW:

- 1) Requires the board of directors for a garbage and refuse disposal district to consist of no less than three members and establishes an appointment process for the board.
- 2) Authorizes board members to be reimbursed for their actual and necessary expenses incurred in the performance of official business of the district, as approved by the board.
- 3) Authorizes board members to receive a maximum of \$50 per diem for each day of attendance at board meetings, with the per diem to be established by the board and entered upon its minutes.
- 4) Prohibits board members from receiving more than \$100 per diem in any calendar month.
- 5) Requires, in addition to compensation in 3), and 4), above, the chairperson and secretary of the district board to receive monthly compensation established by the board.

FISCAL EFFECT: None

COMMENTS:

- 1) **Garbage and Refuse Disposal Districts.** Several types of independent special districts are authorized to address garbage and waste collection needs, including community services districts, county water districts, municipal utility districts, municipal water districts, public utility districts, and sanitary districts. Additionally, existing law outlines a principal act for garbage and refuse disposal districts to maintain and provide a site for the disposal of garbage and refuse. The district board is authorized to make and enforce all rules and regulations necessary for the administration and government of the district and of the operation and maintenance of the garbage and refuse disposal site acquired by the district.

Current law requires the board to consist of at least three directors and provides an appointment process for a district depending on how many cities are included in the boundaries. The Committee has only identified one district formed pursuant to this principal act, the Monterey Regional Waste Management District. The principal act prohibits any district from being formed after October 1, 1961.

- 2) **Monterey Regional Waste Management District.** In 1951, the Monterey Peninsula Garbage and Refuse Disposal District was formed to find a solution to the dumping and burning of waste on coastal sand dunes in Pacific Grove, Monterey, and Carmel. In 1987, the Monterey Peninsula Garbage and Refuse Disposal District changed its name to the Monterey Regional Waste Management District (MRWMD). MRWMD provides solid waste management and resource recovery, operates the 315 acre Monterey Peninsula Landfill, and develops and operates a number of other waste diversion and recycling facilities and programs. For example, MRWMD provides a safe collection program for household hazardous waste and operates landfill gas-to-electric energy plants. MRWMD is governed by a nine-member board appointed to four-year terms. The board is composed of seven members appointed by each of the seven cities within the district's boundaries, one member for the unincorporated area, and one director-at-large.
- 3) **Bill Summary.** Existing law authorizes board members to receive a maximum of \$50 per diem for each day of attendance at board meetings, with the per diem to be established by order of the board and entered upon its minutes, and a maximum of \$100 per diem in any calendar month. This bill establishes new thresholds for compensation by requiring that a board member receive compensation in an amount not to exceed \$100 per day of attendance at a meeting of the board for each day of service rendered as a director by request of the board. Additionally, this bill increases the monthly limit of compensation to allow a board member to receive compensation up to six days in a calendar month. This bill is sponsored by MRWMD.
- 4) **Author's Statement.** According to the author, "MRWMD Board of Directors receives no more than fifty dollars per diem not to exceed one hundred dollars per calendar month. This code section was enacted over 26 years ago. This bill updates obsolete compensation to more closely reflect workload and that of other special districts. Currently, MRWMD has an increased number of responsibilities and obligations due to an expanding residential and commercial population and new statutorily-required duties. After a code change in 1990, the focus of the MRWMD moved towards recycling and waste diversion. This change required an increase in number of employees as well as an increase in the amount of participation by the Board.

"The Board now oversees a \$24 million budget, the recovery of recyclable materials in the waste stream, composting of green waste and food waste, receipt of non-hazardous liquid waste, disposal of municipal solid waste, and the operation of a landfill gas-to-electric energy system. With the Board attending many more than two meetings per month and often attending other trainings and workshops, this bill merely proposes to update the Board of Directors compensation to align more closely with the current level of responsibility as well as to mirror the compensation rates of nearly all other waste disposal districts in the state."

5) **Suggested Amendments.** The Committee may wish to consider the following amendments:

- a) **Comparable Compensation and Comparable Requirements.** Proponents argue that this bill provides garbage and refuse disposal districts with compensation comparable to other types of special districts. The Committee may wish to consider if the requirements for compensation contained in principal acts for other types of districts like sanitary districts should also be comparable. AB 1234 (Salinas), Chapter 700, Statutes of 2005, requires a governing board to adopt a written policy to determine acceptable compensable activities, and adopt written policies for reimbursing expenses. The Committee may wish to specify that the requirements to establish written policies put in place by AB 1234 are contained in the principal act for garbage and refuse disposal districts, as follows:

(c) For purposes of this section, the determination of whether a district board member's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

(e) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

- b) **Determination of Compensation.** This bill removes the requirement that per diem be established by order of the board. The Committee may wish to require the board to provide by ordinance or resolution that each board member receives compensation in an amount not to exceed \$100.
- 6) **Arguments in Support.** MRWMD argues that board members have taken on considerable responsibilities, including attendance at multiple meetings often exceeding two in a calendar month. Additionally, MRWMD argues board members should be afforded the same compensation as members of virtually all other public waste disposal districts in California and that this bill brings their board members to a fair degree of equity with their counterparts within the state.
- 7) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Monterey Regional Waste Management District [SPONSOR]
California Special Districts Association
Monterey County Business Council
Monterey Peninsula Chamber of Commerce
Save Our Shores
The Offset Project

Opposition

None on file

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