

BOARD OF DIRECTORS

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GUY PETRABORG, P.E., G.E.
PRINCIPAL ENGINEER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
March 18, 2016

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

- MEMBERS PRESENT:** Dennis Allion, (Chair), City of Del Rey Oaks Councilmember (Via Conference Call)
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 Vice Mayor
Carrie Theis, City of Carmel-by-the-Sea Councilmember
- MEMBERS ABSENT:** Ian Oglesby (Vice Chair), City of Seaside Mayor Pro Tem
Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
Bruce Delgado, City of Marina Mayor
- STAFF PRESENT:** Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Berta Torres, Human Resources Manager
Chuck Rees, Finance Manager
Clyde Walkup, Materials Recovery Manager
David Ramirez, Senior Engineer
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Guy Petraborg, Director of Engineering/District Engineer
Jeff Lindenthal, Director of Communication and Sustainability
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator
- OTHERS PRESENT:** Metin Serttune, Axiom Engineers
Chahan Shah, Axiom Engineers
Ted Terrasas, City of Monterey
Doug Drennen, JR Miller and Associates
Mark Dias, Monterey County Environmental Health Bureau
Grant Leonard, North County Recreation and Park District
Doug Kenyon, Republic Services
Ray Hendricks, Salinas Valley Solid Waste Authority
Gine Johnson, Santa Cruz County Supervisor Bruce McPherson Office
Ashleigh Trujillo, Whitson Engineers

SELECTION OF ACTING CHAIR

Due to his attendance via conference call and the absence of Vice Chair Oglesby, Chair Allion requested that Director Laska chair the Board meeting.

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the March 18, 2016 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Acting Chair/Director Laska at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no public communications.

CONSENT AGENDA

Following a motion by Director Bales, and seconded by Director Pendergrass, the Board unanimously approved the Consent Agenda.

- 1) Approve Minutes of February 19, 2016 Regular Board Meeting
- 2) Approve District Report of Disbursements, and Board and Employee Reimbursements

PRESENTATIONS

3) Presentation from Monterey Bay Community Power Project Development Advisory Committee (PDAC)

Gine Johnson, from the office of Santa Cruz County Supervisor Bruce McPherson, provided a presentation to the Board on the status of Community Choice Aggregation (CCA). CCA puts control of energy purchasing and pricing into local oversight and allows the community to determine what type of energy mix best serves their needs. Ms. Johnson stated that benefits of a CCA were transparency accountability, a greater reduction in greenhouse gas, greater use of solar, wind, and biomass, creation of local jobs, and redirected revenue to local economy. She provided positive data from Marin Clean Energy and Sonoma Clean Power, to include creation of local jobs. The PDAC will finalize the information packet with recommendations, and will form Governance and Finance subcommittees by April 30, 2016 to determine the final structure of a community choice energy (CCE) agency. A regional outreach program will include public workshops and presentations through August for final formation decisions by October 31, 2016. It is anticipated that the CCE agency would begin to provide power by fall 2017. Further information can be found at www.montereybaycca.org.

Board discussion followed regarding involvement from the California Public Utilities Commission (CPUC), governance structure, opposition from Pacific Gas & Electric (PG&E) and the community, PG&E exit fees, use of potential surplus revenue, and impact to the District.

Ms. Johnson responded that PG&E is required by law to partner with CCAs. Energy transmission, billing, line maintenance, and customer service will remain the responsibility of PG&E so no PG&E jobs will be lost. The

CCA is not a utility company; it is an energy procurement company. She stated that she has made many presentations and there have been many questions, but overall most people are excited because the data is very positive. The PUC needs to approve the business implementation plan, but that is the extent of their involvement. The CCE will have a local governing board and how many members it will have will be decided by a subcommittee, although best practice is a governing board of no more than 15. Ms. Johnson stated that PG&E exit fees had doubled in 2016, but had been included in the analytical information. Analytics show that following payment of start-up costs, there is an \$8-9 million surplus, which can be used to lower rates, or for other energy producing projects. General Manager stated that the current market rate for the sale of power was very low and CCE provides the District with a more predictable source of revenue.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

4) Receive Report from Finance Committee Chair on Meeting of March 2, 2016

The Board reviewed a memorandum from Finance Committee Chair Allion.

It was moved by Director Pendergrass, seconded by Director Downey, and Unanimously Carried to: Receive Report from Finance Committee Chair on Meeting of March 2, 2016.

5) Approve Request to Substitute Brush Works Painting, in Place of RM Coatings as Listed Subcontractor to Perform Paint Work on the Truck Parking & Maintenance Facility Project (Pending No Objections from RM Coatings)

The Board reviewed a memorandum from Director of Engineering/District Engineer Guy Petraborg regarding the General Contractor Lewis C. Nelson (LCN) request to substitute the listed paint subcontractor. Director of Engineering/District Engineer stated that there had been no objection from RM Coatings. This is the third time a paint substitution has been requested by LCN.

The Board expressed concern regarding the number of subcontractor substitutions to date and the ability of the General Contractor to complete the project within an acceptable time frame. Staff responded that they are working with the Contractor very closely in an effort to minimize project delays,

It was moved by Director Theis, seconded by Director Pendergrass, and Unanimously Carried to: Approve Request to Substitute Brush Works Painting, in Place of RM Coatings as Listed Subcontractor to Perform Paint Work on the Truck Parking & Maintenance Facility Project.

6) Authorize Issuance of Request for Qualifications and Proposals for Construction of Materials Recovery Facility Improvements and Amend Contract with JR Miller and Associates in the Amount of \$134,804 to Complete Design of Mechanical and Electrical Improvements

The Board reviewed a memorandum from District consultant, JR Miller and Associates (JRMA) and District staff, requesting the issuance of a Request for Qualifications/Request for Proposals (RFQ/RFP) for construction and site work required for the installation of the Bulk Handling Systems (BHS) equipment for the Materials Recovery Facility (MRF) Improvement Project. Firms that respond to the request will be pre-qualified prior to having their proposal opened for consideration. Staff was also requesting Board approval to expend additional funds to JRMA for completion of mechanical and electrical improvements, additional design parameters (such as an expanded second floor to include additional offices and a multipurpose room for use in education and training), and other related design issues.

Doug Drennen of JRMA provided a presentation with a review of the project and the additional work scope items. Mr. Drennan stated that the current project design budget included estimates for mechanical and electrical improvements, but had been based on limited information and only provided scoping costs for the Design Development and a portion of the Construction Documents scope for mechanical, plumbing, and electrical. After receiving final equipment drawings from BHS, completing a full assessment of the current mechanical and electrical systems during the Design Development Phase, and discussions with County agencies, additional funds were required to produce the Construction Documents for bidding and county submittal set drawing packages. The costs involved with the added elements is \$134,804. He noted that this cost did not include Construction Administration Support Services, which is yet to be determined, and will be brought back to the Board for approval.

Board discussion followed regarding current costs of the project. Mr. Drennen responded that he believed the costs were still within the original estimate of \$4 million since there had been some costs savings in other areas of the project. General Manager stated that there were other capital costs involved, not related to the replacement/installation of the sort lines that were necessary due to aging of the infrastructure. The completion of this project ensure member jurisdictions' compliance with new state regulations, meet the state goal of 75% diversion, and allow for processing of single-stream recyclables, and meet the financial obligations required in the District's bond covenant.

It was moved by Chair Allion, seconded by Director Bales, and Unanimously Carried to: *Authorize Issuance of Request for Qualifications and Proposals for Construction of Materials Recovery Facility Improvements and Amend Contract with JR Miller and Associates in the Amount of \$134,804 to Complete Design of Mechanical and Electrical Improvements.*

7) Authorize Side-Agreement with City of Milpitas in Connection with Joint GreenWaste Recovery-MRWMD Proposal in Response to Request for Proposals for the Transfer and Disposal of Waste

The Board reviewed a memorandum from the General Manager regarding a Side Agreement with the City of Milpitas in correlation with the proposal GreenWaste Recovery had submitted for the transfer and disposal of Milpitas waste. General Manager stated that even though the Milpitas City Council had voted in favor of a contract with Waste Management for their disposal contract at their March 15th meeting, the Side Agreement allowed for the District to continue to participate in the process should any issues occur.

Legal Counsel advised that the Board could authorize the letter, although if issues were to occur, the matter would be brought back to the Board for further direction. Board discussion followed regarding the need to authorize a side agreement.

It was moved by Director Laska, seconded by Director Theis, and Unanimously Carried to: *Table the Matter Indefinitely.*

8) Accept Report on Employee Injuries and Property Loss Incidents for Calendar Year 2015

The Board reviewed a memorandum from Human Resources Manager Berta Torres summarizing the 2015 employee injuries and property losses.

It was moved by Director Pendergrass, seconded by Director Bales, and Unanimously Carried to: *Accept Report on Employee Injuries and Property Loss Incidents for Calendar Year 2015.*

9) Authorize Chair to Cast Vote for One Candidate for Special District Regular Member Seat on the Local Agency Formation Commission (LAFCO) of Monterey County

The Board reviewed candidate statements provided by LAFCO. The three candidates running for one seat were Stephen Snodgrass (Pajaro/Sunny Mesa Community Services District) who was running for re-election, Warren Poitras (Monterey County Regional Fire District), who currently serves as an alternate Commissioner, and Grant Leonard (North County Recreation and Park District). Mr. Leonard addressed the Board and spoke on his behalf.

It was moved by Director Bales, seconded by Director Downey, and Unanimously Carried to: Authorize Chair to Cast Vote for Stephen Snodgrass (Pajaro/Sunny Mesa Community Services District) for Special District Regular Member Seat on LAFCO of Monterey County.

STAFF REPORTS

10) Review Finance, Operating, and Recycling Reports

Staff reported that the Budget process for FY 2016/17 continues and the second set of assumptions had been presented to the Finance Committee. The financial statements for September, October and November were reviewed by the Board. The Year-to-Date Operating Income through November 2015 was \$1,951,493 or \$1,890,660 above Budget. The Year-to-Date Operating Expenses through November 2015 were below budget by \$290,000. The Tipping Fee Revenues for February 2016 were estimated at \$1,725,000, which was \$295,000 above budget, and \$125,000 above last year. The Year to Date Tipping Fee Revenues for February were estimated at \$13,550,000, which was \$2,100,000 above budget and \$1,525,000 above last year.

The Board also reviewed the Operating Report for February 2016.

11) Report on March 3, 2016 Technical Advisory Committee Meeting

The Board reviewed a memorandum from Director of Communication and Sustainability Jeff Lindenthal along with the minutes of the District's Technical Advisory Committee (TAC). For several meetings, the TAC has been discussing the ongoing contract management tasks associated with the GWR contracts. This included review of reports, reconciling franchise fee payments, meetings with the TAC, and review of the contractor's annual rate adjustment application. The District has also been supporting the member agencies by providing staff time to assist with review of the annual Public Education and Outreach Plans, collateral materials developed to support the plans, quarterly and annual reports. The TAC member agencies contracting with GWR requested that the District enter into a contract with HF&H Consultants for the scope of work and bill each agency for their share of the work. Staff intends seek Board approval of this at the April Board meeting. HF&H would also be present at the April Board meeting to provide an update on implementation of the new franchise contracts with GWR.

12) Report on District Capital Projects

The Board reviewed a memorandum from Principal Engineer Guy Petraborg providing updates on District Capital projects.

OTHER CORRESPONDENCE**13) Letter from California Special Districts Association RE: CSDA Board of Directors Call for Nominations Seat B**

The Board reviewed a letter 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 2017-2019 term. The deadline for receiving nominations by resolution of the Board is May 20, 2016. All District Board members are eligible for this seat. There were no District Board members interested in serving.

14) Letter from Steve & Chris Harrison RE: Site Visit

The Board reviewed a letter from Steve and Chris Harrison regarding their visit to the District site and their experience. General Manager commended District employees for their exemplary service.

GENERAL MANAGER COMMUNICATIONS

General Manager stated that District staff has been working with Monterey Regional Water Pollution Control Agency (MRWPCA) staff on the development of a Power Purchase Agreement that would provide power to the MRWPCA's Ground Water Replenishment project while providing the District a fair rate for the power generated from the District's Landfill Gas (LFG) system. Although, final details on rates, terms and conditions have not yet been completely agreed upon by respective staffs, District staff anticipates bringing back a final PPA to the Board at the April meeting.

General Manager also reported that Assembly Bill 1817 did not have a committee hearing date set yet and that staff was working on support letters from local organizations prior to the bill being heard.

General Manager reported that District staff and staff from MRWPCA had met with PG&E staff regarding the issues of the connection between Zero Waste Energy's Anaerobic Digester (AD) plant and the MRWPCA. District staff has submitted an Interconnection Application with PG&E which was identified as a necessary first step in an attempt to reconnect the project. Respective staffs are working on providing the necessary information to successfully move forward. The project is still able to receive and digest material, although the current work around solution is not viable for the long-run.

BOARD COMMUNICATIONS

Director Bales stated that he had attended an assembly at the International School of Monterey and applauded District staff Kimberle Herring and Angela Goebel for their great presentation on recycling.

CLOSED SESSION


General Manager advised that a closed session on the following matter was not needed.

1. Conference with Real Property Negotiators:
 - Property: Landfill Site Space/Capacity
 - District Negotiators: Tim Flanagan
 - Negotiating Parties: City of Milpitas
 - Terms: All Terms and Conditions

ADJOURNMENT

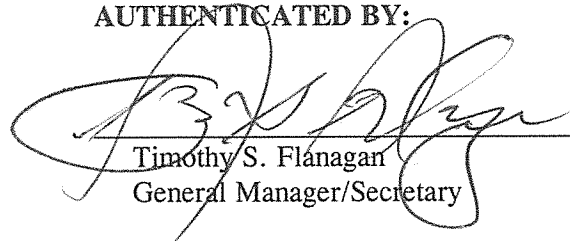
There being no further business to come before the Board at this time, the March 18, 2016 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Acting Chair/Director Laska at 11:58 a.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary