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Chair
JASON CAMPBELL
Vice Chair
GARY BALES
LEO LASKA
JANE PARKER
BRUCE DELGADO
DENNIS ALLION
JERRY BLACKWELDER
DAN ALBERT



1
TIMOTHY S. FLANAGAN
General Manager
GUY PETRABORG, P.E., G.E.
Director of Engineering & Compliance
PETER SKINNER
Director of Finance & Administration
TIM BROWNELL
Director of Operations
ROBERT WELLINGTON
Legal 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 6, 2019

MRWMD Bales Boardroom
14201 Del Monte Blvd., Monterey County, CA

MEMBERS PRESENT: Carrie Theis (Chair), City of Carmel-by-the-Sea Councilmember
Jason Campbell (Vice Chair), City of Seaside Councilmember
Gary Bales, City of Pacific Grove
Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
Dennis Allion, City of Del Rey Oaks
Jerry Blackwelder, City of Sand City Vice Mayor
Dan Albert, City of Monterey Councilmember

MEMBERS ABSENT: Leo Laska, Pebble Beach Community Services District Director
Bruce Delgado, City of Marina Mayor

STAFF PRESENT: Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Guy Petrabor, Director of Engineering & Compliance
Peter Skinner, Director of Finance & Administration
Tim Brownell, Director of Operations
Berta Torres, Human Resources Manager
Clyde Walkup, Materials Recovery Facility Manager
David Ramirez, Senior Engineer
Garth Gregson, Accounting Manager
Glen Evett, Hazardous Materials/Last Chance Mercantile Manager
Becky Aguilar, Executive Assistant/Clerk of the Board
Kimberle Herring, Public Education and Outreach Coordinator
Andrew Jarvis, Public Education Intern

OTHERS PRESENT: Ted Terrasas, City of Monterey
Stephanie Chacon, Monterey County Health Department
Mike Niccum, Pebble Beach Community Services District
Brian Kennedy, Salinas Valley Solid Waste Authority

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the December 6, 2019 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Theis at 9:30 a.m.

CLOSED SESSION

The Board met in closed session at 9:31 a.m. on the following matters:

1. Conference with Labor Negotiator
District Negotiator: Board Chair
Unrepresented Employee: General Manager

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board returned into open session at 10:38 am and Legal Counsel announced that the Board had considered the matter listed on the closed session agenda and it would be appropriate for the Board to consider any action.

It was moved by Vice Chair Campbell, seconded by Director Allion and Unanimously Carried To: Approve a 4% Salary Increase to General Manager Salary Retroactive to July 1, 2019.

PUBLIC COMMUNICATIONS

There were no public communications.

CONSENT AGENDA

Following a motion by Director Laska, seconded by Director Bales, the Board unanimously approved the Consent Agenda.

- 1) Approve Minutes of October 18, 2019 Regular Board Meeting
- 2) Approve Report of Disbursements, and Board and Employee Reimbursements for October 2019
- 3) Receive Report on November 6, 2019 Finance Committee Meeting
- 4) Approve Reappointment of Leo Laska, Monterey Regional Waste Management Authority Representative from Pebble Beach Community Services District as Director-at-Large on Monterey Regional Waste Management District Board of Directors

RECOGNITION/PRESENTATION

- 5) Recognition of Materials Recovery Facility Sorter II Javier Ayala for 20 Years of Service to the District

General Manager stated that Javier started as a Sorter I and was later promoted to Sorter II. Javier always has a great attitude, is always on time, and is a great asset for the District. On behalf of the Board, Chair Theis congratulated Javier for his 20 years of service.

- 6) Small Planet News: Plastics Series (Part 1) – Plastics Production Director of Operations

District Public Education and Outreach Coordinator stated that staff would be providing a series of four presentations on plastics. She introduced Public Education Intern Andrew Jarvis who provided the Board with a presentation on the history of plastics, plastic production, and its impact on climate change. He provided information of on the chemical makeup of plastics. He stated that most of the growth in plastic production is driven by single use or disposable applications. Nearly 50% of plastics used are single use products such as

bottles, plastic bags, packaging, straws, stirrers, spoons and forks. Around the world, 1 million plastic drinking bottles are purchased every minute and every year up to 5 trillion disposable plastic bags are used by consumers. He also stated that although developed nations are historically responsible for production of most plastic, countries that are the least responsible are hit hardest by plastics' social and environmental harms.

Board discussion followed regarding the need for legislation on single-use plastics and appreciation was expressed for the presentation.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) **Accept Audit Report for Fiscal Year 2018/19**

Nathan Edelman, Partner of Eide Bailly LLP addressed the Board regarding the Annual Audit Report for FY 2018/19. Mr. Edelman reported that Eide Bailly had expressed a "clean" opinion, with unmodified findings or recommendations over internal controls, and no audit adjustments. He commended staff for their ability to answer questions and provide information as it was staff's responsibility to maintain the accounting records. He stated that the Finance Committee had reviewed the audit in greater detail. He reviewed the statement of net position with the Board and pointed out the unrestricted net position which was negative \$8.9 million and attributed to pension liability and other post-employment benefits (OPEB). These were long-term liabilities which would be paid over many years and from a budgeting perspective was not cause for alarm.

It was moved by Director Albert, seconded by Director Blackwelder and Unanimously Carried To: Accept Audit Report for Fiscal Year 2018/19.

STAFF REPORTS

8) **Review Finance, Operating, and Recycling Reports**

The Board reviewed the financial statements for October 2019 as well as the operating and recycling reports. Accounting Manager Garth Gregson also provided the monthly detailed report on the District's financial performance.

9) **Report on November 21, 2019 District Technical Advisory Committee (TAC)**

Staff provided a written summary of the meeting. General Manager stated that the District's consultant HF&H is working with Green Waste Recovery (GWR) to finalize submittal of their financial documents for the FY 18/19 rate review. He stated that a TAC subcommittee was formed for discussion on public education and outreach plan (PEOP) audit. The next meeting is scheduled for December 18, 2019 in which discussion will be held on rate setting adjustments and the PEOP. Board discussion followed regarding concerns with not receiving timely information from GWR and coordination of public education. General Manager stated that staff is also working with the City of Monterey and Monterey County staff with regards to public education.

10) **Report on Household Hazardous Waste (HHW) Program for Fiscal Year 2018/19**

Last Chance Mercantile/Hazardous Materials Manager Glen Evett provided the Board with a presentation on the household hazardous waste (HHW) program. He stated that HHW turn-ins have continued to increase from 10,600 in 2014/15 to 13,067 in 2018/19. He also provided information on the turn-ins by cities and the

types of materials being collected and stated that on an annual basis, saves about \$50,000 per year by “re-purposing” HHW that has been turned in for other customers to pick-up as a beneficial use. Going forward, the District will continue to have a one-day events at a cost of approximately \$50,000 and hold discussion regarding the HHW hours of operation and promote alternative disposal options. Director Allion inquired about the legislative information provided under Board Agenda Item 13, specifically SB 726, and its impact on District operations.

11) Report on Materials Recovery Facility (MRF) 2.0 and Potential Facility Upgrades

Director of Operations Tim Brownell provided the Board with a Materials Recovery Facility update and staff plans to request additional processing and quality control equipment to the present MRF operation. He provided information on MRF 2.0 2015 projections and outlined current MRF operations and economics as well as the operational benefits and projected pay-back from the addition of the proposed equipment. There is a projected shortfall of \$1.4 million in revenue due to the continued deterioration of material value. He reviewed with the Board the proposed equipment which were a budgeted cardboard separation screen (\$960,000), unbudgeted paper optical sorting system (\$1,250,000), and unbudgeted robotic separation equipment at four to eight locations (\$350,000 per location) and provided the benefits of each of the proposed equipment and estimated payback period. These MRF revisions will allow the District to be compliant with the new organics’ diversion requirements embedded in SB 1383 by 2025. Staff intends to return provide information to the Finance Committee at their January meeting and seek full Board approval at the January Board meeting. Staff will propose the source of these investment funds be comprised of currently budgeted MRF investments, a reallocation of other investments in the FY 2019/2020 Capital Budget and projected net revenue gains from operations in excess of budget.

Board discussion followed regarding staffing levels with the robotic equipment, providing a spreadsheet with the added costs and savings when presenting to the Finance Committee and the Board, projection of when the District will begin processing municipal solid waste, and the anticipated equipment duration. Director of Operations stated that the it was always anticipated that temporary staffing would be utilized until further information was available, more detailed would be provided, staff was still waiting on the final regulations from the state regarding SB 1383, and the equipment projected duration was 10-15 years.

12) Report on Preparation for February 26, 2019 Strategic Planning Session

Staff provided information about Barber and Gonzales Consulting Group and Steve Barber who will facilitate the Strategic Planning Session. General Manager stated that the facilitator had provided training to senior and management staff on collaborative decision making. There will be three areas of focus: capital expenditures outlined in the 2017 Capital Spending Plan (to include discussion of the organic waste diversion and management required under SB 1383), funding approaches and opportunities for revenue diversification (which has been a goal for the District since 2010), and outline a process for staff growth and development, in an effort to make the District a “high performing safety-oriented culture”.

13) Legislative Update

The Board received information regarding the status of proposed legislation and expressed appreciation for the update. Staff will provide the update on a quarterly basis going forward. Discussion was held on the best way to lobby or write letters to legislators in support or opposition of legislation affecting the District and its member agencies.

OTHER CORRESPONDENCE

There was no other correspondence.

ELECTION OF OFFICERS FOR CALENDAR YEAR 2020

The Board reviewed a memorandum from the nominating committee recommending the re-election of the current chair and vice chair.

It was moved by Director Parker, seconded by Director Allion and Unanimously Carried To: Re-Elect Chair Theis and Vice Chair Campbell as Officers for Calendar Year 2020.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that staff has been working with Monterey One Water (M1W) staff and is planning a meeting (the first) of the joint sub-committee of Board members to discuss items of joint interest, specifically the development of a "micro-grid" for energy development and utilization, organics management and processing, site development and strategic land use decision making, and protection of our joint boundaries from non-compatible land uses. He also reported that District staff met with Monterey Bay Air Resources District (MBARD) to discuss better communication and planning strategies.

General Manager stated that there was nothing new to report in discussions with Salinas Valley Recycles. Staff had met separately with staff from the County of Santa Cruz and the City of Capitola as they begin to identify what their potential requests for service from the District might be in the future.

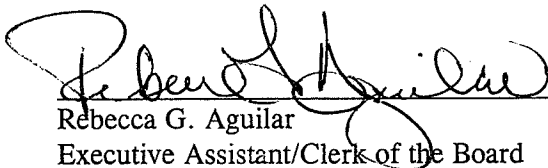
BOARD COMMUNICATIONS

Director Albert commented that he had attended the Solid Waste Association of North America Annual WasteCon and it had been an excellent conference in which he had gained more expertise regarding waste management.

ADJOURNMENT

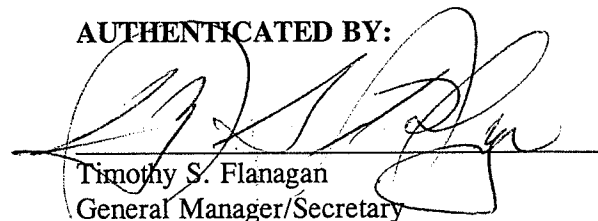
There being no further business to come before the Board at this time, the December 6, 2019 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Theis at 11:50 a.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary