



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: July 14, 2017
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the July 21, 2017 Board Meeting

CALL TO ORDER AT 9:30 A.M.

ROLL CALL AND ESTABLISHMENT OF QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMUNICATIONS

Anyone wishing to address the Board on matters *not* appearing on the Agenda may do so now. *Please limit comments to a maximum of three (3) minutes.* The public may comment on any other matter listed on the agenda at the time the matter is being considered by the Board.

CONSENT AGENDA

These matters include routine financial and administrative actions, which are usually approved by single majority vote. Individual items may be removed from Consent for discussion and action.

- 1) **Approve Minutes of May 19, 2017 Regular Board Meeting.**
- 2) **Approve Minutes of June 23, 2017 Regular Board Meeting.**
- 3) **Approve Report of Disbursements, and Board and Employee Reimbursements.**
- 4) **Adopt Resolution 2017-15 Establishing District Investment Policy Guidelines for Fiscal Year 2017/18.**
- 5) **Adopt Resolution 2017-16 of Appreciation to Retiring Heavy Equipment Technician George Sayre.**

RECOGNITION

6) Presentation of Resolution of Appreciation to Retiring Heavy Equipment Technician George Sayre

George has been an integral part of the shop for 23 years. He is also one of the District's "go to" barbeque chefs. He brings a great joyful energy to the shop and the site. He (and his cooking prowess) will be missed. We thank George for his long, dedicated, and exemplary service to the District.

7) Recognition of Heavy Equipment Technicians Rodney Barber, Martin Renteria, and George Sayre; MRF Operators Saul Delgado and Antonio Diaz; MRF Supervisor Baldo Trujillo; Heavy Equipment Operator Chauncey Hendley; and Maintenance Worker Beverly Morris for Over 20 Years of Service to the District

Last year the District embarked on a process of recognizing long term staff for their efforts and contributions. This year we are choosing to recognize active employees with over 20 years of service. Rodney, Martin and George from the Maintenance department, Sal, Tony and Baldo from the MRF, and Chauncey and Beverly from the Landfill department. Each has made a special and significant contribution to the District in their time here. From fixing and servicing equipment, to making sure the trash is buried and handled safely, to processing the material in the MRF, all help make the District the award-winning facility it is today – a leader in the industry by the efforts of these women and men of the District.

8) Recognition of Scale Supervisor Jeannette Pagan, Heavy Equipment Operator Supervisor Randy Evanger, and Executive Assistant/Clerk of the Board Becky Aguilar for 25 Years of Service to the District

Twenty-five years in an any organization in this day and age is an incredible accomplishment. We are recognizing three individuals who have made this significant milestone.

Both Becky and Jeanette have served in the scale house, the primary area where we interact with our customers. Today, and since 2001, Jeanette leads the scale team as their Supervisor. Becky, having left the scale operations in 1994, is now our Clerk of the Board and leads our efforts in administration, Brown Act compliance, and governmental transparency (for which the District has been recognized by CSDA for transparency excellence). Both jobs focus on a connection to the public and the District is fortunate to have two great examples of long-term dedication and service to the public they serve. We thank them for their service and dedication.

Randy Evanger started with the District as an assistant mechanic and was subsequently promoted to Heavy Equipment Operator and then to Heavy Equipment Supervisor in 2007. He has led the equipment operator team from a relatively small amount of tonnage back then to the over 2,000 tons a day we routinely receive. He takes great pride in making the landfill and its operations well run and compliant with all regulations.

PRESENTATIONS

9) **Small Planet News: District in the News**

The District has been featured in the last month in several stories on KSBW and other media for our success with the household hazardous waste collection event held at the Monterey Peninsula College on June 24th, and this past week for our food waste anaerobic digestion program and the leadership of the Marina Dunes development to have all their restaurants in the compost program. Jeff will show two brief clips from the news stories and brief us on our continued public outreach efforts.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

10) **Receive Report on July 11, 2017 Finance Committee Meeting**

Please refer to the enclosed memo from Finance Committee Chair. Staff will continue to focus its efforts on the development of long-term financial obligations around landfill development, storm water management and organics processing to be discussed in future Board meetings and with a more substantial discussion at the extended October Board meeting.

Recommendation: Receive Report on July 11, 2017 Finance Committee Meeting.

11) **Receive Report on July 12, 2017 Personnel Committee Meeting**

Please refer to the enclosed memo from Personnel Committee Co-Chair Downey. Staff guided a review of FY 2016/2017 accomplishments, challenges, and the development of the FY 2017/2018 Goals and objectives. Discussion focused on the continued process which aligns General Manager Goals and Objectives with the District Goals and Objectives and holds the GM accountable for District achievement of those Goals and Objectives. Staff will develop a process for Personnel committee and Board review of a “360” review process of the GM from key internal stakeholders (direct reports and line staff) and external stakeholders.

Recommendation: Receive Report on June 7, 2017 Personnel Committee Meeting.

12) Adopt Resolution 2017-17 for the Election of Directors to the Special District Risk Management Authority Board of Directors

Please refer to the enclosed information. Staff has no information or specific recommendation on any particular candidate, although three of the seven candidates are incumbents, and it seems that there are a variety of special districts represented. The Board will need to vote for four candidates.

Recommendation: Adopt Resolution 2017-15 for the Election of Directors to the Special District Risk Management Authority Board of Directors.

13) Receive Report on 2016/17 District Goals and Strategic Objectives

Staff believes our intentional focus on the “People” pillar as part of last year’s goals and objectives has paid dividends. Our emphasis on communication and training was successful. The challenge of developing business metrics and defining accountability is ongoing. Our finances were in excellent shape with revenues exceeding budget and costs being managed well within our budget figures. The MRF project is for the most part on time and tracking with the revised budget – staff estimates an overall savings of about \$2 million in breaking out the MRF construction components into smaller segments.

The District held an extremely successful 65th Anniversary Open House event, held several District wide community events, re-tooled the website and developed a series of professionally produced videos of District operations and highlighted individual District personnel in their roles at the District. This year also saw the completion of a seven-year effort to support the transition of the tri-County area to Monterey Bay Community Power (MBCP). The District was in a leadership position in the formation of the process and review of the technical program and supported the County-wide effort for adoption by 19 of 21 jurisdictions in Monterey County of MBCP.

Recommendation: Receive Report on 2016/17 District Goals and Strategic Objectives.

14) Accept 2017/18 District Goals and Strategic Objectives

Staff and I believe that the main goal of FY 2017/18 is the development of long-term strategic financial and operational objectives. As such, the goals and objectives for FY 2017/18 support that focus of attention. However, several specific operational objectives are also included to ensure for the Board that the day-to-day activities have appropriate attention and review and are not ignored for sole focus on the long-term planning. Significant capital infrastructure projects will be the focus of this year’s planning process and the need for the necessary financial structural changes and revenue development required to sustain funding for the long-term capital needs for the District.

Recommendation: Accept 2017/18 District Goals and Strategic Objectives.

STAFF REPORTS

15) Review Finance, Operating, and Recycling Reports

The financial statements for the month of May 2017 are included, however, June 2017 financials are not yet available due to the significant review procedures required to prepare for the audit. The Year-to-Date Operating Income through May 2017 is \$3,427,242 above Budget. The Year-to-Date Operating Expenses through May 2017 is \$536,299 (2.7%) above budget. The Tipping Fees Revenues for the month of June 2017 are continuing the good year and are estimated at \$2,010,000 which is \$500,000 (34%) above budget. The Year to Date Tipping Fees Revenues through June is estimated at \$23,220,000 which is \$5,260,000 (29%) above budget and \$1,915,000 (9%) above last year.

The Operating Report for June 30, 2017 is enclosed. The following tables show decreased District tonnage in June 2017 from the prior month of 2.7% and decreased tonnage from the prior year of 6.1% and increased tonnage year-to-date of 4.7%. The Contract waste is below last month and continues to be above last year for both the month and prior year.

| Operating Report Statistics | | | | | |
|------------------------------------|------------------|------------------|-------------------|------------------|------------------|
| Month | June 2017 | May 2017 | Inc (Dec) | June 2016 | Inc (Dec) |
| Customer Type | Tons | Tons | % | Tons | % |
| Franchised | 12,414 | 13,024 | (4.7%) | 12,388 | 0.2% |
| Commercial | 6,493 | 6,531 | (0.6%) | 8,758 | (25.9%) |
| Cash | 8,745 | 8,859 | (1.3%) | 8,305 | 5.3% |
| Total District | 27,652 | 28,414 | (2.7%) | 29,451 | (6.1%) |
| Regional | 1,409 | 1,473 | (4.4%) | 1,427 | (1.3%) |
| Contract | 24,742 | 25,891 | (4.4%) | 23,999 | 3.1% |
| Contract ADC | 15,639 | 11,332 | 38.0% | 5,064 | 208.9% |
| Total | 69,442 | 67,110 | 3.5% | 59,941 | 15.9% |
| Year-to-Date | June 2017 | June 2016 | Inc. (Dec) | | |
| Customer Type | Tons | Tons | % | | |
| Franchised | 146,736 | 141,013 | 4.1% | | |
| Commercial | 90,837 | 84,832 | 7.1% | | |
| Cash | 90,133 | 87,271 | 3.3% | | |
| Total District | 327,706 | 313,116 | 4.7% | | |
| Regional | 17,365 | 19,980 | (13.1%) | | |
| Contract | 319,165 | 262,604 | 21.5% | | |
| Contract ADC | 95,531 | 51,694 | 84.8% | | |
| Total | 759,767 | 647,394 | 17.4% | | |

16) Report on Public Education and Recycling

Please refer to the enclosed memo from Jeff who reports on the success of our 4th annual hazardous waste collection event held at Monterey Peninsula College in June. Staff will present a slide show overview of the event. Jeff also references the CalRecycle annual report compliance work that District staff is presently completing for the member agencies.

17) Report on District Capital Projects

Staff will provide an oral report at the Board meeting.

OTHER CORRESPONDENCE

18) Letter to The Honorable Hannah-Beth Jackson RE Oppose AB 1479 (Bonta) Public Records: Custodian of Records: Civil Penalties

Staff, in concert with District counsel, sent in this letter of opposition. The good news is that thanks to all the letters of opposition submitted by special districts regarding the bill, Assemblymember Bonta agreed to make amendments to the bill in the Senate Judiciary Committee. As agreed to be amended, the burden of proof to win a civil lawsuit is much higher, eliminating the probability of serial litigation and the bill now focuses solely on bad acting public agencies that “knowingly and willfully” violate the CPRA.

GENERAL MANAGER COMMUNICATIONS

- **RFQ – Sloane/Vasquez.** District staff will be engaging Sloane/Vasquez for the development of a recycling brokerage Request for Qualifications (RFQ). The RFQ will be designed to engage at least three to four brokerage entities to have negotiated discussion for the sale and brokering of the District’s recycling commodities. These arrangements are highly specialized and do not lend themselves to a structured bidding process – hence the need to engage qualified expertise to assist the District in a selection of a commodity broker.
- **Engineering Intern.** Caty O’Connor is the summer Engineering Intern and a recent San Jose State transfer student majoring in Civil Engineering. She is from Auburn, CA but has been living in Santa Cruz for the last two years. She is passionate about sustainable agriculture and hopes to work in waste management with a special interest in compost. When she is not furthering her education trying to save the world, you can find her hanging with her family, surfing, skateboarding or backpacking in the Sierras.

- **CalRecycle Enforcement Status of Local CRV Dealers.** Conditions continue to worsen for local retailers of beverage containers which have CRV redemption. No new recyclers have moved into the Peninsula and the state has begun the process for levying fines for stores that do not redeem used containers in their stores. (see attached article).
- **Tour of Materials Recovery Facility Following Board Meeting.** If you would like to tour the MRF, please dress appropriately (closed toed shoes). This is a great opportunity to see the MRF project in about 30-35% completion state. If requested, we can have another tour set up after the September meeting when substantially more of the project should be completed.

BOARD COMMUNICATIONS

CLOSED SESSION

As permitted by the Brown Act (California Government Code Sections 54950, et seq.), the Board may adjourn to a Closed or Executive Session to consider specific matters dealing with pending or prospective litigation, real property negotiations, certain personnel matters, or to confer with District's Meyers-Milias-Brown representative.

1) Conference with Property Negotiators

Property: Sale of Land for Construction of Pure Water Project

District Negotiators: Tim Flanagan and Guy Petraborg

Negotiating Parties: Monterey Regional Water Pollution Control Agency

Terms: All Terms and Conditions

2) 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)

3) Public Employee Performance Evaluation: General Manager

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

ADJOURNMENT

Respectfully submitted,



Timothy S. Flanagan