

BOARD OF DIRECTORS

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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.
June 20, 2014

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Dennis Allion, (Chair), City of Del Rey Oaks Councilmember
Leo Laska, (Vice Chair), Pebble Beach Community Services District Board President
Sue McCloud, City of Carmel-by-the-Sea
David Pendergrass, City of Sand City Mayor
Libby Downey, City of Monterey Councilmember
Ian Oglesby, City of Seaside Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4 (Seated at 9:40 a.m.)

MEMBERS ABSENT: Gary Bales, City of Pacific Grove
Bruce Delgado, City of Marina Mayor

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Tim Flanagan, Assistant General Manager
Richard Shedden, Senior Engineer
Jeff Lindenthal, Deputy General Manager-Community Programs
Daylene Alliman, Human Resources Manager
Chuck Rees, Finance Manager
Richard Petitt, Site Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Ron Mooneyham, Equipment Maintenance Manager
Clyde Walkup, Assistant Materials Recovery Facility Operations Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator
Baldo Trujillo, Materials Recovery Facility Supervisor
Eric Souza, Intern

OTHERS PRESENT: Yuri Calderon, Caldwell Flores Winters, Inc.
John Greenlee, Caldwell Flores Winters, Inc.
Ted Terrasas, City of Monterey
Charlie Cordova, Green Waste Recovery
Mark Diaz, Monterey County Environmental Health Bureau
Ric Encarnacion, Monterey County Environmental Health Bureau
Teresa Rios, Monterey County Environmental Health Bureau
Ray Hendricks, Salinas Valley Solid Waste Authority
Angel Diaz, Waste Management, Inc.
Felipe Melchor, Waste Management, Inc.

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the June 20, 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

There were no public comments.

CONSENT AGENDA

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

- 1) Approve Minutes of May 16, 2014 Regular Board Meeting
- 2) Approve Report of Disbursements

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 3) **Presentation by Evan Edgar of Edgar & Associates, Sacramento, CA, on Converting Organics to Compressed Natural Gas (CNG) Vehicle Fuel**

General Manager stated that Mr. Edgar had been unable to attend the meeting due to an illness. Staff anticipates rescheduling the presentation for a future meeting. Director McCloud requested that the presentation be recorded.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 4) **Accept Report from Finance Committee Chair on Meeting of June 11, 2014**

The Board reviewed a memorandum from Finance Committee Chair Allion. The Finance Committee discussed the Fiscal Year (FY) 2014/15 Preliminary Budget and Financial Reports and the selection of a financial advisor. The Finance Committee also received an update on the landfill gas (LFG) to energy facility operations and the Countywide Solid Waste Management Study.

It was moved by Director McCloud, seconded by Director Oglesby, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of June 11, 2014.

- 5) **Adopt Resolution 2014-04 Authorizing Expenditure of Funds Pending Adoption of Final Budget for Fiscal Year 2014/15**

General Manager stated that the Final Budget for FY 2014/15 would not be ready for adoption until after negotiations with the employee bargaining groups had been completed. Adoption of the resolution would

allow the District to continue to cover usual and customary expenses into the new FY. Staff anticipates bringing the final budget for approval at the July 18, 2014 Board meeting.

It was moved by Director Downey, seconded by Director Oglesby, and Unanimously Carried To: Adopt Resolution 2014-04 Authorizing Expenditure of Funds Pending Adoption of Final Budget for Fiscal Year 2014/15.

6) Authorize Agreement with Caldwell Flores Winters, Inc. (CFW), of Emeryville, CA, to Perform Financial Advisory Services at a Cost of \$45,000

The Board reviewed a memorandum from Finance Manager Chuck Rees recommending that the Board authorize an agreement with Caldwell Flores Winters, Inc. (CFW), of Emeryville, CA, to provide financial advisory services at a cost of \$45,000. General Manager stated that hiring a financial advisor is the first step in the process of obtaining financing for the upcoming capital projects.

Finance Manager stated that in staff's opinion, CFW performed best during the interview and were highly recommended. Mr. Yuri Calderon, Chief Operating Officer for CFW, addressed the Board and stated that CFW had been in business for 28 years and were pleased to have been selected. He introduced Mr. John Greenley, Managing Director of the Financial Advisory Unit for CFW. Mr. Greenley provided the Board with his work background which provided him with the knowledge to thoroughly understand the bond process.

Director Parker seated at 9:40 a.m.

Board questions followed regarding challenges in obtaining bonds, timing in order to receive the best rate and to meet the capital projects schedule, and prepayment penalties. Mr Greenley stated that the biggest challenge would be in ensuring that the District received the best rating, which would affect the interest rate. He does not believe interest rates will be rising in the near future, and part of the service they provide is to make sure the bonds have a call feature with regard to prepayment penalties. Based on his initial review, he believes the District should be able to obtain bond funding to meet the project schedules. He provided the Board with next steps of the process.

It was moved by Director McCloud, seconded by Director Parker, and Unanimously Carried To: Authorize Agreement with Caldwell Flores Winters, Inc. (CFW), of Emeryville, CA, to Perform Financial Advisory Services at a Cost of \$45,000.

7) Authorize Purchase of Model 2015 Mack Compressed Natural Gas (CNG) Roll-Off Truck from Central Valley Truck Center of Fresno, CA, for a Total Price of \$255,758.62

The Board reviewed a memorandum from Equipment Maintenance Manager Ron Mooneyham. This CNG powered roll-off truck will replace the roll-off truck used on the site and in the Materials Recovery Facility (MRF) operations. Funds are included in the Capital Outlay Budget for this purchase. Delivery is expected within 210 days.

It was moved by Director Oglesby, seconded by Director Downey, and Unanimously Carried To: Authorize Purchase of Model 2015 Mack Compressed Natural Gas Roll-Off Truck from Central Valley Truck Center of Fresno, CA, for a Total Price of \$255,758.62.

8) Declare Surplus and Authorize Sale of Unit MR13, 1999 Volvo Roll-Off Truck.

The Board was provided information on this Item under the same memorandum provided by Equipment Maintenance Manager under Agenda Item 7. Vice Chair Laska inquired whether it might be better to use Unit MR13 as a trade-in rather than selling it to the highest bidder. Equipment Maintenance Manager responded that he would inquire about the possibility of trading it in, although due to CARB AB 32 requirements, it could be difficult for the equipment vendor to sell it in California and the District could obtain better pricing out of state.

General Manager expressed appreciation to the Equipment Maintenance Manager for his efforts in ensuring the District's fleet is kept current.

It was moved by Vice Chair Laska, seconded by Director Parker, and Unanimously Carried To: Declare Surplus and Authorize Sale of Unit MR13, 1999 Volvo Roll-Off Truck.

9) Authorize Issuance of Request for Proposals (RFP) to Vendors to Supply and Install Materials Recovery Facility (MRF) Sort Line Equipment

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan, along with a project development schedule and a Draft RFP. The memorandum provided the background on the need for the MRF improvements and a history of Board actions to date. Assistant General Manager stated that the District's Technical Advisory Committee generally supported the project. He referred the Board to the related information provided under Agenda Item 12. He and General Manager met with member agency managers to present the upcoming capital improvements and plans for financing. The managers were generally supportive of proceeding with the project, although there was some concern regarding the timing of appearing before their governing bodies to seek approval for the Joint Powers Agreement, which would include waste flow commitments and support for borrowing the estimated \$21 million needed for the MRF Improvement Project alone. Issuing the RFP would provide the financial information needed in order for the Board to make final decisions on the MRF Improvement Project.

Board discussion followed regarding the timing for receiving the proposals and the timing of obtaining the bond funding, and issuance of the request for qualifications (RFQ). Assistant General Manager stated that staff is working closely with District consultants to ensure the timelines are coordinated. Vice Chair Laska questioned what level of CEQA would be necessary. Legal Counsel responded that part of the project initial study would be to make a determination on the question. Staff anticipates a negative declaration or a mitigated negative declaration on the project since the project involves new equipment only. He also stated that part of the RFP process was to issue the RFQ in order to prequalify vendors. Discussion was held on the draft RFP and the total amount of the bond financing. General Manager referred the Board again to the information provided under Agenda Item 12 in which it explained that the overall cost for the MRF Improvements was estimated to be \$21 million (\$2 million for building/site work; \$4 million for C&D sorting line and \$15 million for mixed waste and single stream sort line equipment). Another \$6 million was for the proposed truck yard for a total of the two projects of \$27 million. The total amount of the bond financing would be \$24 million, with the District funding \$3 million from reserves.

It was moved by Director Parker, seconded by Director McCloud, and Unanimously Carried To: Authorize Issuance of Request for Qualifications/Request for Proposals to Vendors to Supply and Install Materials Recovery Facility (MRF) Sort Line Equipment

STAFF REPORTS**10) Review Finance, Operating and Recycling Reports**

The Board reviewed the financial statements for April and May 2014. Finance Manager stated that tipping fee revenues continue to exceed budget, due primarily to regional and contract waste, and total operating expenses are close to budget. The Board also reviewed the May 2014 Operating Report.

11) Report on May 10, 2014 One-Day Household Hazardous Waste Collection Event

The Board reviewed a memorandum from Last Chance Mercantile/Hazardous Materials Manager Glen Evett, which provided a summary of the very successful one-day Household Hazardous Waste (HHW) collection event held on May 10, 2014 at the Monterey Peninsula College parking lot. There were 650 visitors and almost 61,000 pounds of materials collected at a cost of \$50,173. District staff diverted 1,450 pounds of reusable materials for distribution at the Last Chance Mercantile. Funds have been included in the FY 2014/15 Budget for a similar event next year.

Board discussion followed regarding the survey information, the amount of tonnage received, and the costs of one-day events. Director McCloud stated that the environmental benefit of conducting these types of events outweighed cost factors. Deputy General Manager for Community Programs expressed appreciation for all who participated to make the event a success.

12) Report on May 21, 2014 District Technical Advisory Committee (TAC) Meeting and June 9, 2014 Peninsula City Managers Meeting Regarding Materials Recovery Facility Improvements

The Board reviewed a summary of the May 21st meeting of the District TAC. The topic of discussion was the MRF Improvement Project. The TAC engaged in a vigorous discussion on the merits and estimated costs for the MRF Improvements. General Manager and Assistant General Manager also met with Member Agency Managers on June 9th in which the need for the MRF Improvements was outlined. Discussion was also held on matters relating to both the MRF Improvements and the ongoing franchise process.

Vice Chair Laska inquired on the status of the District's Joint Powers Agreement (JPA), in which all of the member agencies are included in, with the exception of the County. General Manager responded that the JPA would have to be revised/updated before the bonds can be issued. It is hoped that the County will sign on to the JPA Agreement, when requested to do so later this year.

13) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported on key legislative items as follows:

- a. AB 1826 (Chesbro): Mandatory Commercial Organics Collection. This bill calls for mandatory commercial collection of organics for all businesses above a certain threshold, with phased-in implementation proposed between 2016 (beginning with larger generators) and 2020 (full implementation). This bill has broad support, is likely to be passed and was revised and referred to Committee on May 22, 2014.
- b. AB 1594 (Williams): Solid Waste:recycling:diversion:green material. This bill would do away with diversion credits for green waste used as alternate daily cover (ADC) at landfills, after 2020. The \$1.40/ton fee was taken out of the bill. The District does not use green waste as ADC, but we do use MRF fines as ADC and receive diversion credit.

- c. AB 1893 (Stone/Eggman): Safe Management of Used Needles: Support Letter. Last month the District sent a letter of support for this bill. On June 2, 2014, this bill was ordered to inactive file at the request of Assemblymember Holden.
- d. Status of Countywide Plastic Bag Ban. Mark Diaz, with Monterey County, provided a status report on the countywide plastic bag ban. He stated that the timeline for the county wide ban is being driven by AB 270, which was now in Appropriations, and included a clause that preempted jurisdictions from enacting their own ordinance if a first reading does not take place by September 1, 2014. He stated that several cities in the County are on board with the ban and encouraged that District Board members inquire with their cities about participation. The County is working with a consultant, Rincon & Associates, who will develop substantial evidence to counter any potential litigation, and offers assistance to the cities by way of a one-on-one meeting and being present for the first reading at a city meeting.

OTHER CORRESPONDENCE

14) Letters to Cities of Gilroy and Morgan Hill RE: Proposal to Accept Waste for Disposal

The Board reviewed letters that were sent to the Cities of Gilroy and Morgan Hill requesting information on the rationale used by their staff in arriving at their decision to send their trash for disposal at the John Smith Road Landfill east of Hollister.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the City of Carmel and the City of Seaside approved the Green Waste Recovery franchise contract and rate schedule. The other five Peninsula member agencies plan to consider the matter in June or July.

General Manager stated that on June 12th, the *Herald* ran a front page story on the good measures underway in Pacific Grove (PG) to deter seagulls from raiding trash containers. He stated that on June 12th, he had received a call from a concerned PG resident asking about the District's Bird Abatement Program, which the District initiated in March of 2010. She believed there was a connection between the District's program and the rise in the number of seagulls in PG over the last three years. At her request, staff sent her staff reports outlining how and why the District has engaged in a bird abatement program.

He further reported that the District had recently received news that the Anaerobic Digester Pilot Project had received the Solid Waste Association of North America (SWANA) Gold Award in the Composting category. The award will be presented at the annual SWANA conference which will be held in Dallas, TX, from August 26-28, 2014.

BOARD COMMUNICATIONS

There were no Board communications.

ELECTION OF OFFICERS FOR FISCAL YEAR 2014/15

General Manager stated that the one year terms of Chair and Vice Chair of the District Board ends with the June meeting. He stated that there were no procedures outlined in the governing legislation of the District related to election of officers, nor has the District Board adopted formal procedures for such elections. Board members asked that Legal Counsel and staff consider formal election procedures. Discussion followed regarding nominations.

It was moved by Director Parker, seconded by Director McCloud, and Approved by Vice Chair Laska, and Directors Downey, McCloud, Parker, Pendergrass, and Oglesby, with Chair Allion abstaining To: Re-elect Dennis Allion as Chair for Fiscal Year 2014/15.

It was moved by Director McCloud, seconded by Director Pendergrass, and Approved by Chair Allion, Vice Chair Laska, and Directors Downey, McCloud, Parker, and Pendergrass, with Director Oglesby abstaining To: Elect Ian Oglesby as Vice Chair for Fiscal Year 2014/15.

CLOSED SESSION

The Board went into closed session at 11:18 a.m. regarding the following:


- 1) Property: Landfill Site Space/Capacity
 District Negotiators: William Merry and Tim Flanagan
 Negotiating Parties: Cities of Gilroy/Morgan Hill
 Terms: All Terms and Conditions
- 2) Conference with Labor Negotiators:
 District Negotiators: William Merry, Tim Flanagan, and Daylene Alliman
 Employee Organizations: Operating Engineers and Management Employees

The Board came out of closed session at 11:54 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 labor negotiators, relative to that matter, but no reportable action was taken.

ADJOURNMENT


There being no further business to come before the Board at this time, the June 20, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to July 18, 2014 by Chair Allion at 11:55 a.m.

RECORDED BY:



 Rebecca G. Aguilar
 Administrative Support Supervisor/
 Recording Secretary

AUTHENTICATED BY:



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