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



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  
ZOE SHOATS  
Director of Communications  
ROBERT WELLINGTON  
Legal Counsel

MONTEREY REGIONAL  
WASTE MANAGEMENT DISTRICT  
*Home of the Last Chance Mercantile*  
MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT  
REGULAR MEETING MINUTES

Friday, 9:00 a.m.  
June 19, 2020

MRWMD Bales Boardroom and Via Zoom  
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  
Leo Laska, Pebble Beach Community Services District Director  
Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)  
Bruce Delgado, City of Marina Mayor  
Dennis Allion, City of Del Rey Oaks  
Jerry Blackwelder, City of Sand City Vice Mayor  
Dan Albert, City of Monterey Councilmember

**MEMBERS ABSENT:** None

**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  
Zoe Shoats, Director of Communications  
Berta Torres, Human Resources Manager  
David Ramirez, Senior Engineer  
Becky Aguilar, Executive Assistant/Clerk of the Board  
Angela Goebel, Public Education and Outreach Specialist  
Ida Gonzales, Administrative Support Specialist

**OTHERS PRESENT:** Maria Ferdin, Monterey County Environmental Health  
Mike Niccum, Pebble Beach Community Services District  
Patrick Mathews, Salinas Valley Solid Waste Authority  
Mandy Brooks, Salinas Valley Solid Waste Authority  
Jill Kleiss  
Nick Kite

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**ROLL CALL AND ESTABLISHMENT OF QUORUM**

Notice duly given and presence of a quorum established, the June 24, 2020 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Theis at 9:00 a.m.

**PUBLIC COMMUNICATIONS**

Members of the Public expressed support for the Last Chance Mercantile to remain open. Staff provided the Board with the 35 additional comments received via email and social media posts.

**CLOSED SESSION**

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the District's Meyers-Milias-Brown Act representative.

1. Conference with Labor Negotiators:

District Negotiators: Tim Flanagan, Peter Skinner, Timothy Brownell, and Berta Torres

Employee Organizations: Operating Engineers and Management Employees

**RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION**

The Board came back into open session at 10:17 a.m. Legal Counsel announced that in closed session the Board received information as to each of the closed session items; no reportable action was taken.

**CONSENT AGENDA**

*Following a motion by Director Albert, seconded by Director Allion, the Board unanimously approved the Consent Agenda.*

- 1) Approve Minutes of May 22, 2020 Regular Board Meeting.
- 2) Approve Report of Disbursements, and Board and Employee Reimbursements for May 2020
- 3) Receive Report on June 3, 2020 Finance Committee Meeting
- 4) Receive Report on June 3, 2020 Personnel Committee Meeting
- 5) Adopt Memorandum of Understanding with County of Monterey Approving Expenditure of \$25,000 to Support Activities of the Monterey County Litter Abatement Program
- 6) Authorize the General Manager to Execute the Contract for a Single Stream Recycling Characterization Study with SCS Engineers Not-To-Exceed Cost of \$130,000

**PUBLIC HEARING**

- 7) Approve Tipping Fee Increases, Effective July 1, 2020, to the Following Material Types and Implementation of Single Stream Recycling Processing Fee for Member Agencies Serviced by Green Waste Recovery:
  - a) Solid Waste (Refuse, Construction & Demolition & Bulky Waste) Landfill Rate, From \$62.00 Per Ton to \$65.00 Per Ton.
  - b) Green Waste (Yard Waste) Rate From \$40.00 Per Ton to \$42.00 Per Ton.
  - c) Problem Waste Rate From \$90.00 Per Ton to \$95.00 Per Ton.
  - d) Biosolids (Sewage Sludge) Rate, From \$35.00 Per Ton to \$37.00 Per Ton.
  - e) Food Waste Rate From \$54.00 Per Ton to \$57.00 Per Ton.
  - f) MRF Single Stream Recycling (SSR) Processing Rate From \$35.00 Per Ton to \$40.00 Per Ton.

Chair Theis read the proposed increases and the opened Public Hearing at 10:26 a.m. Following no public comments, the Public Hearing was closed at 10:36 a.m.

*Note: Due to technical problems, Director Bales was only able to listen and not actively participate in the meeting.*

**OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION, AND ACTION**

- 8) Approve Tipping Fee Increases, Effective July 1, 2020, to the Following Material Types and Implementation of Single Stream Recycling Processing Fee for Member Agencies Serviced by Green Waste Recovery:
- a) Solid Waste (Refuse, Construction & Demolition & Bulky Waste) Landfill Rate, From \$62.00 Per Ton to \$65.00 Per Ton.
  - b) Green Waste (Yard Waste) Rate From \$40.00 Per Ton to \$42.00 Per Ton.
  - c) Problem Waste Rate From \$90.00 Per Ton to \$95.00 Per Ton.
  - d) Biosolids (Sewage Sludge) Rate, From \$35.00 Per Ton to \$37.00 Per Ton.
  - e) Food Waste Rate From \$54.00 Per Ton to \$57.00 Per Ton.
  - f) MRF Single Stream Recycling (SSR) Processing Rate From \$35.00 Per Ton to \$40.00 Per Ton.

General Manager Tim Flanagan stated that both the Personnel and Finance committees recommended approval of the proposed increases.

It was moved by Director Parker, seconded by Chair Theis and *Unanimously Carried To: Approve Tipping Fee Increases, Effective July 1, 2020 and Implementation of Single Stream Recycling Processing Fee for Member Agencies Serviced by GreenWaste Recovery.*

9) **Approve Final Budget for Fiscal Year 2020/21**

The Board reviewed the Final Budget for Fiscal Year 2020/21. Director of Finance and Administration Peter Skinner provided a presentation and stated that the Budget included staff's best estimates, which protected against foreseeable downsides, provided the ability to revise if conditions improve, and met the bond covenant obligations. In his presentation he reviewed the budget operating statement that reflects \$32.5M in Revenue, (\$30.7M) in Operating expenses, (\$1.3M) in Non-Operating Expenses and Net Income (Change in Net Position) of \$0.5M. He reviewed projected cash flows for unrestricted cash, which result in a 20% Cash Operating Reserve of \$5.2M, remaining 2018 Bond Funds of \$5.9M, and remaining undesignated cash of \$13.5M. The Debt coverage ratio is 1.36x. The beginning cash amount for the 20/21 budget is estimated to be \$29.9M and the Districts' projected ending cash balance is \$24.7M. In the month of March tip fee revenues were up by 4% from the previous year; in April tip fee revenues dropped by 22% and in May tip fees were down by 15%.

Director of Finance explained the necessary personnel cost adjustments made to Personnel expenses. Personnel cost cuts total 15% percent. This included a 12% reduction in staffing costs made possible through the Voluntary Early Retirement Incentive (VERI) program, layoffs, unfilled vacant positions, and certain wage concessions. Combined, the changes created a total of 20% reduction in District staffing (from 144 to 116 employees). The District's total Personnel cost are 46% of operating expenses. These costs include wages, regular pay, longevity pay, stipends, overtime pay, and a 3.5% Cola increase for OE3 bargaining units. The reduction in personnel cost and the continued closure of the LCM were needed for the District to have a sustainable budget and meet Bond obligations.

The LCM revenue has been approximately \$1.2 million a year in recent years, while operating cost are \$1.7 million. He explained that the LCM is a mission driven service, but considered non-essential due to the fact that the District is not obligated to perform the service to meet regulatory requirements. All other services that the District provides are essential and mandated by the state of California. Although,

the LCM is a non-essential service, Staff is committed to reopen the LCM when its safe and economical.

During the budget process the General Manager and Directors agreed to pay decreases and COLA freezes. The management group also agreed to a COLA freeze. The OE3 bargaining units did not agree to wage concessions to defer COLA increases. This resulted in the freezing of two positions that were planned to be filled, the first in Public Education Department and the second on the Site-Crew. Also, included were layoffs of 15 positions (11 from the LCM, 2 in the MRF, 1 MRF Maintenance and 1 Landfill position). Additional changes to the budget included deferring purchases of a mobile compactor, excavator, and shop service truck.

Board discussion followed regarding the proposed budget. The Board Chair and General Manager expressed appreciation to Peter and management staff for their work on this challenging budget. Director Allion thanked Peter for his explanation of the bond convent and that his presentation will help the public understand that the convent must be fulfilled.

#### Public Comments

Members of the public Jill Kleiss and Nick Kite expressed concerns and support for the reopening of the Last Chance Mercantile; and the need for the Last Chance to be considered an essential service, for the community and the environment. Concerns were also about the closure of the onsite Buy Back center.

General Manager reiterated that the LCM was a non-essential service. He also addressed concerns about the closure of the Buy Back center at the District. About 18 months ago when the recycling center locations were closed on the peninsula, the District continued operation of the onsite Buy Back center. Additional factors in the decision to close the Buy Back center included the safety of pedestrians accessing the mile-long access road that does not have a bike lane or walking path. He mentioned that grocery stores have an obligation to their customers to redeem CRV recyclables. Members of the public can also reach out the to the State of California regarding buy back centers.

Chair Theis appreciated the public comments and 35 emails/social media posts the Board receive in support of the LCM. It was good to know that the services the District provides are valuable to the community. Direction Allion requested that staff update the Board monthly on progress of the reopening of the LCM. Vice Chair Campbell appreciated staff for putting together the budget. He was disappointed that difficult decision had to be made to close the Buy Back center and the LCM.

Director Delgado asked Staff about the reduction in compensation for the General Manager, Directors and Management and why compensation reductions were not made for any of the remaining 130 employees. General Manager responded that during the development of the budget in April District leadership was in conversations with OE3 bargaining unit to originally to freeze cola's and step increases. The savings from COLA adjustment would be \$350,000 if OE3 agreed defer the COLA increases and Staff would not have to proceed to the layoff process. The Districts proposal to OE3 was if the financial metrics were met OE3 members would receive the deferred cola increases.

**It was moved by Vice Chair Campbell, seconded by Director Allion and Unanimously Carried To: Approve Final Budget for Fiscal Year 2020/21.**

**10) Approve Revised Pay Schedules for:**

- 1. Operating Engineers Local 3 Laborers & Salesclerks Unit, Operations Unit, Support Unit Incorporating a 3.5% Cost of Living Adjustment (COLA) in Compliance with Contracts Effective July 1, 2020**
- 2. Management Unit Removing the Position of LCM/HHW Manager and Reflecting the Unit's Agreement to Defer a COLA for Fiscal Year 2020/21**
- 3. Unrepresented Positions Incorporating a 10% Pay Reduction for the General Manager and a 5% Pay Reduction for the Department Directors**

The Board reviewed a memorandum from Human Resources Manager Berta Torres regarding the revised pay schedules.

**It was moved by Director Albert, seconded by Director Delgado and Unanimously Carried To: Approve Revised Pay Schedules.**

**11) Authorize General Manager to Cast Ballot to Elect a Representative to California Special Districts Association Board of Directors for Coastal Network, Seat C**

The Board reviewed the information provided by staff and following discussion, directed General manager to cast ballot for Vince Ferrante.

**It was moved by Director Campbell, seconded by Director Parker and Unanimously Carried To: Authorize General Manager to Vote for Vince Ferrane as Representative to California Special Districts Association Board of Directors for Coastal Network, Seat C.**

**STAFF REPORTS**

**12) Review Finance, Operating, and Recycling Reports.**

The Board reviewed the financial statements for May 2020, along with operating and recycling reports.

**GENERAL MANAGER COMMUNICATIONS**

General Manager congratulated the District's "Executive Assistant/Clerk of the Board Becky Aguilar on her upcoming retirement and noted this was her last Board meeting after 28 years of service to the District. He expressed appreciation for all the employees that will be retiring at the end of the month. Combined the total number of years of service between the VERI program retirees was over 300 years. Staff will invite all retirees back to the District for an in-person recognition at a future Board meeting.

General Manager stated that at this time, no District personnel has been identified as having the COVID 19 virus.


**BOARD COMMUNICATIONS**

Director Delgado invited anyone interested to a Zoom meeting on law enforcement use of force, which would be held at 6:00 p.m. today.

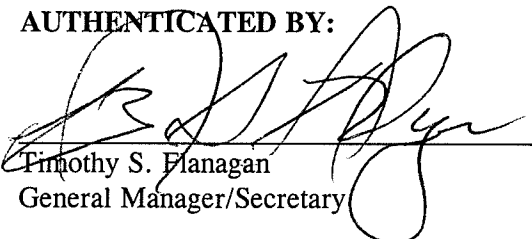
**ADJOURNMENT**

There being no further business to come before the Board at this time, the June 19, 2020 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Theis at 12:04 p.m.

**RECORDED BY:**

  
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Ida R. Gonzales  
Administrative Support Specialist

**AUTHENTICATED BY:**

  
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Timothy S. Flanagan  
General Manager/Secretary