



June 23, 2017 Board of Directors Meeting

HIGHLIGHTS

Agreements and Cost of Living Adjustments for Employees. The Board approved a 24-month extension to the Memoranda of Understanding (MOU) for management and Operating Engineers Local 3 (OE3) units through June 30, 2019. The extensions were necessary primarily because of the timing of the Materials Recovery Facility (MRF) construction coinciding with negotiations and having financial data from the renovated MRF, which would be an important factor in labor negotiations. The Board approved updated salary schedules for the management and OE3 units to incorporate negotiated cost of living adjustments (COLA) for fiscal year 2017/18 and approved an updated salary schedules for unrepresented, confidential, and at-will employees to also incorporate a COLA to mirror that of their counterparts.

Revisions to General Manager Performance Evaluation Procedures. The Board approved revisions to the General Manager Performance Evaluation Procedures (Procedures) to ensure timely completion and process clarification, and considering the August Board meeting cancellation.

Final Budget for Fiscal Year 2017/18 Approved. Following Board direction at the May 19, 2017 Board meeting regarding the shortfall in the Unrestricted Cash Reserves, staff presented a revised budget that more closely meet the 20% Board reserve guideline. The FY 2017/18 Budget was approved by the Board and includes \$27,745,000 in operating revenues, \$330,00 in non-operating revenues, and \$1,195,000 in equipment lease proceeds. It also includes expenditures of \$36,999,000 (for cash operating expenses, interest expense, capital outlays, increased restricted cash, and debt reduction), projects a Net Income of \$898,000, and a decrease in Unrestricted Cash Reserves of \$7,729,000. Ending Unrestricted Cash is budgeted at \$4,199,538, which is \$70,062 short of the 20% reserve guideline.

Purchase of New Caterpillar D8T Dozer. The Board approved a proposal from Quinn Company of Salinas, CA for the purchase of a new Caterpillar D8T dozer for the total purchase price of \$915,875.00 (including sales tax and freight) using preferential competitive pricing through National Joint Powers Alliance. Staff's decision to purchase a smaller dozer effected a cost savings of \$280,000 while still meeting the District's needs.

Contract for Remediation Design Services. The Board approved a contract with Golder Associates, Inc., for Modules 1 & 2 final cover remediation design services at a cost of \$59,728, necessary due to slope failure during the recent storms. Staff will seek disaster relief funding from the State to help cover the cost of an interim solution to the slope failure, estimated at over \$200,000. Staff will evaluate a permanent solution over the next several years.

Cancellation of Regional Waste Disposal Agreements. The Board authorized staff to send a notification for cancellation of Regional Waste disposal agreements with the cities of Capitola, Watsonville, and Scotts Valley and the County of Santa Cruz, to start the five-year cancellation period. The cancellation is necessary because of several significant changes in State law that have occurred since the agreements were entered into, such as separation of food waste, reduction in organic waste methane emissions, and 65% diversion from residential and commercial construction projects. The notification may initiate discussions with the affected entities for development of new mutually beneficial agreements.

Clean Air Leader Award. The Board recognized Director of Engineering & Compliance Guy Petraborg for receiving the Clean Air Leader Award for Climate Change Advocate from the Monterey Bay Air Resources District. The District also received a Clean Air Leader Award for Climate Change Advocate which is given for "using, promoting, and supporting energy-efficient solutions and best management practices that result in reduction of greenhouse gas emissions".

