



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: May 12, 2017
TO: Board of Directors
FROM: General Manager
SUBJECT: Agenda Information for the May 19, 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 April 21, 2017 Regular Board Meeting
- 2) Approve District Report of Disbursements, and Board and Employee Reimbursements

PRESENTATIONS

- 3) **Small Planet News: District Site as a Natural Habitat**

The Monterey Peninsula Landfill is uniquely situated in a riparian corridor surrounded by agriculture and open space. Recently three different District employees showed remarkable appreciation of our natural habitat and preserved three different bird species nesting places and directed work away from their habitat – even though this directly impacted District operations. We are proud of not just “Turning Waste Into Resources” but having employees with the vision and training to preserve our surrounding natural beauty. We will recognize

David Reyes, Holly Yanez and John Easton for their efforts. Kimberle Herring will give a brief presentation on other District wide efforts to preserve natural habitat, vegetation, and landscapes.

PUBLIC HEARING

- 4) Consider Tipping Fee Increases Effective July 1, 2017 to:
- a. Solid Waste (Basic Rate) Landfill Rate, from \$51.75 Per Ton to \$56.00 Per Ton.
 - b. Yard Waste Rate From 30.00 Per Ton to \$32.50 Per Ton.
 - c. Food Scraps Rate From \$42.00 Per Ton to 45.50 Per Ton.

The Public Hearing was duly noticed in the *Monterey Herald* and the enclosed notice was provided to customers with their monthly invoices and posted around the site. No comments have been received from the public as of May 12th.

Staff is proposing an increase in disposal fees of approximately 8.2%, effective July 1, 2017. The Tipping Fee for solid waste disposal would increase by \$4.25 per ton, from \$51.75 to \$56.00. Fees for other major disposal categories would increase commensurately. All fees have been unchanged since January 1, 2014. The increase is required to fund: 1) operating expenses that have grown due to three and a half years of cost escalators, and 2) capital expenses that are necessary to keep pace with regulatory compliance obligations. The disposal fee increases are estimated to raise monthly bills for both residential and commercial customers by between 1.3% and 1.5%, independent of other possible collection fee escalators. By way of example, the monthly charge for a residential customer with a 32-gallon weekly service will increase by an average of \$0.33 cents. At \$56.00 per ton, the District's solid waste disposal rate will continue to remain the lowest in the region. Director of Finance & Administration Peter Skinner will make a brief presentation at the meeting.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) Approve Tipping Fee Increases Effective July 1, 2017 to:
- a. Solid Waste (Basic Rate) Landfill Rate, from \$51.75 Per Ton to \$56.00 Per Ton.
 - b. Yard Waste Rate From 30.00 Per Ton to \$32.50 Per Ton.
 - c. Food Scraps Rate From \$42.00 Per Ton to 45.50 Per Ton.

Recommendation: Approve Tipping Fee Increases Effective July 1, 2017 to:

- a. Solid Waste (Basic Rate) Landfill Rate, from \$51.75 Per Ton to \$56.00 Per Ton.*
- b. Yard Waste Rate From 30.00 Per Ton to \$32.50 Per Ton.*
- c. Food Scraps Rate From \$42.00 Per Ton to 45.50 Per Ton.*

6) **Receive Report on May 3, 2017 Finance Committee Meeting**

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

Recommendation: Receive Report on May 3, 2017 Finance Committee Meeting.

7) **Receive Report on May 3, 2017 Personnel Committee Meeting**

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

Recommendation: Receive Report on May 3, 2017 Personnel Committee Meeting.

8) **Adopt Preliminary Budget for Fiscal Year 2017/18**

Enclosed in the packet is the Preliminary Budget for FY 2017/18 and the annual projections through FY 2021/22. These figures and underlying assumptions have been reviewed in detail with the Finance Committee during their last three meetings. Staff has prepared the FY 2017/18 Preliminary Budget using conservative assumptions particularly in regards to the Contract Waste Revenues, the improved Materials Recovery Facility (MRF) operations and recoveries and the scrap values of the materials recovered. The Budget shows the District in compliance with the 2015 Revenue Bond Covenants. Please refer to the Preliminary Budget Memo for details on the key assumptions that support the individual revenue and expense line items.

Recommendation: Adopt Preliminary Budget for Fiscal Year 2017/18.

9) **Adopt Resolution 2017-12 Authorizing Execution of a Construction Contract for Materials Recovery Facility Administration Improvement Project, to Ausonio, Inc., of Castroville, CA in the Amount of \$1,118,921.00**

Please refer to the enclosed memo from Director of Engineering & Compliance Guy Petraborg. As approved by the Board at the April meeting, staff has negotiated a contract with Ausonio with the revised scope of work.

Recommendation: Adopt Resolution 2017-12 Authorizing Execution of a Construction Contract for Materials Recovery Facility Administration Improvement Project, to Ausonio, Inc., of Castroville, CA in the Amount of \$1,118,921.00.

- 10) **Approve Agreement for Co-Location and Compatible Pipeline Easement with the Monterey County Water Resources Agency (Relating to the MCWRA's Current Easement for its Salinas River Diversion Facility Pipeline on District Property)**

Please refer to the enclosed memo from Guy Petraborg. The agreements in this item and the following two items has been thoroughly reviewed by joint legal counsel and respective staffs will be working together on discussion of the valuation of the easement. This approval is necessary for the Monterey Regional Water Pollution Control Agency (MRWPCA) to continue with their Pure Water Monterey project.

Recommendation: Approve Agreement for Co-Location and Compatible Pipeline Easement with the Monterey County Water Resources Agency (Relating to the MCWRA's Current Easement for its Salinas River Diversion Facility Pipeline on District Property).

- 11) **Approve Co-Location Easement Deed and Agreement for Grant/Purchase of Co-Location Easement with Monterey Regional Water Pollution Control Agency (for Blanco Drain Diversion Pipeline)**

Please refer to the enclosed memo from Guy Petraborg.

Recommendation: Approve Co-Location Easement Deed and Agreement for Grant/Purchase of Co-Location Easement with Monterey Regional Water Pollution Control Agency (for Blanco Drain Diversion Pipeline).

- 12) **Approve Easement Deed and Agreement for Grant/Purchase of (0.401 Acre Non-Colocation) Easement with the Monterey Regional Water Pollution control Agency (for Blanco Drain Diversion Pipeline)**

Please refer to the enclosed memo from Guy Petraborg.

Recommendation: Approve Easement Deed and Agreement for Grant/Purchase of (0.401 Acre Non-Colocation) Easement with the Monterey Regional Water Pollution Control Agency (for Blanco Drain Diversion Pipeline).

STAFF REPORTS

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

The financial statements for March 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 2016-2017 year-to-date Tipping Fees Revenues through April 2017 are estimated at \$19.2 million which is above budget by \$4.2 million and prior year by \$1.8 million.

The Operating Report for April 30, 2017 is enclosed. The following table shows decreased District tonnage in April 2017 of 13.0% from the prior month and from the prior year of 1.4% and increased tonnage year-to-date of 7.1%. The Contract waste is below last month by 5.3% and continues to be significantly above last year for both the month and prior year.

Operating Report Statistics					
Month	April 2017	March 2017	Inc (Dec)	April 2016	Inc (Dec)
Customer Type	Tons	Tons	%	Tons	%
Franchised	11,763	13,058	(9.9%)	12,211	(3.7%)
Commercial	7,615	8,967	(15.1%)	7,588	0.4%
Cash	7,667	9,077	(15.5%)	7,619	0.6%
Total District	27,045	31,102	(13.0%)	27,418	(1.4%)
Regional	1,303	1,509	(13.7%)	1,257	3.6%
Contract	28,186	29,756	(5.3%)	23,176	21.6%
Contract ADC	5,869	5,929	(1.0%)	5,163	13.7%
Total	62,403	68,296	(8.6%)	57,014	9.5%
Year-to-Date	April 2017	April 2016	Inc. (Dec)		
Customer Type	Tons	Tons	%		
Franchised	121,297	116,071	4.5%		
Commercial	77,814	66,675	16.7%		
Cash	72,530	70,982	2.2%		
Total District	271,641	253,728	7.1%		
Regional	14,482	17,127	(15.4%)		
Contract	268,532	217,049	23.7%		
Contract ADC	68,560	41,676	64.5%		
Total	623,215	529,580	17.7%		

14) Report on District Capital Projects

Guy will present a verbal update on capital projects to include updates on the MRF Improvement project and LFG engine repair.

15) Report on Status of District Strategic Goals and Objectives

In December 2016, the Board approved a set of District Goals and Objectives for the current fiscal year. At that time, staff committed to update the Board from time to time on progress toward those goals. Earlier this month, staff provided a status report to the Personnel Committee and was guided by the Committee to do the same for the entire Board. As part of this update, enclosed are the following documents:

- ✓ Board approved Goals and Objectives from the December meeting.
- ✓ A presentation made to the Committee outlining progress for each goal.
- ✓ An activity matrix highlighting detailed actions under way designed to address the District's primary goal of *Building a high performance, safety-oriented culture*. This document has served as staff's working document for identifying and tracking high priority activities.

Staff will be prepared to walk through the presentation at the meeting.

16) Report on Local Agency Formation Commission's (LAFCO) Final Fiscal Year 2017/18 Budget and Work Plan

LAFCO will hold a second hearing on May 22nd at 4:00 p.m. to consider comments and adopt their final budget. The enclosed proposed FY 2017/18 budget represents an overall 5% increase as compared to the current year budget. Also enclosed is a draft cost allocation spreadsheet prepared by the Monterey County Auditor-Controller's Office, which shows that the District's contribution for FY 2017/18 will be \$41,936. In FY 2016/17, the District's contribution was \$40,189. The difference is \$1,747 or approximately 4.3%.

17) Report on April 18, 2017 Special Districts Association Meeting

Please refer to the enclosed summary from Director Campbell.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

- **Marina Odor Issues**. District and PCA staff met with City of Marina staff and reviewed the data regarding wind direction, time of day observations and locations. Approximately 70% of the observations occur during periods where there is no either no wind at all (indicating a proximate odor source) or westerly winds which are away from the District and PCA. Of the remaining 30% of the observations, the majority of those observations correlate with a direct

easterly wind which again is away from the District and the PCA. Staff has also shared this data with the local Air Quality Management District and the County LEA. Since the meeting with the City of Marina, additional articles have recently been published in the Monterey Herald and the Monterey County Weekly which staff has enclosed. Staff will continue to monitor and report to the appropriate agencies all issues that are directed to the District.

- **Employee BBQ – May 18th**. The Board is invited to our twice annual Employee Appreciation BBQ on Thursday May 18th from 11 a.m. to 1 p.m. Management staff and the Social Committee hosts this for all site employees as a thank you for braving the tough winter this year and appreciation of all staff efforts.
- **Household Hazardous Waste Event**. The District will hold its annual community HHW/E-waste collection event on June 24th from 9 a.m. to 2 p.m. in Monterey Peninsula Community College parking lot. This has been a wildly successful event, and even though it is fairly expensive (over \$70,000 in direct and indirect costs) it continues to be strongly supported by the community averaging well over 500 turn ins the past few years.
- **Salinas Valley Recycles (Salinas Valley Solid Waste Authority) Outreach**. SVR is holding a series of outreach meetings in and around their service area and the Districts' service area. District staff is attending these meetings. Attendance at the meetings to date has been very light. A copy of their outreach insert that is appearing in the Weekly and the Californian is included in your packet.
- **SWANA ISWA**. This year the annual SWANA WasteCon conference will be held in conjunction with the International Solid Waste Association World Congress. Waste Con/World Congress will be held in Baltimore, Md. from September 25-27, 2017. A copy of the program is enclosed. This event only comes to the US every 20 years or so and looks to be a truly amazing event. Well over 3,000 attendees from all over the world should be in attendance. This event will fill quickly. If any Board members have an interest in attending, please let me or Becky know so we can help facilitate your attendance.
- **Cancellation of Board Meetings August and December**. As depicted on the approved 2017 Calendar of Board Meetings, staff would like to cancel the meetings in August and December. Staff recognizes many jurisdictions “go dark” in August due to vacation schedules and other conflicts, and this year the scheduled Board meeting is almost right on top of the Christmas holiday period. Staff would of course make the corresponding adjustments to our planning and Board approval processes to ensure that critical district business is able to be conducted.

BOARD COMMUNICATIONS

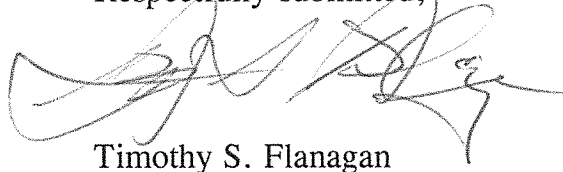
CLOSED SESSION

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.

**RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM
CLOSED SESSION**

ADJOURNMENT

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Timothy S. Flanagan', written in a cursive style.

Timothy S. Flanagan