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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, 9:40 a.m. (Immediately Following MRWMA Meeting)
 February 17, 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
 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
 Peter Skinner, Director of Finance & Administration
 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
 Angela Goebel, Public Education & Outreach Specialist

OTHERS PRESENT: Charlie Cordova, GreenWaste Recovery
 Mog Cabatu, Ausonio, Incorporated

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the February 17, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Delgado at 9:40 a.m.

INTRODUCTION OF NEW DIRECTOR OF OPERATIONS TIM BROWNELL

General Manager introduced, and the Board welcomed, Tim Brownell as the new Director of Operations. Mr. Brownell addressed the Board and stated that he had over 28 years of experience in recycling and solid waste. He originally began in California with Sunset Scavenger (now Recology) and it was nice to be back. He stated he was thrilled to be a part of the District team.

PUBLIC COMMUNICATIONS

There were no public communications.

CONSENT AGENDA

Following a motion by Director Bales, seconded by Director Parker, the Board approved the Consent Agenda.

- 1) Approve Minutes of January 20, 2017 Regular Board Meeting
- 2) Approve District Report of Disbursements, and Board and Employee Reimbursements

PRESENTATIONS

3) 10-Year Award to Director Libby Downey

Chair Delgado recognized Director Downey for her tenure on the District Board, since January 2007. General Manager thanked her for serving on the Personnel Committee, and expressed appreciation for her contributions and dedicated service over the past ten years. Director of Communications and Sustainability Jeff Lindenthal expressed appreciation to Director Downey for her leadership and service on the District's Litter Abatement Task Force.

4) Small Planet News: Organics Diversion Requirements of SB 1383

Director of Communications and Sustainability provided an overview of SB 1383, which established the most ambitious disposal reduction mandate since the passage of AB 939. SB 1383 requires CalRecycle, in consultation with the California Air Resources Board (CARB) to develop regulations to reduce the disposal of organic waste 50 percent below 2014 levels by 2020 and 75 percent by 2025. The definition of Organic Waste is solid wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, green waste, landscape and pruning waste, applicable textiles and carpets, wood, lumber, fiber, biosolids, digestate and sludges. The legislation will also require 20 percent recovery of edible food for human consumption that is currently landfilled by 2025. These mandates support the broader Short-Lived Climate Pollutant (SLCP) Reduction Strategy developed by the California Air Resources Board because the deterioration of organic matter in a landfill releases methane and other greenhouse gases. A local jurisdiction may charge and collect fees to recover the local jurisdiction's costs incurred in complying with the regulations.

Director of Communications and Sustainability provided concepts that have been identified regarding collection and generator participation, infrastructure capacity and market development, and reporting. He stated that the new franchise agreements include provisions for the collection of organic wastes.

Board discussion followed regarding funding mechanism to cover the additional costs and the definition of edible food and how it would be measured. Director of Communications and Sustainability commented that grants would be available, although additional funding would be needed. He stated that the State has made some assumptions as to how much food waste is landfilled. Director Parker inquired about the biosolids and its current use at the District site, and whether the local air district would have a role. Staff responded that although the disposal of biosolids alone will be prohibited in the future, the current practice of mixing greenwaste with biosolids and using on side slopes is labeled by the State as a beneficial reuse. The air district could be a potential source of funding through their annual grant program. The State is currently holding stakeholder meetings and guidelines are anticipated to be developed by the end of 2017. Director Pendergrass expressed disappointment with the ramifications of no longer disposing of biosolids and drawing the line with State mandates.

5) Materials Recovery Facility (MRF) Improvement Project - Interim Operations Plan During Construction

General Manager expressed appreciation to Senior Engineer David Ramirez and other staff in the development of the interim plan during the planned MRF shutdown. Senior Engineer provided an overview of the operations and customer service plan that will be utilized, including a color-coded map depicting the different disposal zones on site. Director Campbell commented on the color-coded system and encouraged continuing to use it following completion of the MRF construction.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

6) Receive Report on February 1, 2017 Finance Committee Meeting

The Board reviewed a memorandum from Finance Committee Chair Allion summarizing the meeting in which discussion was held on basic preliminary analysis of the 2017/18 budget, the status of the audit proposals, and site conditions and capital projects updates.

It was moved by Director Allion, seconded by Director Parker, and Unanimously Carried To: Receive Report on February 1, 2017 Finance Committee Meeting.

7) Receive Update on Monterey Bay Community Power, and Ratify Support for Implementation of a Community Choice Aggregation Program and Formation of Joint Powers Authority

The Board reviewed a memorandum from Director of Communications and Sustainability which provided background information on Monterey Bay Community Power (MBCP). The District had been a part of this process since 2010 under the formation of the Tri-County Climate Action Compact (CAC) as part of all the jurisdiction's obligations under AB 32 for greenhouse gas reductions prescribed under state law. The District Board appointed the General Manager to represent the Peninsula cities on the Project Development Advisory Council (PDAC) in 2012, and staff had been briefing the Board along the way to the progress of the MBCP. Three key project goals developed at the beginning were to:

- Increase the amount of renewable energy purchased
- Decrease the amount of greenhouse gas produced in the purchase of that power
- Do this at rate parity or at a rate less than that of PG&E

General Manager stated that all the goals had been met with the recommended structure and power purchase approach outlined in the recommendation. This has been consistent with the goals that the District has established under the formation of the MBCP. Staff believes that this process not only affords the rate payers

of the Peninsula a choice for power generation, but will also support the District's efforts at establishing a fair rate for the renewable power we currently generate and hope to generate in the future. A local source for power purchase will be of greater benefit to *our* rate payers and *our* projects, more than an investor owned utility (IOU) like PG&E could provide. The rates projected in the financial modeling under MBCP would about double the current rate provided to the District from a third party, from the current rate of about \$0.045 p/kw to about \$0.09 p/kw, which would mean approximately \$1.5 million in additional revenue to the District under the MBCP rate scenario. District staff would recommend that the Board ratify its support for the formation of MBCP as consistent with its past actions.

Director Parker commended General Manager for his efforts on the PDAC which brought forward the joint powers agreement (JPA). She stated that the Monterey County Board of Supervisors was now requesting an additional vote for Monterey County, City of Salinas, and Santa Cruz County. She stated that the initial feasibility study showed that Santa Cruz County or Monterey County could form their own JPA should they decide to, although it would be much more valuable for all to work together. She hoped that the County would decide to join now instead of having to pay a fee to join later. Director Allion referred to an article from the Los Angeles Times, which stated that although less power is being used, more money is being paid now than in 2008. He supported the formation as it would provide local control. Director Campbell thanked Director Parker and the General Manager for their efforts and was excited for the District and the ability to sell power at a higher rate.

Board discussion followed regarding the County's decision to request additional votes. Director Pendergrass expressed that he was not supportive of weighted voting. He felt there was a huge drawback to the formation of a JPA since it would just be another bureaucracy to manage and that PG&E would still be involved. He believed that the public was not fully aware how the MBCP would work. Additional discussion was held on startup costs, financing structure. Director Parker stated that the study showed that ratepayers could receive twice as much power for 10% less cost, and that it included the opt-out fee.

It was moved by Director Downey, seconded by Director Allion, and Approved by Chair Delgado, Vice Chair Theis, and Directors Allion, Bales, Campbell, Downey, Laska, and Parker; Opposed by Director Pendergrass To: Receive Update on Monterey Bay Community Power, and Ratify Support for Implementation of a Community Choice Aggregation Program and Formation of Joint Powers Authority.
Motioned Passed on an 8 to 1 Vote

8) Approve (as to form) Monterey Regional Water Pollution Control Agency Blanco Drain Diversion Easement and Deed Agreement

The Board reviewed a memorandum from Director of Engineering & Compliance Guy Petraborg requesting Board approval of a draft easement agreement with the Monterey Regional Water Pollution Control Agency. In 2008, the District sold and conveyed a 20-foot easement to the Monterey County Water Resources Agency (MCWRA) which will need to be amended to permit the second parallel easement to the MRWPCA. Director of Engineering & Compliance stated that the draft agreement had been developed by District staff and MRWPCA staff, with the assistance of joint legal counsel. The final agreement will come back to the Board for approval following the final review and agreement of all three parties. Issues of compensation will be dealt with in the co-location easement agreement and easement deed documents. All three parties provided instruction to the appraiser retained by the MRWPCA to prepare the appraisal report.

It was moved by Director Allion, seconded by Director Pendergrass, and Unanimously Carried To: Approve (as to form) Monterey Regional Water Pollution Control Agency Blanco Drain Diversion Easement and Deed Agreement.

- 9) **Adopt Resolution 2017-03 Authorizing Execution of a Construction Contract for Materials Recovery Facility Building Improvement Project, to Qualified Low Bidder, Ausonio, Incorporated, of Castroville, CA in the Amount of \$5,692,500.00**

The Board reviewed a memorandum from Director of Engineering and Compliance recommending awarding a construction contract to Ausonio, Inc. for the Materials Recovery Facility Building improvements at a cost of \$5,692,500, which was 10% over the budget estimate. The Board was reminded that in May 2016, one bid was received and rejected. Staff worked with the design firm, JR Miller & Associates, to reduce the scope of work and to organize three contract packages. This contract was for Phase 1, the industrial building improvements only. Phase 2 would be for the site improvements around the MRF and Phase 3 would be for the MRF office addition remodeling and would come back to the Board for approval. In addition to the base bid scope of work, the District had requested six alternate scope of work for the contractors to provide bids for each alternate item separately. Staff was recommending the inclusion of two alternates – roof repair to 25% of the roof area and opening the south wall of the MRF to improve access.

Director Parker inquired on the likelihood of the other two phases coming in over budget. Director of Engineering and Compliance responded that the challenge was the market place since construction companies were busy now. Board discussion followed regarding options with increasing costs and having confidence in staff to hold costs down.

Mog Cabatu, Ausonio VP – Senior Project Manager addressed the Board and stated that he had been involved in the bid preparation and looked forward to working with District staff on this project.

It was moved by Director Allion, seconded by Director Laska, and Unanimously Carried To: Adopt Resolution 2017-03 Authorizing Execution of a Construction Contract for Materials Recovery Facility Building Improvement Project, to Qualified Low Bidder, Ausonio, Incorporated, of Castroville, CA in the Amount of \$5,692,500.00.

- 10) **Adopt Resolution 2017-04 Approving Sole Source Purchase of a New Tarpomatic Automatic Tarping Machine (With Additional Tarp Spool) from Tarpomatic Inc. of Canton, Ohio for a Total Price of \$76,787.17 (Including Sales Tax and Freight)**

The Board reviewed a memorandum from Equipment Maintenance Manager Ron Mooneyham and Site and Facilities Manager Mike Rivera. General Manager notified the Board that as of February 15th, Mr. Rivera was no longer with the District and that staff had been sorry to see him go, and wished him the best. He stated that staff analysis suggested that greater utilization of tarps provided both operational and air space savings allowing for the future sale of that airspace for refuse instead of cover material. Equipment Maintenance Manager stated that the sole source purchase of the tarping machine allowed for use of parts and accessories since the District already owned a Tarpomatic tarping machine which would be used as a backup.

Director Delgado inquired whether there was less odor by using a tarp. Director of Engineering and Compliance replied that the landfill did not have significant odor emittance. The odor from the compost was much more noticeable.

Director Parker left the meeting at 11:37 a.m.

It was moved by Director Laska, seconded by Director Allion, and Unanimously Carried To: Adopt Resolution 2017-04 Approving Sole Source Purchase of a New Tarpomatic Automatic Tarping Machine (With Additional Tarp Spool) from Tarpomatic Inc. of Canton, Ohio for a Total Price of \$76,787.17 (Including Sales Tax and Freight).

Director Parker returned to the meeting at 11:39 a.m.

11) Receive Report on February 1, 2017 Personnel Committee Meeting, to Include Results of Employee Survey

The Board reviewed a memorandum from Personnel Committee Chair Allion. The Board also received a presentation from Director of Administration and Finance Peter Skinner on the results of the employee survey. A total of 12 questions were asked with the option to respond with *strongly agree, agree, neutral, disagree, and strongly disagree*. Two open-ended questions were also asked but were not included in the report due to concerns with anonymity. The overall sense of the survey showed favorable feedback, although there was room for improvement around specific issues. The Board expressed appreciation to staff for conducting the survey.

It was moved by Director Downey, seconded by Director Theis, and Unanimously Carried To: Receive Report on February 1, 2017 Personnel Committee Meeting, to Include Results of Employee Survey.

Director Parker retired from the meeting at 11:56 a.m.

STAFF REPORTS

12) Review Finance, Operating, and Recycling Reports

The Board reviewed the financial statements for December 2016 were reviewed by the Board. The FY 2016/17 year-to-date Tipping Fees Revenues through January 2017 are estimated at \$13.5 million which is above budget by \$3.0 million and prior year by \$1.7 million.

The Operating Report for January 2017 was also reviewed by the Board. Tonnage was stable from December 2016, increased from the prior year by 13.5% and increased year-to-date by 10.3%. The Contract waste was above December by 9.7% and significantly above last year at the same time.

13) Report on District Capital Projects

The Board reviewed a memorandum from Director of Engineering and Compliance reporting on capital projects. The Truck Yard, CNG Fueling Facility and Electrical Distribution Supply projects were in the closeout phase and should be completed by the end of February. Director of Engineering and Compliance stated that the electrical technicians are at work in the MRF and the fire alarm and protection devices had been removed. Equipment removal would begin the following week. Employees are recycling on the floor or assisting with traffic control.

14) Report on January 17, 2017 Meeting of Special Districts Association of Monterey County

The Board reviewed a memorandum from Director Allion summarizing the January 17th meeting.

15) Report on January 25, 2017 Litter Abatement Task Force Meeting

The Board reviewed the minutes of the January 25th meeting.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager reported on site conditions related to the series of storms over the past several weeks, which have created several operational problems on the landfill site, with a few of the areas experiencing slope failures and slides. One major slide encompassed an area above the main LFG gas “headers” which collect and distribute the collected landfill gas, which caused staff to shut down that portion of the LFG collection field. He stated that this could potentially create a compliance issue and emergency repairs must be undertaken. The preliminary estimate for these repairs may cost between \$250,000-350,000. General Manager stated the storm that morning had caused severe damage to the shop roof, blown off the door in the old shop, and knocked down several trees on Charlie Benson Lane. Staff will be exploring if these repairs might be eligible for reimbursement from the State under the declared state of emergency. Staff will undertake the necessary emergency repairs and report back to the Board.

General Manager stated that the District was pleased that GreenWaste Recovery would co-sponsor the District’s 65th Anniversary Event and Truck Yard Open House, March 18th, 2017. The event will take place at the new truck yard from 10 a.m. to 2 p.m. and a short presentation ceremony is scheduled to commence at 11 a.m. followed by a lunch and other activities for families and kids. Tours of the landfill, truck yard, AD facility, and other site locations are also being scheduled.

General Manager also reminded the Board that the California Special Districts Association (CSDA) would be honoring Assemblyman Mark Stone as the Legislator of the Year for 2017 at the District’s facility. The event was scheduled from 8:30 a.m. to 10:00 a.m. Light refreshments would be served.

BOARD COMMUNICATIONS

16) Board Committee and Other District-Related Appointments

The Board reviewed Chair Delgado’s appointments to District committees and other District representation. Directors Bales, Laska, and Allion were reappointed to the Finance Committee. Vice Chair Theis, and Directors Pendergrass and Downey were reappointed to the Personnel Committee. Director Campbell was appointed to represent the District at the Monterey County Special Districts Association and Director Downey was reappointed to the District’s Litter Abatement Task Force.

It was moved by Director Downey, seconded by Director Allion, and Unanimously Carried To: Accept Board Committee and Other District-Related Appointments.

CLOSED SESSION

The Board went into closed session at 12:16 p.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

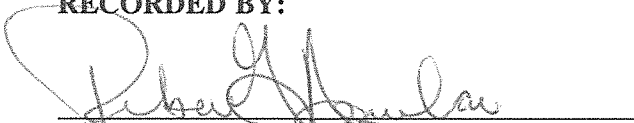
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came back into open session at 12:36 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 direction to staff; no other action taken.

ADJOURNMENT

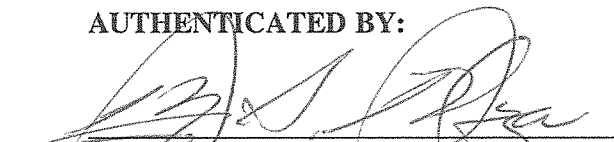
There being no further business to come before the Board at this time, the February 17, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Delgado at 12:37 p.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary