

BOARD OF DIRECTORS  
DENNIS ALLION  
CHAIR

IAN OGLESBY  
VICE CHAIR

GARY BALES  
DAVID PENDERGRASS  
LEO LASKA  
LIBBY DOWNEY  
JANE PARKER  
BRUCE DELGADO  
CARRIE THEIS



1  
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, 9:00 a.m.  
January 16, 2015

Boardroom  
MRWMD Offices  
14201 Del Monte Blvd., Marina CA

**MEMBERS PRESENT:** Dennis Allion (Chair), City of Del Rey Oaks Councilmember (seated at 9:16 a.m.)  
Gary Bales, City of Pacific Grove  
David Pendergrass, City of Sand City Mayor  
Leo Laska, Pebble Beach Community Services District Board President  
Libby Downey, City of Monterey Councilmember  
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4 (seated at 9:13 a.m.)  
Carrie Theis, City of Carmel-by-the-Sea

**MEMBERS ABSENT:** Ian Oglesby (Vice Chair), City of Seaside Councilmember  
Bruce Delgado, City of Marina Mayor

**STAFF PRESENT:** William Merry, General Manager  
Tim Flanagan, Assistant General Manager  
Rob Wellington, Legal Counsel  
Chuck Rees, Finance Manager  
Clyde Walkup, Assistant Materials Recovery Facilities Manager  
Daylene Alliman, Human Resources Manager  
Jeff Lindenthal, Director of Community Programs  
Jack Cook, Safety Manager  
Rick Shedden, Senior Engineer  
Rebecca Aguilar, Administrative Support Supervisor  
Ron Mooneyham, Equipment Maintenance Manager  
Kimberle Herring, Public Education Coordinator  
Leticia Yanez, Site Support Assistant  
Berta Torres, Management Specialist

**OTHERS PRESENT:** Ted Terrasas, City of Monterey  
Erin Harwayne, Denise Duffy & Associates  
Charlie Cordova, GreenWaste Recovery  
Emily Hansen, GreenWaste Recovery  
Jim Moresco, GreenWaste Recovery  
Kate McKenna, LAFCO of Monterey County  
Ric Encarnacion, Monterey County Environmental Health Bureau  
Teresa Rios, Monterey County Environmental Health Bureau  
Mike Niccum, Pebble Beach Community Services District  
Cesar Zuniga, Salinas Valley Solid Waste Authority

### SELECTION OF CHAIR FOR MEETING

General Manager announced that Chair Allion would be arriving late to the meeting and Vice Chair Oglesby had not arrived, therefore Chair would need to be appointed in order to begin the meeting.

It was moved by Director Pendergrass, seconded by Director Bales, and Unanimously Carried To: Select Director Laska as Acting Chair.

### ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the January 16, 2015 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Director Laska at 9:30 a.m.

### PUBLIC COMMUNICATIONS

There were no comments from the public.

### CONSENT AGENDA

Director Downey requested that for Item 1, the minutes be revised to reflect that her comment was to have the Board Chair be a participant in the hearing, with staff acting as the hearing officer.

*Following a motion by Director Downey, and seconded by Director Theis, the Board unanimously approved the Consent Agenda, to Include Correction to Item 1.*

- 1) Approve Minutes of December 19, 2014 Regular Board Meeting
- 2) Approve Minutes of January 7, 2015 Special Board Meeting
- 3) Approve Report of Disbursements, and Board and Employee Reimbursements

### PUBLIC HEARING

- 4) Conduct Public Hearing to Consider Adoption of a Negative Declaration for the Proposed Landfill Gas Flare Project

The Board received a copy of the legal notice that was placed in the Monterey Herald announcing the public hearing. Assistant General Manager stated that the enclosed landfill gas flare was needed to provide a more effective and efficient collection and processing system for the landfill gas. The environmental review environmental review was a requirement of the Monterey Bay Unified Air Pollution Control District (MBUAPCD). Two comment letters were received and provided to the Board. One was a letter of support from the County of Monterey Health Department, and the other letter provided comments from the MBUAPCD regarding sensitive receptors, and a request to include greenhouse gas emission calculations in the Appendix of the Negative Declaration.

Director (Acting Chair) Laska opened the Public Hearing at 9:10 a.m. and following no public comments, the Public Hearing was closed at 9:11 a.m.

**OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION****5) Adopt Negative Declaration for the Proposed Landfill Gas Flare Project**

It was moved by Director Pendergrass, seconded by Director Downey, and Unanimously Carried To: Adopt Negative Declaration for the Proposed Landfill Gas Flare Project.

**6) Receive Local Agency Formation Commission's 2015 Municipal Service Review and Sphere of Influence Study of MRWMD (This Matter May be Continued Until After Closed Session)**

The Board reviewed the Public Review Draft of the Municipal Services Review (MSR) and Sphere of Influence (SOI) Study for the MRWMD prepared by LAFCO staff in cooperation with District staff and District legal counsel. General Manager stated that this matter had been discussed before the Board over the past several years on more than one occasion. The Board also reviewed correspondence from and to the Salinas Valley Solid Waste Authority (SVSWA) regarding the District's SOI.

Director Parker was seated at 9:13 a.m.

LAFCO Executive Director Kate McKenna addressed the Board and described the process of conducting the District's MSR, which included review of the District's purpose, services, and boundaries. She stated that a portion of the study addresses the District's governance, operations, transparencies, challenges, and accomplishments and reported that the District was in excellent condition, and considered to be a model District and served as an example for other special districts. The SOI was adopted by LAFCO in 1982 and the study concluded that the historical reasons for creating the SOI in 1982 were still applicable to the District today.

Chair Allion was seated at 9:16 a.m.

Ms. McKenna stated that the draft MSR will be presented for approval at the February 23<sup>rd</sup> LAFCO meeting, following the public review period, and it recommends that the SOI be maintained. The draft MSR was sent to interested parties to include the SVSWA. She referenced a letter dated January 9, 2015 to the SVSWA addressing the concerns expressed by the SVSWA Board in a letter dated April 17, 2014. She stated that any comments received by the District Board would be incorporated for LAFCO consideration.

Board discussion followed regarding the draft MSR and SOI and incorporation of public comments. Ms. McKenna and LAFCO staff were commended for their thoroughness in preparing the report.

It was moved by Director Parker, seconded by Director Bales, and Unanimously Carried To: Receive Local Agency Formation Commission's 2015 Municipal Service Review and Sphere of Influence Study of MRWMD.

**7) Receive Proposed Bond Structure and Terms**

The Board reviewed a Preliminary Term Sheet for the Revenue Bonds and timeline schedule from the District's Financial Advisor, John Greenlee of Caldwell Flores Winters. General Manager reported that five of the nine District member agencies have approved the amendment to the Joint Powers Authority (JPA) Agreement and the other four member agencies are scheduled to do so by early February.

Mr. Greenlee addressed the Board and stated that all aspects for the issuance of the Bonds were proceeding as expected. He stated that a meeting with the Bond counsel was scheduled for January 20, 2015. He provided information to the Board on obtaining the best rating. He and District staff would be meeting with HF&H Consultants to discuss the Engineering Report, which is anticipated to be provided to the Board at the February

meeting. In further stated that in an effort to stay on schedule, all documents would be submitted to the rating agencies on February 24, 2015. It was imperative that all information be accurate to receive the best rating. Staff anticipates bringing back the final documents for approval by the Board at the March meeting and issuance of the Bonds on April 16, 2015.

Board discussion followed regarding the Bond timeline, repayment schedule, and impacts to the District's tipping fee because of the bonds. Mr. Greenlee stated that based upon the preliminary financial analysis, increase in tipping fees beyond cost of living adjustments were not anticipated.

Emily Hansen, GreenWaste Recovery, addressed the Board to follow up on her comments made at the December 19, 2014 Board meeting and to speak on the lease payment over a 20-year period, instead of the 30-year period initially anticipated. She restated that any unanticipated increases beyond GreenWaste's control would impact the ratepayers. Mr. Greenlee stated that in his projections, \$250,000 was budgeted for two years followed by an increase to \$650,000 for the debt lease repayment.

Director Bales reminded the Board that the District has tried to keep costs as low as possible for District ratepayers. Director Parker stated that it was important for staff to make the Board aware of any impacts to the tip fees and provide various options for the Board to consider in order to minimize those impacts.

**It was moved by Director Pendergrass, seconded by Director Laska, and Unanimously Carried To: Receive Proposed Bond Structure and Terms.**

#### **8) Receive Update on Strategic Plan - Pillars of Sustainability**

The Board reviewed a memorandum related information from Assistant General Manager Tim Flanagan regarding the District's Strategic Plan, adopted by the Board in March 2014, along with the Pillars of Sustainability. The Board was also provided with a draft Action Plan. Assistant General Manager provided the Board with a presentation of the Strategic Plan and expressed appreciation to District Human Resources Manager Daylene Alliman for her creativity in moving the development of the Strategic Plan forward, particularly since she was retiring at the end of the month and this would be her last Board meeting.

Assistant General Manager stated that staff discussions had revolved around planning for the future leading to the development of the Strategic Plan and Pillars of Sustainability. He stated that the Strategic Plan was aimed at promoting employee safety culture, improving efficiencies and increasing productivity, controlling costs and enhancing revenues, complying with laws and regulations, increasing and tracking customer satisfaction, and continually adapting the District to promote beneficial use of resources. There were five key areas, the "Pillars" which are People, Finance, Environment, Community, and Innovation. All of those define how the District is going to achieve its mission of "turning waste into resources". District employees are a key element in achieving the District's plan and knowing that 70% of the employees are eligible for retirement, retention and succession planning is important. He and the General Manager, along with Human Resources, have been meeting with all employees to listen to their concerns and ideas. He spoke to the important aspects of the other pillars in order meet the District's mission.

Staff unveiled the new Pillars of Sustainability on the District Board room's back wall. Board discussion followed regarding the draft Action Plan and requested that it be brought back to the Board at the February meeting so that the Board could provide comments prior to finalization. The Board commended staff for their initiative and forward thinking.

Human Resources Manager was applauded for her efforts in the development of the Strategic Plan and the Board wished her well in her retirement.

It was moved by Director Parker, seconded by Director Downey, and Unanimously Carried To: Receive Update on Strategic Plan - Pillars of Sustainability.

## STAFF REPORTS

### 9) Review Finance, Operating and Recycling Reports

The financial statements for the month of November were reviewed by the Board. The Year to Date Operating Income continues to remain above budget and prior year due to increased revenues and reduced expenses. It was noted that the financial impact of implementing the MOUs (\$100,000) was recorded in November. Tipping Fees Revenues for the month December 2014 are estimated at \$1,370,000 which is \$55,000 below budget and \$4,000 above last year. The Operating Report for November 2014 was also reviewed by the Board.

### 10) Report on Public Education and Recycling

The Board reviewed a memorandum from Director of Community Programs Jeff Lindenthal, which reported on improvements at the Last Chance Mercantile and District polystyrene packaging recycling efforts.

General Manager also provided an article from the December 2014 issue of the California Special District's Association magazine entitled "*Pebble Beach Community Services District: Innovative Partnerships Reduce Waste at Incredible Levels*". He commended PBCSD Board and staff for setting an example for other agencies around the State.

### 11) Report on December 18, 2014 Technical Advisory Committee Meeting

The Board received the minutes from the December 18<sup>th</sup> meeting of the Technical Advisory Committee (TAC). The TAC is meeting monthly in an effort to streamline the franchise agreement transition and to discuss District capital projects.

### 12) Board Member Participation in SDRMA Training for Discounts on Insurance Premiums

Information was provided to the Board regarding available in person training and webinars provided by the Special District Risk Management Authority. SDRMA provides the District with discount points for attendance at workshops and webinars, which provides reduction in insurance premiums.

## OTHER CORRESPONDENCE

### 13) Letters of Re-appointment for Directors Downey and Bales

The Board reviewed letters of re-appointment for Director Downey representing the City of Monterey and Director Bales representing the City of Pacific Grove to new four year terms. Director Parker is expected to be reappointed to another four year term at the January 20, 2015, Monterey County Board of Supervisors meeting.

### GENERAL MANAGER COMMUNICATIONS

General Manager reported that on January 8<sup>th</sup>, officials from the City of Edmonton toured the District site. Their primary interest was the anaerobic digester, but they were also interested in the District's overall approach to programs, operations, financing and future plans. The City of Edmonton had access to considerable resources generated from petroleum and are assembling one of the most advanced systems in the world for processing solid wastes.

He also reported that R3 Consulting was compiling information requested from the SVSWA and from the District. The final Report is anticipated to be completed in February or March.

General Manager provided the Board with the current Board Committee Appointments list. The Board was requested to return the committee interest survey, as discussion will be held regarding election of officers and appointment to committees at the February Board meeting.

### BOARD COMMUNICATIONS

### CLOSED SESSION

Legal Counsel stated that there was no need to discuss Items 1 and 3 in closed session. The Board went into closed session at 11:15 a.m. regarding Item 2 on the agenda.

1. Conference with Legal Counsel - Potential Litigation. Pursuant to Government Code subsections 54956.9(d)(2) and 54956.9(e)(1). One case.
2. Personnel Matter: Selection of General Manager.
3. Conference with Property Negotiators:  
Property: Methane Gas in Monterey Peninsula Landfill  
District Negotiators: William Merry and Tim Flanagan  
Negotiating Parties: Pacific Gas & Electric, 3 Phase Energy, Marin Energy Authority, and Alameda Municipal  
Terms: All Terms and Conditions

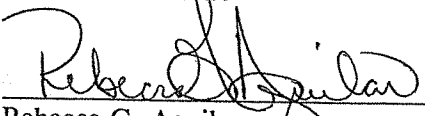
### RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came back into open session at 12:02 p.m. and Legal Counsel announced that in closed session the Board had received information and discussed Item 2 listed on the agenda, and that no action had been taken.

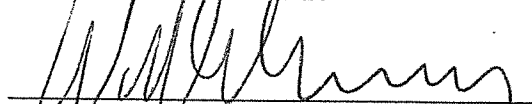
### ADJOURNMENT

There being no further business to come before the Board at this time, the January 16, 2015 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Allion at 12:03 p.m.

RECORDED BY:

  
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Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

AUTHENTICATED BY:

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