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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.
March 24, 2017

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Bruce Delgado (Chair), City of Marina Mayor
Carrie Theis (Vice Chair), City of Carmel-by-the-Sea Mayor Pro Tem
Gary Bales, City of Pacific Grove
David Pendergrass, City of Sand City Mayor
Leo Laska, Pebble Beach Community Services District
Director Libby Downey, City of Monterey (*Via Teleconference*)
Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
Dennis Allion, City of Del Rey Oaks Councilmember
Jason Campbell, City of Seaside Councilmember

MEMBERS ABSENT: None

STAFF PRESENT: Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Guy Petrabor, Director of Engineering & Compliance/District Engineer
Jeff Lindenthal, Director of Communications & Sustainability
Tim Brownell, Director of Operations
Berta Torres, Human Resources Manager
Chuck Rees, Finance Manager
Clyde Walkup, Materials Recovery Manager
David Ramirez, Senior Engineer
Kacey Christie, Safety & Risk Manager
Ron Mooneyham, Equipment Maintenance Manager
Becky Aguilar, Executive Assistant/Clerk of the Board
Kimberle Herring, Public Education and Outreach Coordinator
Beatriz Zepeda, Last Chance Mercantile Assistant Manager
Molly Beasley, Last Chance Mercantile Sales Clerk II
Christina Harris, Last Chance Mercantile Sales Clerk II
Jerry Garcia, Last Chance Mercantile Sales Clerk I
Jesse Gonzales, Last Chance Mercantile Sales Clerk I
Nancy Novoa, Last Chance Mercantile Sales Clerk I
Gigi Ortiz, Last Chance Mercantile Sales Clerk I
Sandra Rubio, Last Chance Mercantile Sales Clerk I
Jeff Spence, Last Chance Mercantile Sales Clerk I

OTHERS PRESENT: Charlie Cordova, GreenWaste Recovery
Brian Kennedy, Salinas Valley Solid Waste Authority
Keith Day, Keith Day Company

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the March 24, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Delgado at 9:30 a.m.

PUBLIC COMMUNICATIONS

Steve Biron, Sales Manager for Olympic Wire and Equipment, Inc., addressed the Board and stated that he believed the PAAL baler that was selected as part of the Materials Recovery Facility equipment was inadequate for District operations. He provided the Board with additional written and verbal information regarding his concerns. The matter was referred for consideration of discussion to the District's Finance Committee.

Director Parker was seated at 9:35 a.m.

CONSENT AGENDA

Following a motion by Director Allion, seconded by Director Campbell, the Board approved the Consent Agenda.

- 1) **Approve Minutes of February 17, 2017 Regular Board Meeting**
- 2) **Approve District Report of Disbursements, and Board and Employee Reimbursements**
- 3) **Adopt Resolution 2017-05 Establishing Bank Contracting Officers and Authorized Signers for Banking Accounts**

PRESENTATIONS

4) Small Planet News: Ken Gray Memorial Garden in Marina, CA

Public Education and Outreach Coordinator Kimberle Herring provided the Board with a presentation on the installation of a public gardenspace at the City of Marina's Civic Center, that was planned and installed by the Marina Tree and Garden Club in memory of Marina's former city council member, Ken Gray, who had served on the District Board for five years from November 2003 to December 2008. The garden was an opportunity to pay tribute to a man who contributed so much to the local environment as well as provide a space for the public to enjoy and a place to demonstrate sustainable landscaping practices. The District donated compost and staff donated time as did Chair Delgado. She stated that the dedication ceremony was scheduled for April 15th.

Chair Delgado stated that Ken had often said that the District Board was the best board he had ever served on.

5) **Recognition of Last Chance Mercantile Staff: Receipt of Best Eco Friendly Business in the *Monterey County Weekly Readers' Poll* for the 3rd Year in a Row**

General Manager stated that for the 3rd year in a row, the Last Chance Mercantile (LCM) had been voted Best Eco-Friendly Business in the annual Monterey County Weekly Readers Poll. He stated that the recognition was a tribute to LCM staff and community appreciation for the District's efforts to reduce, reuse and recycle. LCM staff was recognized and thanked by Chair Delgado.

6) **Presentation of Recent Storm Damage to Site**

Safety and Risk Manager Kacey Christie provided the Board with a presentation of the site damage that was caused by the recent storms, especially the one occurring on February 17, 2017. She stated that District site maintenance staff would be recognized at the April Board meeting for their efforts during this problematic time due to weather conditions. General Manager stated that staff would be developing a formal policy on when to close the site when conditions are such that continued operation puts District staff and customers in jeopardy. The policy would come before the Board for approval.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

7) **Receive Report on March 8, 2017 Finance Committee Meeting**

The Board reviewed a memorandum from Finance Committee Chair Allion. Chair Delgado requested clarification on the discussion surrounding the long term financial planning. General Manager stated that staff was in the process of developing a forecast for capital projects and would be bringing back for Board consideration and review various capital projects that would need to be undertaken. He stated that staff intended to report back to the Board at the planned extended Board meeting scheduled in October 2017 about the funding mechanism based on the capital needs.

It was moved by Director Allion, seconded by Director Bales, and Unanimously Carried To: Receive Report on March 8, 2017 Finance Committee Meeting.

8) **Award Four Year Contract to Vavrinek, Trine, Day & Co., of Sacramento, CA, to Perform Annual Audit for Fiscal Years 2016/2017 through 2019/2020 at a Cost of \$106,832**

The Board reviewed a memorandum from Director of Finance & Administration Peter Skinner recommending the award of a four-year contract to Vavrinek, Trine, Day & Co. (VTD), of Sacramento, CA, to perform the annual audit for fiscal years 2016/17 through 2019/20 at a cost of \$106,832. Finance Manager stated that the District had received eight proposals, which were evaluated on price, location experience serving the Monterey region, relevant client base and experience, quality of proposal, size of organization, and client references. Following evaluation, staff had narrowed the proposals to three based on price and location. Vavrinek was determined to be the lowest proposer with the least risk of engagement.

Board discussion followed regarding the number of hours proposed by several of the proposers, experience working with other local agencies, and performance of internal and external risk assessments.

It was moved by Director Allion, seconded by Director Downey, and Unanimously Carried To: Award Four Year Contract to Vavrinek, Trine, Day & Co., of Sacramento, CA, to Perform Annual Audit for Fiscal Years 2016/2017 through 2019/2020 at a Cost of \$106,832.

9) Adopt Resolution 2017-06 Establishing Debt Management Policy in Accordance with Senate Bill 1029

The Board reviewed a memorandum from Finance Manager Chuck Rees regarding Senate Bill 1029 and its requirements that a District report to the California debt and Investment Advisory Commission any proposed debt issuance to include a certification by the issuer that it has adopted a local debt policy which included specified provision concerning the use of debt and that the contemplated debt issuance is consistent with the local debt policy. The Debt Management Policy had been prepared in accordance with guidelines from the California Debt and Investment Advisory Commission.

It was moved by Director Allion, seconded by Chair Delgado, and Unanimously Carried To: Adopt Resolution 2017-06 Establishing Debt Management Policy in Accordance with Senate Bill 1029.

10) Receive Report on March 8, 2017 Personnel Committee Meeting

The Board reviewed a memorandum from Personnel Committee Co-Chair Theis. Human Resources Manager Berta Torres related to the Board that staff had recently undertaken a review of the District's current human resources information system (HRIS) and had determined that it no longer met the needs of the District. Nine providers had been identified and staff had determined that the My Paperless Office System was the overall superior product to help streamline the HR functions and payroll functions. Director Theis stated that staff had provided a presentation on selection process and had done an excellent job of system analysis.

Board discussion followed regarding compatibility of the new HRIS with payroll systems and comparison of cost of old and new HRIS system.

It was moved by Vice Chair Theis, seconded by Director Parker, and Unanimously Carried To: Receive Report on March 8, 2017 Personnel Committee Meeting.

Director Allion Retired at 10:30 a.m.

STAFF REPORTS**11) Review Finance, Operating, and Recycling Reports**

The Board reviewed the financial statements for January 2017, which continue to show favorable results primarily from the increased Contract Waste tonnages, and Operating Expenses which are at budget levels. The FY 2016/17 year-to-date Tipping Fees Revenues through February 2017 were estimated at \$15.1 million which were above budget by \$3.2 million and prior year by \$1.6 million. The Board also reviewed the February 2017 Operating Report for February 28.

12) Report on Public Education and Recycling

The Board reviewed a memorandum from Director of Communications & Sustainability Jeff Lindenthal reporting on the District's Open House held on Saturday, March 18, 2017. General Manager expressed appreciation to all staff who had participated in the event. There had been over 700 customer transactions at the scales on the same day as the open house which was about a 33% increase of normal transactions, so it had been a very busy day. Director of Communications & Sustainability stated that attendees had been provided with a District tote bag along with a recycling guide for the city that they lived in. A brief photo slide was presentation to the Board.

He stated that the event had been a great success with the participation of several of the District's partners and community haulers. Director of Communications & Sustainability also provided information on the Earth Day events and tours that District staff would participate in.

Director Downey stated that General Manager had done a great job at the Open House event as had Chair Delgado in representing the District and the Board. She also expressed appreciation to Senior Engineer David Ramirez for the excellent tour he had provided. Chair Delgado expressed appreciation for the compost walking tours which had been very informative, and the presence of District Board members. Director Bales stated that the tour of the new truck yard facility had been very impressive having been built for GreenWaste Recovery use now and any others in the future.

13) Report on District Capital Projects

Director of Engineering & Compliance/District Engineer Guy Petraborg provided a verbal update on the Materials Recovery Facility Improvement Project. He stated that with regard to Phase I, A&S Metals had completed the equipment removal, and CPR was in the process of cleaning the roof and exterior wall. Phase II was the site improvements portion of the MRF Improvement Project and he stated that three bid submittals had been received and Granite Rock was the apparent low bidder. Staff would return to the Board for recommendation and approval at the April Board meeting. With regard to Phase III, the office improvement portion of the MRF Improvements Project, the bid period had been extended with submittals due on March 28, 2017. On the Landfill Gas-to-Energy Engine 2 repair, he stated that staff had been evaluating several options, and had determined that it was in the District's best interest to replace the engine. Staff has been able to secure a new 2012 Jenbacher at a reduced cost and will present information to the Finance Committee prior to requesting Board approval.

Board discussion followed regarding advantages and disadvantages of a 2012 model versus a 2017 model and cost difference.

14) Report on Status of Monterey Bay Community Power Formation

General Manager reported on the status of the Monterey Bay Community Power (MBCP). Most jurisdictions had either passed or agendized the MBCP Joint Powers Authority. The Board also received copies of a guest commentary from the March 11, 2017 edition of the *Monterey Herald* and response opinions, including one from Director Allion. General Manager expressed appreciation for the opportunity to be involved in this insightful process.

Director Downey expressed appreciation to Director Allion for his response opinion. The Board expressed appreciation to the General Manager for attending city council meetings and how important it had been to have several members from Monterey County participating in the process. Director Delgado expressed appreciation to Director Parker, in her role as supervisor, speaking at the City of Marina's meeting in favor of MBCP, producing a unanimous vote from the council.

15) Board Member Participation in SDRMA Classes for Discounts on Insurance Premiums

Staff reported that the District had earned the maximum of three points for directors attending webinars and thanked Director Bales and Director Allion. The District could earn a maximum of two more points for directors attending the SDRMA Safety Claims Education Day, which would be held in Sacramento on March 28, 2017 for this fiscal year.

16) Report on February 15, 2017 Technical Advisory Committee

The Board reviewed the meeting minutes of the District's Technical Advisory Committee held on February 15, 2017.

OTHER CORRESPONDENCE**17) Letter from Special District Risk Management Authority RE: Notification of Nominations for Board of Directors 2017 Election**

The Board reviewed a letter from SDRMA regarding upcoming nominations for their Board of Directors. Four seats are up for election and the nomination-by-resolution filing deadline was May 5, 2017. All of the District Board members were eligible to serve, although no Board members expressed interest in serving on the SDRMA Board.

18) Letter from California Special Districts Association RE: CSDA Board of Directors Call for Nominations Seat C

The Board of Directors reviewed a letter from the California Special Districts Association (CSDA) regarding upcoming nominations for their Board of Directors. The deadline for receiving nominations was May 19, 2017 and it needed to include a District resolution or minute action indicating support for the candidate. All District Board members were eligible, although no Board members expressed interest in serving on the CSDA Board.

19) Letter from Wellington Law Offices RE: Use of Personal Electronic Device Could be Subject to Search and Disclosure Under the Public Records Act

The Board reviewed a memo from District's legal counsel describing a new Supreme Court ruling that allowed for search and disclosure of all business-related communications sent or received on Board and staff personal devices, in accordance with the Public Records Act (PRA). Staff and the Board were advised that text messages and emails sent from personal devices were subject to the PRA advised of the following:

- Only use an official MRWMD email account for all business-related communications.
- If for any reason, a personal email account is used for business-related business, a copy should be forwarded to a District email account to preserve a record of the communication.
- Refrain from using email, texting, etc. while attending a public meeting.

GENERAL MANAGER COMMUNICATIONS

General Manager stated that staff will providing three presentations at the SWANAPalooza, which will be held in Reno on March 27-30, 2017, with over 1,000 attendees. Presentations will be held on safety, landfill gas and MRF development, and franchise procurement process. He thanked staff for the providing the information in preparation of the presentations.

General Manager stated that staff has been discussing a tip fee increase and anticipates a refuse tip fee increase, effective July 1, 2017, on the order of 8% based on feedback from the Finance Committee and certain TAC members that resulted in staff lowering the target rate for the coming year. For refuse, the anticipated tip fee would increase from \$51.75 to \$56.00 per ton. This increase of \$4.25 per ton would yield about \$800,000-900,000 in total revenues for FY 2017/18. Other disposal fees, such as green waste and food waste, would also be increased commensurately.

The fee increase is needed to fund operating expenses and capital costs projected in 2017/18. Staff will be bringing a complete financial analysis to the Finance Committee in April and, with the concurrence of the Committee, to the Board at the April meeting. Staff was seeking a general consensus on this direction from the Board at this time. The timing of this topic is somewhat critical due to the Pebble Beach Community Services District need to have an identified rate on their garbage bill for the Prop 218 notice requirement for insertion in the County property tax bill which has an April cut-off date.

Director Bales expressed concern since the Finance Committee has not reviewed the Fiscal Year 2017/18 budget. Director Laska stated that the District had agreed to defer any tipping fees increases while the new contract rates and schedules were being adjusted and he did not believe that it ever was intended that the tip fee would not need to increase as some point. The 8% increase suggested amounted to the cost of living increase that would have been implemented without the deferment. Director Parker commented that it was clear to her that an increase would be needed. She stated that staff tended to be cautious about seeking increases and she felt confident that the Finance Committee would ensure that the increase was adequate and not higher than needed. Director Campbell commented that the proposed increase was an increase of less than 2% to residents. Chair Delgado stated with the additional waste being received, Module 6 would have to developed sooner than anticipated and what staff was proposing seem like a reasonable approach. Director Downey stated that she was uneasy about making a decision prior to it being presented to the Finance Committee.

Following further discussion, the Board concurred that staff should present information to the Finance Committee for Board presentation at the April Board meeting.

BOARD COMMUNICATIONS

Director Downey requested that staff communicate when something occurs at the District site, such as the storm damage, so that directors are aware (via email) of such occurrences when out in the community. She also stated that she had worked with Ken Gray for about five years and she was happy about the memorial Garden. General Manager stated that staff would endeavor to notify the Board of these types of occurrences. Legal Counsel suggested that one of criteria for notifying the Board would be matters that might be publicized. He also advised that any email responses should not be sent "Reply All."

Director Parker commented that she was sorry she had missed the District's open house since she had another commitment which was to attend the Local Government Commission Yosemite Policymakers Conference. One of the discussions had been on food waste and ways of minimizing it. She encouraged District to research the information as one of the ideas was to be able to send an alert when events or restaurants had leftover food in an effort to distribute in an order of people, animals, composting, etc.

Chair Delgado mentioned that the California Special Districts Association Legislator of the Year for Mark Stone, had provided another opportunity for the District to shine and expressed appreciation to staff for coordinating the event.

CLOSED SESSION

The Board went into closed session at 11:45 a.m. regarding the following:

1) 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 12:25 p.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 general direction to staff; no reportable action was taken.

ADJOURNMENT

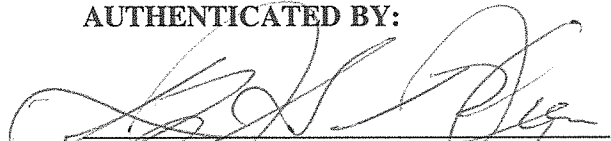
There being no further business to come before the Board at this time, the March 24, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Delgado at 12:26 p.m. in memory of Allan Jefferson who passed away on March 15, 2017.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary