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VICE CHAIR

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



TIMOTHY S. FLANAGAN
GENERAL MANAGER

GUY PETRABORG, P.E., G.E.
PRINCIPAL ENGINEER

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.
May 20, 2016

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Dennis Allion, (Chair), City of Del Rey Oaks Councilmember (Via Conference Call)
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 (Via Conference Call)
Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
Bruce Delgado, City of Marina Mayor
Carrie Theis, City of Carmel-by-the-Sea Mayor Pro Tem

STAFF PRESENT: Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Berta Torres, Human Resources Manager
Chuck Rees, Finance Manager
Clyde Walkup, Materials Recovery Manager
David Ramirez, Senior Engineer
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Guy Petraborg, Director of Engineering & Compliance
Jeff Lindenthal, Director of Communications & Sustainability
Rebecca Aguilar, Executive Assistant/Clerk of the Board
Kimberle Herring, Public Education Coordinator
Angela Goebel, Public Education Specialist
Eric Sanico, Materials Recovery Facility Supervisor
Baldo Trujillo, Materials Recovery Facility Supervisor
Antonio Diaz, Materials Recovery Facility Operator II
Sten Strandberg, Site Supervisor

OTHERS PRESENT: Dennis Barwick, ACP Structural Construction
Ted Terrasas, City of Monterey
Charlie Cordova, GreenWaste Recovery
Doug Drennan, JR Miller & Associates
Mark Dias, Monterey County Environmental Health Bureau
David Carriaga, Operating Engineers Local 3
Doug Kenyon, Republic Services of Salinas
Cesar Zuniga, Salinas Valley Solid Waste Authority
Jessica Lara
Maria Lara
Adelle Reyes

ROLL CALL AND ESTABLISHMENT OF QUORUM

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

GENERAL MANAGER COMMUNICATION (OUT OF ORDER)

Chair Allion stated that the General Manager wished to recognize several District employees for their emergency response to a customer at the Materials Recovery Facility (MRF). General Manager introduced Materials Recovery Facility (MRF) Manager Clyde Walkup who stated that the District provides emergency response training to its employees. That training had been utilized by the employees who provided assistance to a customer in distress. He introduced Antonio Diaz, Baldo Trujillo and Eric Sanico. Another employee, Sten Strandberg, was not present at the meeting.

General Manager stated that following the occurrence, the Marina Fire Chief had made a special trip here to personally commend staff for their emergency response and said it was unprecedented that a facility like the District's would be able to administer CPR, get the defibrillator to the site, attach the device correctly, and be able to administer two shocks. He had also stated that the responding fire crew had been impressed by staff's awareness to maintain operations by diverting traffic from the accident site. The Board applauded and commended staff for their actions.

CONSENT AGENDA

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

- 1) **Approve Minutes of April 22, 2016 Regular Board Meeting**
- 2) **Approve District Report of Disbursements, and Board and Employee Reimbursements**
- 3) **Authorize Casting of Ballot in Favor of Proposed Amendments to California Special District Association Bylaws**
- 4) **Authorize General Manager to Execute Settlement Document(s) in Case of Lewis v. District et al**

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) Receive Report from Finance Committee Chair on Meeting of May 4, 2016

The Board reviewed a memorandum from Finance Committee Chair Allion, which summarized the discussion held at the meeting regarding the preliminary budget for Fiscal Year (FY) 2016/17. Chair Allion stated that following the meeting, and based on the recommended rejection of the single bid received for the MRF construction, under Agenda Item 8, the Preliminary budget would not be presented until the June Board meeting. This was necessary since the Preliminary Budget assumptions had to be revised due to the anticipated delay in the project schedule for the MRF Improvement Project.

It was moved by Director Parker, seconded by Vice Chair Oglesby, and Unanimously Carried to: Receive Report from Finance Committee Chair on Meeting of May 4, 2016.

6) Receive Report from Personnel Committee Chair on Meeting of May 4, 2016

The Board reviewed a memorandum from Personnel Committee Chair Allion. The Committee received information on the personnel impacts to the FY 2016/17 Budget, and was provided an update on the status of current staffing recruitments. Chair Allion stated that the staffing budget would also need to be revised due to the anticipated delay in the project schedule for the MRF Improvement Project.

It was moved by Director Theis, seconded by Director Downey, and Unanimously Carried to: Receive Report from Personnel Committee Chair on Meeting of May 4, 2016.

7) Receive Report from the Ad Hoc Committee and Its Recommendation to Approve a Response Letter to Salinas Valley Recycles (SVR)

Chair Allion reminded the Board of the letter received from the Salinas Valley Recycles requesting information on "Inter-Agency Collaboration and CEQA Analysis". The letter had been presented to the Board at the April 22, 2016 Board meeting. At that meeting, he had formed an Ad Hoc Committee, comprised of himself, and Board members Downey and Bales, in order to discuss the letter and bring back a recommendation to the full Board on how to respond to the SVR. The Board reviewed the recommended response letter.

Board discussion followed regarding the content of the response letter. Director Parker expressed concern regarding authorizing staff to meet with the SVR instead of appointing a committee of the Board to meet with a committee of SVR Board members as recommended in the Countywide Integrated Solid Waste Management Study (Study). She also referenced a white paper and stated that she did not support sending a letter at this time because she was not convinced that the SVR letter was the direction of the full SVR Board. Legal Counsel commented that the matter before the Board was only to respond to the letter received from the SVR. The AdHoc Committee had held discussion of a white paper because Chair Allion had been aware of one, although it has not been seen by staff or the Board. Director Parker recommended that Board members speak to their respective city managers for input regarding the formation of a committee of both respective Boards as recommended in the Study. Director Downey stated that the proposed response letter was in accordance to the Board's position to not consider merger or consolidation, although the District was prepared to discuss acceptance of waste by contract.

Director Theis expressed concerned about the tone of the letter with regard to contract services and agreed with Director Parker of having a committee of the two Boards meet. Director Pendergrass believed that the SVR Board was aware of the letter sent by their General Manager and reiterated that there should be no consideration of a merger. The issue of accepting waste by contract was open for discussion.

It was moved by Director Pendergrass, seconded by Director To Receive Report from the Ad Hoc Committee and Its Recommendation to Approve a Response Letter to Salinas Valley Recycles (SVR).

Director Oglesby stated that he did not believe that the SVR General Manager would send the letter without his Board approving it. He agreed with the tone of the letter and he was open to having an Adhoc committee meet with the SVR. Legal Counsel stated that the SVR letter had been presented to the SVR Board prior to being sent to the District. Director Delgado agreed that it would be beneficial for members of each Board meet. He also expressed concern with the tone of the letter and provided suggestions to soften the tone. Director Bales stated that it has always been the District Board's policy that joint governance is not open for discussion. He stated that he had participated in several joint committee meetings over the years and he believed this had been made clear to

the SVR. Director Bales further stated that the SVR has operational issues and was asking the District to help solve them. He was open to assisting the SVR and felt the letter served to remind the SVR of the Board's position. Chair Allion stated that his experience has been that negotiating with fellow agencies was not easy, but was the best path forward to provide the best services to the public. He suggested changes to the letter to soften the tone and stated that the District was open to helping the SVR, while serving its own constituency, and not open to joint governance.

Legal Counsel provided suggested language changes in the letter to incorporate the Board's suggestions. Director Downey suggested inclusion of joint committee meetings be included in the letter. Board discussion continued regarding meeting with a committee of the SVR Board. Director Allion stated that he had been approached by a Board member of the SVR regarding the aforementioned white paper and its content. He stated that his response to the SVR Board member was that the District was open for discussion and therefore agreed that it should be included in the letter that a committee of the District Board was willing to meet with a SVR committee. Director Pendergrass amended his previous motion as follows:

It was moved by Director Pendergrass, seconded by Director Downey To Receive Report from the Ad Hoc Committee and Approve a Response Letter to Salinas Valley Recycles (SVR) as Amended by Legal Counsel.

Director Parker expressed concern regarding previous joint governance discussion and missing an opportunity to meet with a committee of the SVR without having staff present.

*It was moved by Director Pendergrass, seconded by Director Bales Approved by Directors Bales, Downey, Laska, and Pendergrass; Opposed by Chair Allion, Vice Chair Oglesby, Directors Delgado, Parker and Theis
To: Call for the Question. Motion Failed on a 5 to 4 Vote*

Discussion continued regarding meetings of the two entities on an Ad Hoc level. Director Theis provided a substitute motion.

It was moved by Director Theis, seconded by Director Downey To Receive Report from the Ad Hoc Committee and Approve a Response Letter to Salinas Valley Recycles (SVR) General Manager and the Board as Amended by Legal Counsel to Incorporate Suggestion of Having Ad Hoc Committee of Both Boards Meet for Further Discussion.

Chair Allion stated that the Adhoc Committee would continue to stress emphatically that merger was not an option. Director Oglesby commented that he supported the current District Ad Hoc's position that merger was not an option, although he believed that continued conversations with the SVR Board would be beneficial to discuss the Study and why some of the recommendations had not been implemented. Discussion continued regarding specifying the countywide study in the letter. Legal Counsel suggested language to include the study in the motion. Director Theis revised her motion.

It was moved by Director Theis, seconded by Director Downey and Approved by Chair Allion, Vice Chair Oglesby, and Directors Delgado, Downey, Laska, Parker, and Theis; Opposed by Directors Bales and Pendergrass To: Receive Report from the Ad Hoc Committee and Approve a Response Letter to Salinas Valley Recycles (SVR) General Manager and the Board as Amended by Legal Counsel, to Incorporate Suggestion of Having Adhoc Committee of Both Boards Meet for Further Discussion, Including the Countywide Integrated Solid Waste Management Study. Motioned Passed on a 7 to 2 Vote

8) Reject Bid for Construction of Materials Recovery Facility Improvements

The Board reviewed a memorandum from Director of Engineering & Compliance recommending the rejection of the one qualified bid from Stronghold Engineering of Riverside, CA, for the MRF Facility Improvements because it was substantially higher at over \$12.6 million than the engineering estimate. This bid was for the civil, electrical, mechanical and general construction work required to support the equipment previously procured from Bulk Handling Systems (BHS). Staff recommended rejection at this time in order to develop alternatives to allow for the required work to be performed at or close to the original engineering estimates of approximately \$4.5 million.

Board discussion followed regarding the delay and the causes of the bidder being higher than the engineering estimate. Principal Engineer stated that the project is anticipated to be delayed for about 10 months.

It was moved by Director Delgado, seconded by Director Laska, and Unanimously Carried to: Reject Bid for Construction of Materials Recovery Facility Improvements.

STAFF REPORTS**9) Review Finance, Operating, and Recycling Reports**

The Board reviewed the financial statements for February 2016. The Year-to-Date Operating Income through February 2016 is \$2,101,907 or \$2,004,574 above Budget. The Year-to-Date Operating Expenses through February 2016 is at budget level. The Tipping Fees Revenues for the month of April 2016 are continuing to be good and are estimated at \$1,900,000, which is \$470,000 above budget. The Year to Date Tipping Fees Revenues through April are estimated at \$17,400,000, which is \$3,000,000 above budget. The Board also reviewed the Operating Report for April 2016.

10) Report on Public Education and Recycling

The Board reviewed a memorandum from Director of Communications & Sustainability Jeff Lindenthal in which he reported on the new school assembly program and the recent Earth Day plant sale at the Last Chance Mercantile.

At the meeting, staff reported on the recent Artist In Residence Program and the extremely successful event held at the Last Chance Mercantile on May 12th. Jessica Lara, one of the artists who participated in the program, addressed the Board and expressed appreciation for the program and for District staff's assistance during her time participating in the program.

11) Report on District Capital Projects

The Board reviewed a memorandum from Director of Engineering & Compliance Guy Petraborg regarding District Capital Projects.

12) Report on April 19, 2016 Special Districts Association of Monterey County Meeting

The Board received a report from Chair Allion for the April 19th meeting.

13) Report on May 11, 2016 Technical Advisory Committee Meeting

The Board received the minutes for the May 11th Technical Advisory Committee (TAC) meeting.

14) Report on May 12, 2016 Monterey Bay Community Power Project Development Advisory Committee (PDAC) Meeting

General Manager reported that the Project Development Advisory Committee (PDAC) had approved final revisions to the information packet that had been assembled for each County and City partner's consideration. The entire packet was available on the Monterey Bay Community Power website (www.montereybaycca.org). He reminded the Board of the PDAC-hosted study sessions that would take place in the Monterey County May 24th), Santa Cruz County (June 9th), and San Benito County (June 9th) Board of Supervisors Chambers and encouraged Board members and member agency staff to attend.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that AB 1817 had been voted out of Senate Governance and Finance committee by a 6-0 vote and was headed to the floor of the Senate. He also invited the Board the employee barbecue that will be held on June 22, 2016.

BOARD COMMUNICATIONS

Director Delgado expressed appreciation to District Public Education staff for their participation in Marina's Earth Day celebration. Director Bales advised the Board that a former employee of the District had received the KSBW Jefferson Award and would be recognized at the June Board meeting.

CLOSED SESSION

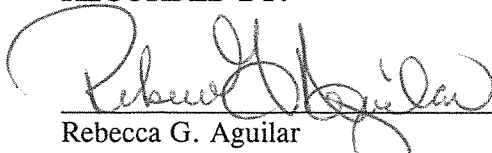
General Manager stated that a closed session on the item listed on the closed session agenda was not necessary.

- 1) Conference with Legal Counsel--Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (One Case)

ADJOURNMENT

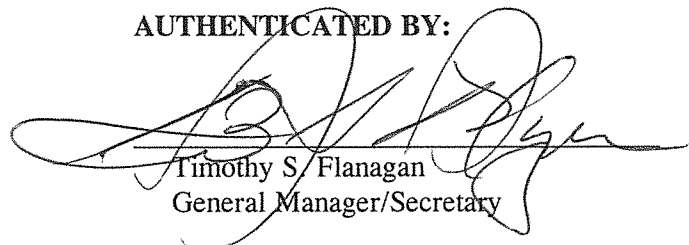
There being no further business to come before the Board at this time, the May 20, 2016 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Allion at 11:57 a.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary