

BOARD OF DIRECTORS
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VICE CHAIR

GARY BALES
SUE MC CLOUD
DAVID PENDERGRASS
LEO LASKA
LIBBY DOWNEY
JANE PARKER
BRUCE DELGADO



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WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

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, 9:05 a.m. (Immediately Following MRWMA Meeting)
July 18, 2014

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Ian Oglesby (Vice Chair), City of Seaside Councilmember
Gary Bales, City of Pacific Grove
Sue McCloud, City of Carmel-by-the-Sea
David Pendergrass, City of Sand City Mayor
Leo Laska, Pebble Beach Community Services District Board President
Bruce Delgado, City of Marina Mayor

MEMBERS ABSENT: Dennis Allion, (Chair), City of Del Rey Oaks Councilmember
Libby Downey, City of Monterey Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Tim Flanagan, Assistant General Manager
Chuck Rees, Finance Manager
Clyde Walkup, Assistant Materials Recovery Facility Operations Manager
Daylene Alliman, Human Resources Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Jeff Lindenthal, Deputy General Manager-Community Programs
Richard Petitt, Site Manager
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Lynette Mooneyham, Accounting Assistant (OE3 Support Unit Representative)
Baldo Trujillo, Materials Recovery Facility Supervisor (OE3 Operations Unit Representative)
Eric Souza, Intern

OTHERS PRESENT: Ted Terrasas, City of Monterey
Charlie Cordova, Green Waste Recovery
Kyle Rausch, JR Miller & Associates
Teresa Rios, Monterey County Environmental Health Bureau
Mike Niccum, Pebble Beach Community Services District
Rose Gill, Salinas Valley Solid Waste Authority
Joe Cadelago, Waste Management, Inc.

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the July 18, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Vice Chair Oglesby at 9:05 a.m.

General Manager informed the Board that Rinaldo "Al" Rossi had passed away on July 13, 2014. He was President and co-owner of Salinas Disposal Service and had collaborated in the development of Crazy Horse Landfill. Mr. Rossi received the John Moscone Award from the California Refuse Removal Council and was inducted into the National Solid Waste Management Hall of Fame. General Manager asked that the meeting be adjourned in his memory.

CLOSED SESSION

As permitted by the Brown Act (California Government Code Sections 54950 and following), the Board adjourned to closed session at 9:07 a.m. to consider the specific items listed below:

1. Conference with Legal Counsel - Pending Litigation. Pursuant to Government Code subsections 54956.9(d)(2) and 54956.9(e)(1). One case.
- 2) Conference with Labor Negotiators - Pursuant to Government Code Section 54957.6.
District Negotiators: William Merry, Tim Flanagan and Daylene Alliman
Employee Organizations: Operating Engineers and Management Employees

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came out of closed session at 10:15 a.m. and Legal Counsel announced that in connection with each of the items listed on the agenda, information was provided by the District's negotiators, and discussed by the Board. General directions were given by the Board to its negotiators; no reportable action was taken.

PUBLIC COMMUNICATIONS

There were no public comments.

CONSENT AGENDA

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

- 1) Approve Minutes of June 20, 2014 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Adopt Resolution 2014-05 Establishing District Investment Policy Guidelines for Fiscal Year 2014/15
- 4) Authorize Permanent Classification of Director of Community Programs
- 5) Approve Changing Date of Regular Board Meeting from August 15 to August 22, 2014

PRESENTATION**6) Fifteen Year Award to Director Pendergrass**

Director David Pendergrass was presented with an award of recognition for his 15 years of service to the District Board representing the City of Sand City.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**7) Accept Report from Finance Committee Chair on Meeting of July 9, 2014**

The Board reviewed a memorandum from Finance Committee Chair Allion. The Finance Committee had discussed the new garbage truck maintenance yard and compressed natural gas (CNG) fueling station, Landfill Gas (LFG) operations, and process for bond financing. The Committee also discussed the various District capital projects, their timing, and the overall costs, and impact to District operations.

It was moved by Director Delgado, seconded by Director McCloud, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of July 9, 2014.

8) Adopt Resolution 2014-06 Describing Process of Bond Financing

The Board reviewed a memorandum from Finance Manager Chuck Rees regarding the need to adopt Resolutions 2014-06 and 2014-07 (Agenda Item 9) to provide direction in preparation for the Bond issuance. General Manager stated that Agenda Items 8-11 were all related to the bond issuance. Mr. John Greenlee (Caldwell Flores Winters, Inc.), financial advisor for the District, addressed the Board to provide information on the process and timing for the Bond issuance. He also commented on the process for Agenda Items 10 and 11 and the importance of selecting the most qualified finance team. The Finance Committee discussed and recommended appointing a committee member to the bond underwriter interview panel and Director Laska volunteered to serve.

Board discussion followed regarding the bond issuance and notification to the public once it is determined if there will be an impact to the tip fee.

It was moved by Director Laska, seconded by Director Delgado, and Unanimously Carried To: Adopt Resolution 2014-06 Describing Process of Bond Financing.

9) Adopt Resolution 2014-07 Declaring Official Intent to be Reimbursed in Connection with Certain Capital Expenditures

It was moved by Director Laska, seconded by Director Delgado, and Unanimously Carried To: Adopt Resolution 2014-07 Declaring Official Intent to be Reimbursed In Connection With Certain Capital Expenditures.

10) Authorize Issuance of Request for Qualifications (RFQ) for Bond Counsel

It was moved by Director Laska, seconded by Director Delgado, and Unanimously Carried To: Authorize Issuance of Request for Qualifications for Bond Counsel.

11) Authorize Issuance of a Request for Proposals (RFP) for Underwriter Services

It was moved by Director Laska, seconded by Director Delgado, and Unanimously Carried To: Authorize Issuance of a Request for Proposals for Underwriter Services, with Director Laska serving on the Interview Panel.

12) Authorize Issuance of a Request for Proposals for the Sale of 8.2 Megawatts of Renewable Power Generated from the Landfill Gas to Energy Facility

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan, prepared in cooperation with District consultant Brennen Jensen who has been working with staff to explore options for sale of the District's renewable power produced from landfill gas (LFG), to include the existing 5 megawatts (MW) plus an additional 3.2 MWs of new power to be produced from LFG. The District's current power sales contract for 5 MW expires in February 2015.

Assistant General Manager stated that one of the options for selling the District's power in the future is to sell 5 megawatts "over the fence" to the proposed CalAm Desalination Plant. CalAm representative Ian Crooks, addressed the Board and stated that CalAm had held a productive meeting with District staff on this matter. He stated that CalAm will not be ready to purchase power from the District until approximately 2018 or 2019, and would appreciate the District's consideration to sell power to CalAm at that time. They were supportive of the District issuing a RFP at this time.

It was moved by Director McCloud, seconded by Director Delgado, and Unanimously Carried To: Authorize Issuance of a Request for Proposals for the Sale of 8.2 Megawatts of Renewable Power Generated from the Landfill Gas to Energy Facility.

13) Authorize Contract with CB&I Environmental & Infrastructure, Inc. for Installation of Expanded Landfill Gas Collection System in the Amount of \$998,735; and Approve Agreement with Golder Associates for Construction Engineering Assistance Services at a Cost of \$54,700

The Board reviewed a memorandum from Senior Engineer Rick Shedden regarding the construction of the 25 new vertical landfill gas wells and connecting header piping, which will deliver approximately 300 cubic feet per minute (cfm) of additional LFG, bringing the total delivery of LFG to approximately 2000 cfm. Staff is recommending CB&I Environmental & Infrastructure for the installation and Golder Associates for the construction quality assurance (CQA) services. Assistant Engineer stated that the total cost was below the preliminary engineer's estimate by approximately \$125,000. The District has exceeded methane emission limits in several monitoring grids across the landfill and regulations require that the District install new wells or replace existing wells within 120 calendar days after the third exceedance; the District requested and was granted a short extension by the Monterey Bay Unified Air Pollution Control District to allow time to complete the design and construction of the new landfill gas wells.

Board discussion followed regarding the use of Golder Associates for the CQA services without a request for proposals (RFP). Assistant General Manager (AGM) stated that Golder Associates has assisted the District with the design of the wellfield system and LFG monitoring data, and with the RFP for the expanded LFG system and was uniquely experienced and knowledgeable with the District landfill site. Another question was on the use of the flare with the new wellfield system, AGM replied that staff only uses the flare when absolutely necessary such as when the engine generators are down.

It was moved by Director McCloud, seconded by Director Laska, and Unanimously Carried To: Authorize Contract with CB&I Environmental & Infrastructure, Inc. for Installation of Expanded Landfill Gas Collection System in the Amount of \$998,735; and Approve Agreement with Golder Associates for Construction Engineering Assistance Services at a Cost of \$54,700.

- 14) Authorize Purchase of New Doppstadt 726 Electric Trommel with Attachments from Compass Equipment Inc. of Oroville, CA, for a Total Price of \$537,508.28 (Including Sales Tax, Freight and Installation)

The Board reviewed a memorandum from Equipment Maintenance Manager Ron Mooneyham recommending the purchase of new Doppstadt 726 Electric Trommel, which will improve the efficiency and quality for processing/screening and producing the ground wood products. Delivery is anticipated within 120 days.

It was moved by Director Delgado, seconded by Director McCloud, and Unanimously Carried To: Authorize Purchase of New Doppstadt 726 Electric Trommel with Attachments from Compass Equipment Inc. of Oroville, CA, for a Total Price of \$537,508.28 (Including Sales Tax, Freight and Installation).

- 15) Authorize Scopes of Work with:

- a) JR Miller & Associates for Development of Final Design, and Plans and Specifications for Truck Yard Facility at a Total Cost of \$736,520; and
- b) Dave Edwards, Inc., for Development of Phase I - Request for Qualifications for Truck Yard Compressed Natural Gas Fueling Station at a Total Cost of \$24,845

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan, and the scope of work from JR Miller & Associates (JRMA) to design and prepare plans and specifications for the new truck maintenance facility. This facility will be used for parking and maintenance of the garbage collection vehicles under the new Green Waste Recovery (GWR) franchise agreement which will begin early in 2015.

Assistant General Manager stated that additional design parameters (such as a larger administration office and compliance with 2010 CalGreen requirements), and utility options have been identified, and the scope of work includes a time and expense estimate of approximately \$400,000. Staff anticipates that as the design progresses, the allowance estimates will become more defined and the entire \$400,000 amount won't be entirely needed. There is a compressed timeframe for building the truck yard, and the schedule is aligned as much as possible with the commencement of the new franchise agreements with GWR in early 2015.

The Board also reviewed a scope of work from Dave Edwards, Inc. (DEI) to assist in preparing plans and soliciting proposals from firms capable of installing a CNG fueling station. Assistant General Manager stated that GWR will use CNG fuel for their collection vehicles.

Board discussion followed regarding the costs and timeframe, and CalGreen and Leadership in Energy and Environmental Design (LEED) certification. Kyle Rausch of JRMA addressed the Board and stated that JRMA will be exploring options for LEED certification and sustainability design. Director Laska expressed concern regarding the \$400,000 allowance estimate in the scope of work. Assistant General Manager stated that staff will make every effort to contain costs; and to recapture the costs in the GWR lease agreement.

Emily Hansen of GWR addressed the Board and stated that GWR was extremely sensitive to the costs and is committed to working with consultants and staff to minimize the cost component of the project. She stated that GWR has contingency facilities for the other aspects of the truck yard facility, but it was critical for GWR to have the CNG fueling station up and running as soon as possible in order to provide the best service to

member agencies. She stated that five of the seven participating member agencies have approved the franchise agreements thus far, and it is anticipated that the other two will sign their agreements in the near future.

It was moved by Director Pendergrass, seconded by Director Bales, and Unanimously Carried To: Authorize Scopes of Work with:

- a) *JR Miller & Associates for Development of Final Design, and Plans and Specifications for Truck Yard Facility at a Total Cost of \$736,520; and*
- b) *Dave Edwards, Inc., for Development of Phase I - Request for Qualifications for Truck Yard Compressed Natural Gas Fueling Station at a Total Cost of \$24,845.*

STAFF REPORTS

16) Review Finance, Operating and Recycling Reports

The financial statements for June 2014 were not provided to the Board due to the year-end close and audit procedures. Finance Manager reported that District auditors, Bianchi, Kasavan & Pope, had recently completed the interim fieldwork and procedures. The Tipping Fees Revenues for June 2014 are estimated at \$1,500,000 which is \$300,000 or 26% above budget for the month. The full year Tipping Fees Revenues are projected to be \$2,900,000 (20%) above budget. The Operating Report for June 2014 was reviewed by the Board.

17) Report on First Year of Anaerobic Digestion (AD) Pilot Project Operation

The Board reviewed a memorandum from Director of Community Programs Jeff Lindenthal summarizing the first year of operation for the AD facility. The 5,000 ton per year facility is expected to be at capacity by the end of 2014 and with increased demand to process food scraps, staff is exploring options to expand the AD facility and will report back to the Board in the future.

As reported in the memorandum, the District was awarded the Composting Gold Excellence Award, the highest award possible, from the Solid Waste Association of North America, for the AD project. The award will be presented at the annual SWANA WasteCon Conference, which will be held in Dallas, Texas, August 26-28, 2014.

18) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported that AB 1826 (Chesbro), which would require mandatory commercial organic waste collection and other provisions regarding processing of organic materials by 2020, is moving toward approval.

OTHER CORRESPONDENCE

19) Letters to Cities of Morgan Hill and Gilroy RE: Public Information Request

The Board reviewed copies of the letters sent to the Cities of Morgan Hill and Gilroy making a formal request for staff reports and cost comparisons used in deciding to send their trash for disposal to the John Smith Road Landfill east of Hollister.

REVISED PAGE**20) Letter from Seaside City Manager RE: Appreciation for Coordination of Cities' Processes for Solid Waste Franchise Agreements.**

The District received a letter from Seaside City Manager John Dunn expressing appreciation to the District and District staff for assisting in the process to solicit competitive prices for the Peninsula franchise collection contracts.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the nine member panel (which includes six city managers) held their first meeting on July 10th with consultants R3/HDR, who will be conducting the countywide integrated waste management system study. R3/HDR presented documents outlining current hauling/processing/disposal patterns, along with tonnage data. Scenarios for analysis were presented and discussed and modifications were made to the scenarios to be analyzed. A Community Workshop will be planned for late September or early October, at which time draft recommendations will be presented by the consultant.


BOARD COMMUNICATIONS

Director McCloud asked if staff or Board members had a better way of handling pet waste on beaches. The City of Carmel has been providing mutt mitts, which are not being properly disposed.

ADJOURNMENT

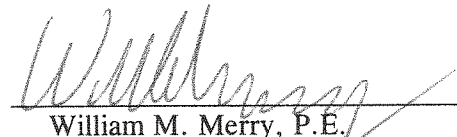
There being no further business to come before the Board at this time, the July 18, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned in memory of Al Rossi by Vice Chair Oglesby at 11:44 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



William M. Merry, P.E.
General Manager/Secretary