

BOARD OF DIRECTORS  
 DENNIS ALLION  
 CHAIR  
 IAN OGLESBY  
 VICE CHAIR  
 GARY BALES  
 SUE MCCLOUD  
 DAVID PENDERGRASS  
 LEO LASKA  
 LIBBY DOWNEY  
 JANE PARKER  
 BRUCE DELGADO



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, 9:30 a.m.  
 November 21, 2014

Boardroom  
 MRWMD Offices  
 14201 Del Monte Blvd., Marina CA

**MEMBERS PRESENT:** Dennis Allion (Chair), City of Del Rey Oaks Councilmember  
 Ian Oglesby (Vice Chair), City of Seaside Councilmember (Retired at 10:34 a.m.)  
 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  
 Libby Downey, City of Monterey Councilmember  
 Bruce Delgado, City of Marina Mayor

**STAFF ABSENT:** Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

**STAFF PRESENT:** William Merry, General Manager  
 Rob Wellington, Legal Counsel  
 Chuck Rees, Finance Manager  
 Richard Petitt, Site Manager  
 Glen Evett, Last Mercantile/Hazardous Materials Manager  
 Rebecca Aguilar, Administrative Support Supervisor  
 Ron Mooneyham, Equipment Maintenance Manager  
 Liz Calcagno, Accounting Technician  
 Tina Reid, Accounting Technician  
 Lynette Mooneyham, Accounting Assistant II

**OTHERS PRESENT:** Karen Campbell, Bianchi, Kasavan & Pope  
 Jarrod Penner, Bianchi, Kasavan & Pope  
 Carrie Theis, City of Carmel  
 Ted Terrasas, City of Monterey  
 Dave Edwards, Dave Edwards, Inc.  
 Tracy Adams, GreenWaste Recovery  
 Charlie Cordova, GreenWaste Recovery  
 Emily Hansen, GreenWaste Recovery  
 Ric Encarnacion, Monterey County Environmental Health Bureau  
 Teresa Rios, Monterey County Environmental Health Bureau  
 Paul Sciuto, Monterey Regional Water Pollution Control Agency  
 Mike Niccum, Pebble Beach Community Services District  
 Sam Vizcarro, Quinn Power Systems  
 Susan Warner, Salinas Valley Solid Waste Authority

### ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the November 21, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Allion at 9:30 a.m.

### PUBLIC COMMUNICATIONS

Director McCloud introduced Carrie Theis, Carmel-by-the-Sea City Council member, and stated that Ms. Theis would be her replacement on the District Board after her term expires at the end of 2014.

### CONSENT AGENDA

Chair Allion pointed out that there was a minor change on Item 3, to clarify what would be discussed in open session and closed session.

Administrative Support Supervisor stated that under Item 4, staff was requesting to change the extended Board meeting scheduled from February to January.

*Following a motion by Director Delgado, and seconded by Director McCloud, the Board unanimously approved the Consent Agenda, to Include the Requested Changes on Items 3 and 4.*

- 1) Approve Minutes of October 17, 2014 Regular Board Meeting
- 2) Approve Report of Disbursements, and Board and Employee Reimbursements
- 3) Approve Revised General Manager Performance Evaluation Procedures
- 4) Approve Draft 2015 Board Meeting Calendar
- 5) Approve Correction of Clerical Error in Joint Powers Authority (JPA) Agreement
- 6) Accept Report from Finance Committee Chair on Meeting of November 5, 2014

### OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

#### 7) Receive Presentation and Accept Annual Audit for Fiscal Year 2013/14

The Board reviewed a memorandum from Finance Manager Chuck Rees regarding the 2013/14 Annual Audit and Financials. Jarrod Penner of Bianchi Kasavan & Pope, LLP (BK&P) addressed the Board and reported that BK&P had expressed a "clean" opinion, with no findings or recommendations over internal controls, and no audit adjustments. He stated that the District had implemented GASB 65, which reclassified certain assets and liabilities, and this had no effect on the District's financials.

Finance Manager Chuck Rees expressed appreciation to BK&P for their professionalism and timeliness in completing the audit. He also expressed appreciation to his accounting staff. He stated that the District is in strong financial condition with total net assets of \$40,023,563. He reported that the District Operating Income for the fiscal year was above budget by \$2.9 million primarily the result of increased Operating Revenues from Contract waste delivered from outside of the District. The Operating expenses were \$256,461 above budget.

The District's Audit Report shows an Increase in Net Position of \$2,911,159 and an increase in Cash and Cash Equivalents of \$2,400,646.

Director Laska asked about Public Employees Retirement System Unfunded Actuarial Liability Percentage of Covered Payroll. Discussion followed regarding the actuarial valuation methods and it was noted that the liability and percentage of covered payroll had decreased from the prior year.

It was moved by Director Laska, seconded by Director McCloud, and Unanimously Carried To: Receive Presentation and Accept Annual Audit for Fiscal Year 2013/14.

**8) Accept 2014 Draft Annual Report**

The Board reviewed the Draft Annual Report for 2014 and provided comments to staff.

It was moved by Director McCloud, seconded by Director Downey, and Unanimously Carried To: Accept 2014 Draft Annual Report.

**9) Consider Opening Household Hazardous Waste (HHW) Facility on Tuesdays**

The Board reviewed a memorandum from Last Chance Mercantile/Hazardous Materials Manager Glen Evett requesting Board approval to open the HHW facility on Tuesdays to coincide with the open days of the Last Chance Mercantile in order to provide improved customer service, with minimal increased labor costs. The change in hours would become effective December 1, 2014. Additionally, funds have been included in the Fiscal Year 2014/15 Budget to hold a one day collection event in May or June 2015, on the Peninsula.

Board discussion followed on the HHW program regarding customer notification, and ensuring that the hours meet customer needs. General Manager stated that the new hours will be posted on-site, and on the District's website and brochures. The District's HHW facility is open more hours than most other HHW facilities in California and increasing the hours further would increase operating costs. Staff will evaluate increasing the hours of the HHW facility and will bring back a recommendation to increase hours or staffing, if necessary.

It was moved by Vice Chair Oglesby, seconded by Director Downey, and Unanimously Carried To: Consider Opening Household Hazardous Waste Facility on Tuesdays.

Director Oglesby retired from the meeting at 10:34 a.m.

**10) Authorize Expenditure in the Amount of \$4,052,792 Needed to Perform Design, Engineering, Permitting and Installation Services for Landfill Gas to Energy Facility Improvements**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan and District consultant Dave Edwards, of Dave Edwards, Inc. (DEI), explaining the reasons for the unanticipated increased costs of \$4,052,792 associated with the installation of the new 1.6 megawatt engine generator, switchgear, new SCADA system and utility lines and transformers to provide power to the new truck yard and compressed natural gas fueling station, and the soon to be improved materials recovery facility. General Manager stated that the matter had been discussed at the November 5<sup>th</sup> Finance Committee meeting, and the Committee had directed staff to bring the item to the full Board. As explained in the memorandum, District staff has identified \$1.5 million in deferrals to the capital outlay budget, such as the Caterpillar D9R dozer, which will go towards reducing the increased costs at this time.

Board discussion followed regarding the unanticipated costs of installing the engine generator, which had been approved for purchase at the August 2014 Board meeting. The Board expressed concern with staff not being aware of the additional costs, and discussed the need for the additional components and their necessity. Staff explained that some of the capital costs contributing to the increase are: higher than anticipated installation costs for the new engine/generator (\$2,214,876); new electrical switch gear upgrades (\$493,264); a new Scada system (\$521,942); a new power transmission line to deliver power to the new truck yard, CNG Fueling station and regional waste water treatment plant (\$822,710).

*It was moved by Director Laska, seconded by Director Delgado, and Approved by Chair Allion, and Directors Bales, Delgado, Laska, McCloud, and Pendergrass; With Director Downey Abstaining To: Authorize Expenditure in the Amount of \$4,052,792 Needed to Perform Design, Engineering, Permitting and Installation Services for Landfill Gas to Energy Facility Improvements.*

#### **11) Consider Recruitment Process for General Manager Position**

The Board reviewed a letter from District General Manager notifying the Board that he would retire from the District effective May 28, 2015. General Manager stated that it has been an honor and a privilege to serve the District since first arriving in 1982, and as the General Manager for the past ten years. The Board was also provided with the Continuity Succession Plan for the General Manager position.

Board discussion was held on the recruitment process for the next General Manager. Staff was directed to request proposals from recruitment firms and bring back at least three potential firms, for an interview before the Board, which could assist with the recruitment process.

### **STAFF REPORTS**

#### **12) Review Finance, Operating and Recycling Reports**

The Board reviewed the financial statements for the month of September. The Operating Income for September was \$348,664 and \$1,375,835 year-to-date. The year-to-date total Operating Expenses are below budget by \$393,259 at \$4,462,741. The year-to-date Operating Revenues are above budget by \$563,576. Year-to-date tipping fee revenues are \$4,799,250, above budget by \$524,250.

Refuse Accepted (excluding Regional and Contract Waste) for October decreased by 260 tons from last year and increased by 15 tons from last month. The total refuse for the last 12 months were 182,352 tons, down 2,920 tons from the 12 month period ended October 2013. The Operating Report for October 2014 was also reviewed by the Board.

#### **13) Report on October 21, 2014 Meeting of Special Districts Association of Monterey County**

The Board reviewed a summary of the October 21, 2014 Monterey County Special Districts Association.

#### **14) Report on November 20, 2014 Technical Advisory Committee Meeting**

The Board reviewed the November 20, 2014 Technical Advisory Committee (TAC) minutes. The TAC will continue to meet monthly on matters related to the rollout of the new Peninsula franchise agreements and planned capital projects at the District.

**15) Report on Countywide Solid Waste Management Study**

General Manager reported that staff had met with R3 Consulting, the firm conducting the Countywide Study on solid waste, as part of their process to gather tonnage information, and a subsequent meeting is scheduled for November 24<sup>th</sup> and December 9<sup>th</sup>. Staff anticipates that a Final Draft Report will be available in early 2015.

**16) Report on Solid Waste Legislation and Regulatory Matters**

The Board reviewed a memorandum prepared by the California chapters of Solid Waste Association of North America lobbying firm Shaw/Yoder/Antwih, Inc., summarizing activity of the Statewide Legislative Task Force (LTF) for 2014 and anticipated legislative and regulatory efforts for 2015. The Board also reviewed the 2015 Work Plan for the LTF.

**OTHER CORRESPONDENCE**

**17) Letter to County of Santa Cruz RE: Solid Waste Management**

The Board reviewed a letter sent to Santa Cruz County Public Works Director, which summarized discussion held with District General Manager and staff on October 20, 2014 regarding solid waste management plans for the District and Santa Cruz County.

**GENERAL MANAGER COMMUNICATIONS**

General Manager reported that at the SWANA Gold Rush Chapter annual awards banquet, Assistant General Manager was awarded the Municipal Member of the Year for his many contributions at the Chapter and International Board level. The District was awarded the Outstanding Public Agency for 2014, for its strong support of and involvement in SWANA, and in particular for its leadership role in putting into operation the first anaerobic digester in the State of California and only the second in the United States.

He also reported that the Compressed Natural Gas (CNG) Vendor Selection Committee met with the two CNG vendors and received pricing information. The pricing proposals were being analyzed and staff anticipates bringing back a vendor selection recommendation at the December Board meeting.

General Manager reminded the Board that the Annual Employee Awards Luncheon will be held on December 19<sup>th</sup>, following the Board meeting. He invited all Board members to consider attending the luncheon.

**BOARD COMMUNICATIONS**

Director McCloud stated that the City of Carmel-by-the-Sea was installing disposal containers in the downtown with grant funds received from Waste Management, Inc. Director Downey stated that the City of Monterey was considering the possibility of banning smoking on Alvarado Street in the downtown.

**CLOSED SESSION**

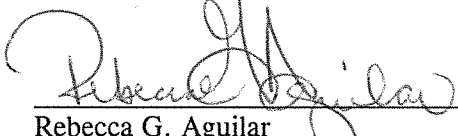
General Manager stated that a closed session would not be necessary.

- 1) Conference with Property Negotiators:  
Property: Landfill Site/Property/Operations  
District Negotiators: William Merry, Tim Flanagan  
Negotiating Parties: Clean Energy, Trillium CNG, Green Waste Recovery

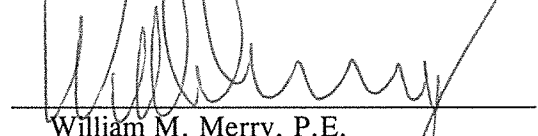
**ADJOURNMENT**

There being no further business to come before the Board at this time, the November 21, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to December 19, 2014, by Chair Allion at 12:09 p.m.

**RECORDED BY:**

  
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Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

**AUTHENTICATED BY:**

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