



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 17, 2017
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the March 24, 2017 Board Meeting

Note: Director Downey will attend the meeting via teleconference.

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 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**

Due to the election of a new Board Chair and Vice Chair, staff has prepared a Resolution to approve changing the signatories on the District's checking accounts.

PRESENTATIONS

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

In February, the District had the opportunity to support the installation of a public garden space at the City of Marina's Civic Center. The garden was planned and installed by the Marina Tree and Garden Club, and named in memory of Marina's former city council member, Ken Gray. Ken, served on the District Board for five years from November 2003 to December 2008. Staff will provide a presentation at the meeting.

The District donated several tons of compost and staff also donated time, alongside Chair Delgado. The garden is an opportunity to pay tribute to a man who contributed much to our local environment, and provide a space for the public to enjoy, as well serve as a place to demonstrate sustainable landscaping practices.

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

Staff was pleased to receive word that the Last Chance Mercantile (LCM) was voted Best Eco-Friendly Business in the annual Monterey County Weekly Readers Poll for the 3rd year in a row! This recognition is a real tribute to the LCM staff and how much the community appreciates the District's efforts to reduce, reuse and recycle. LCM staff will be present at the Board meeting when we acknowledge their 2017 recognition.

6) Presentation of Recent Storm Damage to Site

Safety Manager Kacey Christie will be presenting a brief description of the damage on site cause by the recent storms. Staff will be developing a formal policy for Board review about taking actions to close the site when conditions are such that continued operation puts our staff and customers in jeopardy.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

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

Please refer to the enclosed memo from Finance Committee Chair Allion.

Recommendation: 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**

Please refer to the enclosed memo from Director of Finance & Administration Peter Skinner. The District received eight responses to the Request for Proposals for Audit Services. Staff reviewed proposals and qualifications with the Finance Committee and is recommending the firm of Vavrinek, Trine, Day and Co., as the District's auditor.

Recommendation: 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**

Please refer to the enclosed memo from Finance Manager Chuck Rees. In response to Senate Bill 1029, staff is bringing forward a Resolution to Adopt a Debt Management Policy prepared in accordance with guidelines from the California Debt and Investment Advisory Commission.

Recommendation: Adopt Resolution 2017-06 Establishing Debt Management Policy in Accordance with Senate Bill 1029.

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

Please refer to the enclosed memo from Personnel Committee Co-Chair Theis.

Recommendation: Receive Report on March 8, 2017 Personnel Committee Meeting.

STAFF REPORTS

- 11) **Review Finance, Operating, and Recycling Reports**

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

The Operating Report for February 28, 2017 is enclosed. The following table shows decreases in District tonnage in February 2017 from the prior month and February 2016 and increased tonnage year-to-date of 8.2%. The Contract waste is below last month by 8.8% and continues to be significantly above last year for both the month and prior year.

Operating Report Statistics					
Month	February 2017	January 2017	Inc (Dec)	February 2016	Inc (Dec)
Customer Type	Tons	Tons	%	Tons	%
Franchised	10,998	12,394	(11.3%)	11,905	(7.6%)
Commercial	6,257	6,403	(2.3%)	6,123	2.2%
Cash	6,381	5,724	11.5%	6,859	(7.0%)
Total District	23,636	24,521	(3.6%)	24,887	(5.0%)
Regional	1,375	1,473	(6.6%)	2,782	(50.6%)
Contract	23,672	25,967	(8.8%)	21,871	8.2%
Contract ADC	5,663	9,409	(39.8%)	3,183	77.9%
Total	54,347	61,370	(11.4%)	52,724	3.1%
Year-to-Date	February 2017	February 2016	Inc. (Dec)		
Customer Type	Tons	Tons	%		
Franchised	96,485	90,872	6.2%		
Commercial	61,373	51,130	20.0%		
Cash	55,785	55,434	0.6%		
Total District	213,643	197,436	8.2%		
Regional	11,534	13,840	(16.7%)		
Contract	210,591	168,596	24.9%		
Contract ADC	56,752	32,612	74.0%		
Total	492,520	412,484	19.4%		

12) Report on Public Education and Recycling

Please refer to the enclosed memo from Jeff. Jeff will provide an oral report and present some slides of our 65th Anniversary Event on March 18th.

13) Report on District Capital Projects

Guy will present a verbal update on capital projects to include status of Materials Recovery Facility Improvement Project and Landfill Gas-to-Energy Engine 2 repair.

14) Report on Status of Monterey Bay Community Power Formation

Enclosed is a guest commentary from the March 11, 2017 edition of the *Monterey Herald* about the Monterey Bay Community Power (MBCP). Also enclosed are response opinions (in the March 15th edition), including one from Director Allion. As of this writing all jurisdictions in the tri-county area have either passed or agendized the MBCP Joint Powers Authority. This will be the first multi-county JPA in the state. Many thanks to all the participants who have worked on this effort the past several years.

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

The District has earned three points, the maximum possible, for directors attending webinars, thanks to 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 will be held in Sacramento on March 28th. District staff is happy to work with any Board members who may have some time to give to training with SDRMA and earn the District additional discounts. This training is of course eligible for the compensation stipend up to the earned limit of \$600 per month now available to all Board members.

16) Report on February 15, 2017 Technical Advisory Committee

Enclosed are the minutes of the February 15th meeting.

OTHER CORRESPONDENCE

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

Enclosed is correspondence from the Special District Risk Management Authority (SDRMA) regarding upcoming nominations for their Board of Directors. Four seats are up for election and the nomination filing deadline is May 5, 2017. All of the District Board members are eligible to serve. If one of the Directors would like to be nominated to serve on the SDRMA board, the candidate must be nominated by a resolution of the District Board. Please let us know if you are interested so that the matter can be considered at the April Board meeting.

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

Enclosed is correspondence from the California Special Districts Association (CSDA) in which they are seeking Special District Board Members (or their General Managers) who would like to serve on the CSDA Board for a 2018-2020 term. The deadline for receiving

nominations is May 19, 2017. The nomination form must include a District resolution or minute action indicating support for the candidate. All District Board members are eligible for this seat. If one of the Directors would like to be nominated to serve on the CSDA board, the candidate must be nominated by a resolution of the District Board. Staff could bring this forward for consideration at the April meeting if desired.

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

Please refer to the enclosed memo from District's legal counsel describing a new Supreme Court ruling that allows for search and disclosure of all business-related communications sent or received on your personal device, in accordance with the Public Records Act. Key points and legal counsel's recommendations:

- Be aware that all business-related writings are public records, regardless of whether the employee prepared the record on a personal or agency account.
- Only use the official MRWMD email account for all business-related communications.
- If for any reason, we must use our personal email account for business-related business, we should forward a copy to a District email account to preserve a record of the communication.
- Texts concerning public business should be preserved as permitted and will be subject to search and disclosure.
- Refrain from using email, texting, etc. while attending a public meeting.

GENERAL MANAGER COMMUNICATIONS

- **FY 2017/18 Tip Fee Increase from \$51.75 to \$56.00 Per Ton.** As part of the new Model Franchise Agreement adopted three years ago, the District agreed to defer any tipping fees increases while the new contract rates and schedules were being adjusted. No increases to the refuse tip fee has occurred since January 2014 (\$51.75/ton is the current rate). The refuse tip fee had been \$48.25/ton since 2012. Staff recognizes the significant demands for capital necessary for continued landfilling operations, landfill gas recovery, deferred site improvements, and new organic processing requirements. These capital estimates are not yet fully completed. Staff plans to present a more complete estimate of this capital demand to the Board at the extended Board meeting scheduled currently for October 2017.

Staff 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 \$800-900,000 in total revenues for FY 2017/18. Other disposal fees, such as green waste and food waste, would also be increased commensurately.

As a result of this refuse tip fee increase, residential service rates (for a typical 32-gallon container) would be predicted to increase between 1.1% to 2%, with the average monthly bill increasing \$0.33, from \$21.54 to \$21.88. The exception to this general characterization is that Sand City residential service rates, which provides a default 64-gallon container (twice the size) would be predicted to increase by about \$0.87 per month (~ 5.8%) from \$15.20 to \$16.07.

A 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 is 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.

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 Labor Negotiators:

District Negotiators: Tim Flanagan, Peter Skinner, and Berta Torres

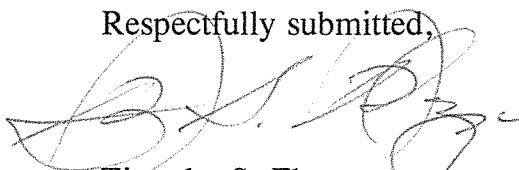
Employee Organizations: Operating Engineers and Management Employees

Please refer to the enclosed confidential envelope.

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

ADJOURNMENT

Respectfully submitted,



Timothy S. Flanagan