

BOARD OF DIRECTORS
DENNIS ALLION
CHAIR

IAN OGLESBY
VICE CHAIR

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



TIMOTHY S. FLANAGAN
GENERAL MANAGER

GUY PETRABORG, P.E., G.E.
DISTRICT 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 18, 2016

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 Mayor Pro Tem
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 (Seated at 9:35 a.m.)
Bruce Delgado, City of Marina Mayor
Carrie Theis, City of Carmel-by-the-Sea Mayor Pro Tem

MEMBERS ABSENT: Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)

STAFF PRESENT: Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Guy Petraborg, Director of Engineering & Compliance/District Engineer
Jeff Lindenthal, Director of Communications & Sustainability
Peter Skinner, Director of Finance & Administration
Chuck Rees, Finance Manager
Clyde Walkup, Materials Recovery Manager
David Ramirez, Senior Engineer
Kacey Christie, Safety and Risk Manager
Mike Rivera, Site Operations and Facilities Manager
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Executive Assistant/Clerk of the Board
Kimberle Herring, Public Education & Outreach Coordinator

OTHERS PRESENT: Charlie Cordova, GreenWaste Recovery
Emily Finn, GreenWaste Recovery
Mike Niccum, Pebble Beach Community Services District
Doug, Kenyon, Republic Services of Salinas

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the November 18, 2016 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

There were no public communications.

CONSENT AGENDA

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

- 1) Approve Minutes of October 21, 2016 Regular Board Meeting
- 2) Approve District Report of Disbursements, and Board and Employee Reimbursements
- 3) Approve 2017 Board Meeting Calendar

Director Downey seated at 9:35 a.m.

PRESENTATIONS

- 4) **Small Planet News: Statewide Plastic Bag Ban Election Results**

Jeff Lindenthal, Director of Communications and Sustainability, provided the Board with the history of Proposition 67, and the referendum that upheld the ban on single-use plastic carryout bags. The Board also reviewed an article in the *Los Angeles Times* regarding the same. Since San Jose implemented a plastic bag ban, the city has seen 76% fewer bags in creeks and rivers, 69% less in storm drains, and a 70% reduction of bags collected during beach clean-ups. Save Our Shores has documented 70% fewer plastic bags collected on Coastal Clean-up Day along the Monterey Bay since local bag bans went into effect. The statewide ban does not supersede bans implemented by individual cities and counties.

Director Delgado inquired whether the state ban was more comprehensive than the local bans. Director of Communications and Sustainability responded no, although the local bans required use of thicker mil plastic bags.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 5) **Receive Report on November 2, 2016 Finance Committee Meeting**

The Board reviewed a summary of the meeting.

It was moved by Director Downey, seconded by Vice Chair Oglesby, and Unanimously Carried to: Receive Report on November 2, 2016 Finance Committee Meeting.

- 6) **Receive Presentation and Accept Annual Audit for Fiscal Year 2015/16**

The Board reviewed a memorandum from Finance Manager Chuck Rees and the 2015/16 Annual Audit and Financials. General Manager stated that the Finance Committee had reviewed the Audit Report at their November meeting. Finance Manager stated that there was slight correction on pages 40 and 52 of the audit report that did change any of the financial information contained in the report. He introduced Jarrod Penner of Bianchi, Kasavan & Pope, LLP (BK&P).

Mr. Penner stated that the District had received a “clean, unmodified opinion, which meant that the management of the District was following all of the accounting rules in place. All transactions requested by BK&P were accessible, transaction cycles were appropriate, and no recommendations to internal controls were recommended. He noted that the accounting department had a positive attitude, that account receivables are collected timely, they understand the financial needs of the District, and the financial information provided to the Board and staff is appropriate to make the best management decisions as possible.

On behalf of the Board, Chair Allion thanked the Finance Manager and accounting staff for their efforts.

It was moved by Director Laska, seconded by Vice Chair Oglesby, and Unanimously Carried to: Receive Presentation and Accept Annual Audit for Fiscal Year 2015/16.

7) Consider Approval (as to form) of a Draft Agreement Between the District and the Monterey County Water Resources Agency to Amend a 2008 Easement Agreement Between the Two Parties to Permit Subsequent District Conveyance of Parallel Easement to the Monterey Regional Water Pollution Control Agency for its Pure Water Monterey Project

The Board reviewed a memorandum from Director of Engineering and Compliance Guy Petraborg regarding a conveyance easement to the Monterey Regional Water Pollution Control Agency (MRWPCA) for its Pure Water Project and installation of necessary pipelines. Director of Engineering and Compliance stated that District staff has been working with the MRWPCA and the Monterey County Water Resources Agency (MCWRA) in determining the best approach for amending the existing easement agreement between the District and the MCWRA. District counsel has been assisting to make sure all interests are appropriately represented in the most expedient manner possible and the agreement in final form and function will come back to the Board at a later date.

Director Laska inquired why this action was required if the final agreement would come back to the Board for approval. Legal Counsel responded that the action allowed negotiations with the MRWPCA to begin and formal discussions with MCWRA to be held. Relative to the issue of compensation, negotiation needs to occur between all three parties and instructions given to the appraiser, which was being retained by the MRWPCA.

It was moved by Director Pendergrass, seconded by Director Delgado, and Unanimously Carried to: Approve (as to form) Draft Agreement Between the District and the Monterey County Water Resources Agency to Amend a 2008 Easement Agreement Between the Two Parties to Permit Subsequent District Conveyance of Parallel Easement to the Monterey Regional Water Pollution Control Agency for its Pure Water Monterey Project.

8) Approve Contract Amendment with JR Miller and Associates for the Materials Recovery Facility Improvement Project Value Engineering Revisions in the Amount of \$96,661

The Board reviewed a memorandum from Director of Engineering and Compliance regarding an amendment to the contract with JR Miller and Associates (JRMA) in the amount of \$96,661. Director of Engineering and Compliance stated that following the Materials Recovery Facility (MRF) construction contract bid rejection at the May 2016 Board meeting, staff requested the JRMA design team assist the District in review of the documents and present reduced scoping options for discussion. The change to JRMA’s original contract is necessary to implement completion of the revisions.

Board discussion followed regarding the reduced scope and any negative impacts to District operations. Director of Engineering and Compliance responded that staff was comfortable delaying some of the items initially planned until after the MRF was operational in order to provide knowledgeable recommendations of future investments.

It was moved by Vice Chair Oglesby, seconded by Director Downey, and *Unanimously Carried to: Approve Contract Amendment with JR Miller and Associates for the Materials Recovery Facility Improvement Project Value Engineering Revisions in the Amount of \$96,661.*

9) Authorize General Manager to Execute 14-Year Lease Agreement with GreenWaste Recovery for Truck Yard and Administration Facility (Subject to Final Review by Legal Counsel) at an Annually Adjusted Monthly Rate of \$21,375 (Item May Be Adjourned Until After Closed Session)

The Board reviewed a memorandum from General Manager regarding approval of the 14-year truck yard lease with GreenWaste Recovery (GWR). General Manager stated that the execution of this document completed an almost five-year process of the conception of a facility as a means to drive competitive proposals for the Peninsula cities. The truck yard facility provided critical local infrastructure for the parking, maintenance, fueling and contract administration for the Peninsula collection vehicles for many years to come. He thanked GWR staff, the District's Technical Advisory Committee, and District legal counsel for the thorough process and review of the lease document.

Board discussion followed regarding price adjustments to the lease. General Manager stated that there was an annual cost of living adjustment included in the lease, and staff would be working with the TAC and GWR over the next two years to evaluate any further adjustments. Any adjustments would have to be agreed unilaterally between the District, GWR, and member agencies. Director Oglesby stated that at the very least, the new contract required the hauler to provide thorough information to justify increases in their rates and that member agencies would benefit from having the truck yard facility past the 15-year agreement.

Following a question about having a local call center and any additional expenses due to GWR's inability to move into the truck yard facility timely, Emily Finn from GWR, addressed the Board, to state the franchise agreements required them to have a local call center. GWR has incurred costs with the fragmented operation, but she believed overall expenses were a wash.

Pebble Beach Community Services District General Manager Mike Niccum, who also a member of the District's TAC, addressed the Board and stated that although only seven member agencies were using GWR, all member agencies had been involved in lease review as having this facility would benefit all member agencies.

It was moved by Director Delgado, seconded by Director Pendergrass, and *Unanimously Carried to: Authorize General Manager to Execute 14-Year Lease Agreement with GreenWaste Recovery for Truck Yard and Administration Facility (Subject to Final Review by Legal Counsel) at an Annually Adjusted Monthly Rate of \$21,375.*

10) Adopt Resolution 2016-16 Setting Compensation for Board Members Pursuant to California Public Resources Code Section 49123, at \$100 Per Day for Attendance at District-Related Meetings, Not to Exceed \$600 Per Month

The Board reviewed a memorandum from General Manager regarding increasing Board member compensation to \$100 per meeting per day in accordance with recent legislation signed by the Governor. General Manager once again thanked Assemblyman Mark Stone and his staff for their efforts in getting the legislation passed. The

Board also received a compensation report from the California Special Districts Association, which showed that the recommended adjustment was appropriate and within common standards for compensation adopted by many other special districts in the state.

It was moved by Director Pendergrass, seconded by Director Delgado, and Unanimously Carried to: Adopt Resolution 2016-16 Setting Compensation for Board Members Pursuant to California Public Resources Code Section 49123, at \$100 Per Day for Attendance at District-Related Meetings, Not to Exceed \$600 Per Month.

11) Receive Report on November 2, 2016 Personnel Committee Meeting

The Board reviewed a summary of the meeting.

It was moved by Director Downey, seconded by Director Delgado, and Unanimously Carried to: Receive Report on November 2, 2016 Personnel Committee Meeting.

STAFF REPORTS

12) Review Finance, Operating, and Recycling Reports

The Board reviewed the financial statements for August 2016, which continue to show the favorable results from the increased Contract Waste tonnages. The FY 2016/17 year-to-date Tipping Fees Revenues through October 2016 were estimated at \$7.9 million, which was above budget by \$1.9 million and prior year by \$0.8 million. The Operating Report for October 2016 was also reviewed by the Board.

Chair Allion inquired if staff projected increased revenues for the rest of the year. Finance Manager responded that historically incoming tonnage decreased during the winter months due to inclement weather. He believed that with the commencement of the MRF improvements and the MRF being down, tonnage would also decrease. Chair Allion clarified that Finance Manager's projections were relatively conservative. Finance Manager commented that staff would continue to keep the Board apprised of financial information.

13) Report on Status of General Manager Goals and District Strategic Objectives

Following a request from the Board at the October meeting, staff presented a revised 2016/17 Goals and District Strategic Objectives in accordance with Strategic Plan "Pillars of Sustainability" which included a numbering system to map the goals with existing elements of the Pillar of Sustainability. The Board also requested staff to provide more detail on the 2016/17 goals, including desired outcomes, execution plans and metrics against which to measure success and a narrative providing greater clarity around the high-level descriptions of each Pillar, which staff is planning to present at the December Board meeting. Director Delgado expressed appreciation for numbering system and the ability to be able to share with the community. Chair Allion inquired how often updates would be provided without overburdening staff. General Manager stated that staff would endeavor to provide quarterly updates to the Board.

14) Report on District Capital Projects

The Board reviewed a memorandum from Director of Engineering & Compliance which provided an update on District capital projects. He stated that a majority of the projects are being closed out. Director Laska inquired when the MRF construction request for proposals (RFP) would be issued. Director of Engineering &

Compliance responded that the RFP would be issued in December with bid proposals due in January for work to begin in April. Staff anticipates that with the new design, more bids will be received.

Director of Engineering & Compliance stated that the District had submitted a grant application to the California Energy Commission to receive matching grant funds to build a facility at the District site that will be designed and engineered to economically convert methane generated from decomposing organic matter to renewable natural gas (RNG) for use in the transportation sector. He also reported that following the October 14th fire, Engines 1 and 4 were back on line, Engine 3 would be back on line mid December, staff was assessing either repair or replacement options for Engine 2 and would report back to the Board at a future meeting.

Director Delgado inquired about the recent fires and discussion was held regarding implementation of processes or procedures to avoid reoccurrence in the future.

15) Report on October 18, 2016 Meeting of Special Districts Association of Monterey County

The Board reviewed a memorandum from Pebble Beach Community Services District General Manager Mike Niccum summarizing the meeting.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager stated that the annual reports were available for the Board to take with them. He expressed appreciation to the Public Education team and consultant Sandi Manor.

General Manager advised the Board that the District had accepted two mutual settlement offer letters from the Monterey Bay Air Resources District for submittal deadlines not being met (\$1,376) and failure to apply for a permit for a back-up generator (\$1,424) in a total amount of \$2,800. He also stated that as of October 31st, the Zero Waste Energy Anaerobic Digestion facility was re-connected back to the Monterey Regional Water Pollution Control Agency. With regard to the Monterey Bay Community Power project, he stated that it was continuing to move forward with most jurisdictions electing to participate in the project. Additional information could be obtained at montereybaycca.org.

General Manager reminded the Board that the District's 65th Anniversary Event had been postponed until the event could be coordinated with the opening of the GWR Truck Yard and CNG Fueling facility. Staff will be working with GWR to schedule the event early in 2017. annual Employees Awards luncheon would be held following the December 16th Board meeting.

BOARD COMMUNICATIONS

Director Delgado expressed appreciation to Director of Engineering & Compliance Guy Petraborg for his ability to come on board and efficiently and quickly assess District operations, especially in light of all of the current District capital projects.

Chair Allion wished everyone a Happy Thanksgiving.

CLOSED SESSION

The Board went into closed session at 11:20 a.m. regarding the following:

- 1) Conference with Property Negotiators
Property: 14207 Del Monte Blvd., Marina, CA
District Negotiators: Tim Flanagan, Guy Petraborg
Negotiating Parties: GreenWaste Recovery
Terms: All Terms and Conditions
- 2) Public Employee Performance Evaluation: General Manager

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

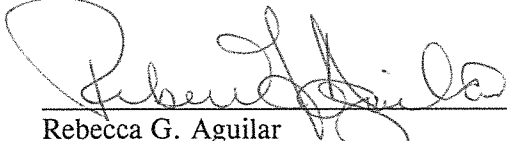
The Board came back into open session at 11:58 a.m. and Legal Counsel announced that no discussion was held with regard to Item 1. With regard to Item 2, the Board discussed the item relative to the General Manager's compensation.

It was moved by Director Pendergrass, seconded by Director Delgado, and Unanimously Carried to: Approve 3% Increase to General Manager's Compensation Retroactive to July 1, 2016.

ADJOURNMENT

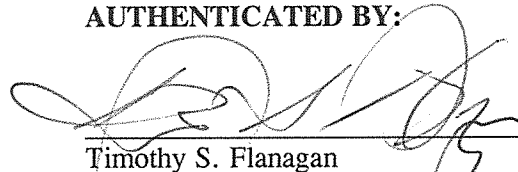
There being no further business to come before the Board at this time, the November 18, 2016 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Allion at 11:59 a.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary