

BOARD OF DIRECTORS

BRUCE DELGADO
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CARRIE THEIS
VICE CHAIR

GARY BALES
DAVID PENDERGRASS
LEO LASKA
LIBBY DOWNEY
JANE PARKER
DENNIS ALLION
JASON CAMPBELL



TIMOTHY S. FLANAGAN
GENERAL MANAGER

GUY PETRABORG, P.E., G.E.
DISTRICT ENGINEER

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.
January 20, 2017

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Dennis Allion, (Chair), City of Del Rey Oaks Councilmember
Gary Bales, City of Pacific Grove
David Pendergrass, City of Sand City Mayor
Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
Bruce Delgado, City of Marina Mayor
Carrie Theis, City of Carmel-by-the-Sea Mayor Pro Tem
Jason Campbell, City of Seaside Councilmember

MEMBERS ABSENT: Leo Laska, Pebble Beach Community Services District
Director Libby Downey, City of Monterey

STAFF PRESENT: Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Guy Petraborg, Director of Engineering & Compliance/District Engineer
Jeff Lindenthal, Director of Communications & Sustainability
Peter Skinner, Director of Finance & Administration
Berta Torres, Human Resources Manager
Chuck Rees, Finance Manager
Clyde Walkup, Materials Recovery Manager
David Ramirez, Senior Engineer
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Kacey Christie, Safety & Risk Manager
Ron Mooneyham, Equipment Maintenance Manager
Becky Aguilar, Executive Assistant/Clerk of the Board
Kimberle Herring, Public Education & Outreach Coordinator
Angela Goebel, Public Education & Outreach Specialist
Sonia Martinez, HR Coordinator
Regina Santa Cruz, Operations Support Specialist
Christina Harris, Sales Clerk II
Leo Martinez, Senior MRF Operator
Holly Yanez, Recycling Attendant
Israel Hernandez, MRF Operator II
George Sayre, Assistant Mechanic

OTHERS PRESENT: Rob Durham, Monterey County Environmental Health
Maria Ferdin, Monterey County Environmental Health
Doug Kenyon, Republic Services of Salinas
Christina Urquidez, Republic Services of Salinas
Brian Kennedy, Salinas Valley Solid Waste Authority
Tim Brownell

INTRODUCTION OF NEW BOARDMEMBER JASON CAMPBELL

Chair Allion welcomed new Board member Jason Campbell, new representative for the City of Seaside. Director Campbell stated that he looked forward to being on the District Board having been a customer of the District for years as a landscaping contractor.

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the January 20, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Allion at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no public communications.

CONSENT AGENDA

General Manager stated that there was a minor correction on the December minutes (addition of a last name).

Following a motion by Director Delgado, seconded by Director Bales, with Director Campbell abstaining from Item 1, the Board approved the Consent Agenda.

- 1) Approve Minutes of November 18, 2016 Regular Board Meeting (*as corrected*)
- 2) Approve Minutes of December 16, 2016 Regular Board Meeting
- 3) Approve Report of Disbursements, and Board and Employee Reimbursements
- 4) Approve Revisions to Policy for Election of Board Officers and Appointment to Board Committees
- 5) Adopt Resolution of Appreciation (2017-01) for Outgoing Seaside Representative Ian Oglesby

PRESENTATIONS

6) Presentation of Resolution to Ian Oglesby

Since Ian Oglesby was not present at the meeting, Chair Allion requested staff relay appreciation for his efforts and best wishes to Ian on behalf of the Board.

7) Presentation of Ten-Year Award to Director Libby Downey

Since Director Downey was not present at the meeting, the award will be presented at the February 17, 2017 Board meeting.

8) Recognition of Social Committee for Efforts Throughout 2016

General Manager stated that the social committee has done a great job of coordinating many fun events throughout 2016 to include the coordination of the annual employee luncheon in December, which was a great success. Human Resources Manager introduced the social committee to include HR Coordinator Sonia Martinez, Sales Clerk II Christina Harris, Assistant Mechanic George Sayre, Recycling Attendant Holly Yanez, Public Education and Outreach Specialist Angela Goebel, Operations Support Specialist Regina Santa Cruz, MRF Operator II Israel Hernandez, and Senior MRF Operator Leo Martinez, Jr. Administrative Support Specialist Ida Gonzales and Site Laborers Mel Campa and Kirk Bennett who are also members of the committee were not present at the meeting. Director Delgado expressed that he had been able to participate in a few events coordinated by the social committee. He had attended a barbeque lunch that they had put together and commented on the human element that the social committee brought to the District as a whole. Chair Allion expressed appreciation to the social committee on behalf of the Board.

Director Parker was seated at 9:50 a.m.

9) Small Planet News: Commodity Prices

General Manager stated that as part of the bond issuance process, staff had to forecast commodity pricing and had done so by conducting a trend analysis. Director of Finance and Administration Peter Skinner provided the Board with a presentation on commodity pricing trends. The price of commodities over the last 32 years has gone from \$33 to a high of over \$170 per ton. Possible contributors to price fluctuations can be attributed to macroeconomic conditions, energy prices, and recycling industry changes. He provided historical rates for cardboard and paper, and plastics and aluminum. He reiterated that there was a potential for a lot of fluctuation and staff would be tracking closely as the District moves forward with the Materials Recovery Facility (MRF) improvements. Director Delgado commented that the information was beneficial for the Board to know.

PUBLIC HEARING**10) Conduct Public Hearing to Receive Public Comments on Proposed Board Action to Adopt New Rate of \$90.00 Per Ton for Construction and Demolition (C&D) Debris Recycling to Meet Cal- Green Recycling Requirement During Materials Recovery Facility Improvements Construction Effective February 1, 2017**

The Board reviewed the fact sheet regarding the need for the establishment of a temporary fee for construction and demolition C&D debris loads that require a guaranteed 65% diversion level during the Materials Recovery Facility (MRF) improvements renovation. The temporary rate is reflective of the tipping fee charged by the facility in San Jose plus the transportation expense. Chair Allion opened the public hearing at 10:05 a.m. and following no public comments, the public hearing was closed at 10:05 a.m.

Director Delgado inquired about the District's current rate per ton. General Manager stated that the current rate for C&D material at the District was \$51.75, and the rate at San Jose facility was \$70, plus a \$20 transportation fee, amounting to \$90 per ton. The rate is intended to be temporary for the period ending December 31, 2017 associated with the construction and startup of the improved MRF. Director Campbell inquired if this applied to

source-separated material. General Manager responded that source separated material would be charged the current District rate and stations would be established for delivery of the individual material. Chair Allion asked if the fact sheet had been distributed to as many contractors as possible and if any comments had been received. Staff responded yes to distribution and no comments had been received.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 11) **Approve Adoption of New Rate of \$90.00 Per Ton for Construction and Demolition (C&D) Debris Recycling to Meet Cal- Green Recycling Requirement During Materials Recovery Facility Improvements Construction Effective February 1, 2017**

It was moved by Director Parker, seconded by Director Bales, and Unanimously Carried to: Approve Adoption of New Rate of \$90.00 Per Ton for Construction and Demolition (C&D) Debris Recycling to Meet Cal- Green Recycling Requirement During Materials Recovery Facility Improvements Construction Effective February 1, 2017.

- 12) **Receive Report on January 4, 2017 Finance Committee Meeting**

The Board reviewed a summary of the meeting from Finance Committee Chair Allion.

It was moved by Director Pendergrass, seconded by Director Theis, and Unanimously Carried to: Receive Report on November 2, 2016 Finance Committee Meeting.

- 13) **Rescind Resolution 2016-14 Authorizing Five Year Lease Purchase Agreement with Municipal Finance Corporation for the Purchase of New Caterpillar 836K Compactor; and**

- 14) **Adopt Resolution 2017-02 Authorizing Five Year Lease Purchase Agreement with Municipal Finance Corporation for the Purchase of New Caterpillar 836K Compactor**

The Board reviewed a memorandum from Finance Manager Chuck Rees explaining that the resolution adopted in October 2016 needed to be rescinded in order to adopt the resolution in Agenda Item 14. This action was required due to the delay in delivery of the 836K compactor and the slight increase of 0.25% in the interest rates. The additional amount due would be \$8,894 over the five-year term.

Chair Allion inquired of legal counsel if Agenda Items 13 and 14 could be acted on together and Legal Counsel responded affirmatively.

It was moved by Director Delgado, seconded by Director Parker, and Unanimously Carried to: Rescind Resolution 2016-14 and Adopt Resolution 2017-02 Authorizing Five Year Lease Purchase Agreement with Municipal Finance Corporation for the Purchase New Caterpillar 836K Compactor.

- 15) **Receive Report on January 4, 2017 Personnel Committee Meeting**

The Board reviewed a summary of the meeting from Finance Committee Chair Allion.

Director Delgado inquired about the ex-officio status of the Board chair on the District committees. Legal Counsel responded that the Board chair would be an ex-officio member on the committees. The Chair would not be expected to attend all the meetings. Director Theis stated that it was hoped that the Chair would attend all the meetings. The Chair would be able to vote on any actions of the committees if in attendance at the

meetings. Committees would consist of three other Board members and a quorum would be established if two members were in attendance.

It was moved by Director Campbell, seconded by Director Theis, and Unanimously Carried to: Receive Report on January 4, 2017 Personnel Committee Meeting.

STAFF REPORTS

16) Review Finance, Operating, and Recycling Reports

The Board reviewed the financial statements for November 2016. Finance Manager reported that the FY 2016/17 year-to-date Tipping Fees Revenues through December 2016 were estimated at \$11.6 million, which is above budget by \$2.6 million and prior year by \$1.3 million. The Board also reviewed the Operating Report for December 2016. There was a decrease in District tonnage in December 2016 from the prior month of 10.0%, increased tonnage from the prior year of 13.1% and increased tonnage year-to-date of 9.6%. The Contract waste is below last month by 8.5%, but continues to be above last year for both the month and prior year.

Chair Allion expressed appreciation for the cash statement and cash flow updates. He inquired if the District was on point as projected. Finance Manager stated that the District is ahead of projections, although without the MRF bid information, staff is still not quite sure how that will ultimately affect the budget. He stated that he will attempt to incorporate as much information as possible for presentation at the February Finance Committee meeting.

17) Report on Public Education and Recycling

The Board reviewed a memorandum from Director of Communications & Sustainability Jeff Lindenthal. He provided information on the outreach efforts regarding the MRF temporary closure. Notices have given to District account customers, local building officials, District Technical Advisory Committee (TAC), Central Coast Builders Association members, and distributed at the scales. Notification has also been placed on the District website. He also provided a notice from Cal-Recycle indicating that increased enforcement of state regulations will be a part of their new mandates under AB 341, which mandated commercial recycling.

Director Theis inquired if District staff reported information for member agencies to CalRecycle. Director of Communications & Sustainability responded that with the exception of the City of Monterey and the County of Monterey, District staff prepared the annual reports and submitted to CalRecycle on behalf of member agencies. Director Delgado expressed concern on what he perceived as low recycling participation of multifamily units and stated that he was aware that sometimes space constraints were an issue. Director of Communications & Sustainability responded that the City of Marina was currently in compliance and that staff was working with GWR and providing input on their newsletters to ensure that information is distributed properly. Director Parker stated in the San Francisco Bay area space had been created by eliminating a parking space and using it as a recycling area.

Board discussion continued regarding review of GWR contract performance. Director of Communications & Sustainability responded that it has been on-going with quarterly meetings of the TAC. The participating agencies had enlisted the assistance of Rob Hilton of HF&H to review contract compliance and the overall trends had been positive with more recycling activities coming on-line within the cities. General Manager provided information on how one can work with development entities during the construction phase of new properties to ensure adequate recycling space was incorporated.

18) Report on District Capital Projects

The Board received a memorandum from Director of Engineering Guy Petraborg providing an update on District capital projects. On the MRF Improvement Project, a pre-bid meeting had been held on January 6, 2017 and there had been greater participation than in the previous 2016 bid meeting. Several contractors had requested additional time to prepare and submit their qualifications and bids. In an effort to gain a larger response, the submittal deadline had been extended from January 17th to February 7th. Staff is optimistic that a MRF bid proposal can be brought to the Board for approval at the February meeting.

Board discussion followed regarding what would be done with the old equipment and where the MRF employees would be assigned during the temporary closure. Staff stated that the equipment would be sold as metal and that the employees would be assigned to other duties such as ground sorting.

19) Report on Use of W-2 Form Instead of 1099 Form for Internal Revenue Service (IRS) Board Member Stipend Reporting

The Board reviewed a memorandum from Legal Counsel regarding Board compensation reporting. Legal Counsel stated that during his review he found that most agencies are already using or are going to be switching to the use of the W-2 form. He referenced an IRS publication which stated that "any individual who serves as public official is an employee of the government for whom he or she serves" and that the government entity is responsible for "issuing the W-2" form to the public official. He opined that the use of W-2s going forward was the correct process.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that Waste Management, Inc. (WMI) will cease accepting material at their facility in Castroville. The approached the District with a request to transfer single stream recyclable material to the same GreenWaste Recovery (GWR) facility the District's current single stream material is being transported now. The request is for calendar year 2017 during which time WMI will evaluate long-term processing. After review, staff believed it was manageable within the existing District operations at a fee of \$1.00 per ton to load the material with the existing single stream tonnage received.

General Manager stated that staff is reviewing its Regional Waste Contracts in conjunction with the changing nature of and demands on District facilities and operations. Staff will be preparing some options under these Agreements for review at the next Finance Committee meeting, and then for the complete Board review at either the February or March Board meeting.

He reminded the Board of the District's 65th Anniversary Event and Truck Yard Open House scheduled for Saturday, March 18, 2017 from 10 a.m. - 2 p.m. He also stated that the California Special Districts Association has asked that the District host its Legislator of the Year recognition of Assembly member Mark Stone at the District site on March 3rd. Further information would be forthcoming.

General Manager further stated that the District managers and directors had met off-site for a half-day strategic planning session oriented towards execution of the approved 2016/17 Goals and Objectives.

BOARD COMMUNICATIONS

Director Delgado requested staff send the flyers in a JPEG format to the Board regarding the anniversary celebration and temporary MRF construction closure for easy sharing. Director Bales reminded the Board that the Special District Risk Management Authority (SDRMA) provided insurance discounts through the credit incentive points (CIP) program for Board member attendance at training and webinars. He encouraged the Board to participate in the opportunity to reduce the District's insurance premiums. Director Delgado expressed appreciation for Director Bales and his active participation in the CIP program. Chair Allion further commented that during a recent review of the Board makeup, it was remarkable that Director Bales has been on the Board since 1969 and how valuable his input has been.

ELECTION OF OFFICERS FOR CALENDAR YEAR 2017

Director Parker stated that the nominating committee, consisting of Director Pendergrass and herself, recommended Director Delgado as Chair and Director Theis as Vice Chair.

It was moved by Director Parker, seconded by Director Pendergrass, and Unanimously Carried to: Elect Bruce Delgado as Chair and Carrie Theis as Vice Chair for Calendar Year 2017.

CLOSED SESSION

The Board went into closed session at 10:56 a.m. regarding the following:

- 1) Conference with Legal Counsel--Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9:
(One Case)
- 2) Conference with Labor Negotiators:
District Negotiators: Tim Flanagan, Peter Skinner, and Berta Torres
Employee Organizations: Operating Engineers and Management Employees

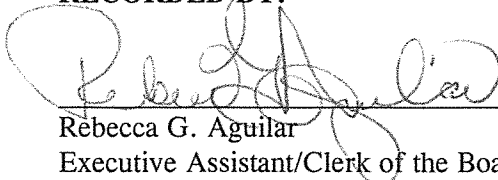
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came back into open session at 11:19 a.m. and Legal Counsel announced that in the closed session the Board had received information on the items listed on the closed session agenda and had provided direction to staff; no other action taken.

ADJOURNMENT

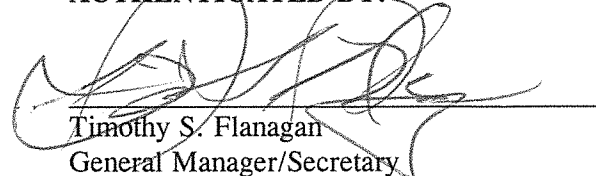
There being no further business to come before the Board at this time, the January 20, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Allion at 11:20 a.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary