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DISTRICT ENGINEER

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ASST. GENERAL MANAGER

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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.
February 20, 2015

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Dennis Allion (Chair), City of Del Rey Oaks Councilmember
Gary Bales, City of Pacific Grove
Ian Oglesby (Vice Chair), City of Seaside Mayor Pro Tem
David Pendergrass, City of Sand City Mayor
Leo Laska, Pebble Beach Community Services District Board Boardmember
Libby Downey, City of Monterey Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Carrie Theis, City of Carmel-by-the-Sea Councilmember

MEMBERS ABSENT: 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
Berta Torres, Interim Human Resources Manager
Jeff Lindenthal, Director of Community Programs
Rick Shedden, Senior Engineer
Richard Pettitt, Site Manager
Glen Evett, Last Chance Mercantile & Hazardous Materials Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator
Leticia Yanez, Site Support Assistant

OTHERS PRESENT: Haven Parker, Carmel High School
Eliza Perkins, Carmel High School
Gina Sakoda, Carmel High School
Ted Terrasas, City of Monterey
Charlie Cordova, GreenWaste Recovery
Emily Hansen, GreenWaste Recovery
Jim Moresco, GreenWaste Recovery
Gabriela Carbajal, Monterey County Environmental Health Bureau
Naomi Pollack, National Marine Sanctuary
Alyssa Nally, National Marine Sanctuary
Kirstie Wilde

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the February 20, 2015 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Director Allion at 9:30 a.m.

PUBLIC COMMUNICATIONS

Kirstie Wilde, a resident of Pacific Grove, addressed the Board to express concern about the increasing amount of gulls in Pacific Grove, which she believed was attributed to the District's bird abatement program. She asked that the Board consider suspending the program until a full environmental study could be conducted.

Director Bales introduced Pacific Grove Councilmember Bill Peake.

CONSENT AGENDA

Following a motion by Director Bales, and seconded by Director Laska, the Board unanimously approved the Consent Agenda.

- 1) Approve Minutes of January 16, 2015 Regular Board Meeting
- 2) Approve Report of Disbursements, and Board and Employee Reimbursements
- 3) Adopt Resolution 2015-02 "Supporting Students for Zero Waste Week" 2015

PRESENTATION

- 4) Presentation of Resolution 2015-02 to Carmel High School Students on Behalf of Students for Zero Waste Week, hosted by the Offices of National Marine Sanctuary

Kimberle Herring, District Public Education Coordinator addressed the Board to provide background information on Zero Waste Week. During March 6 – April 24, 2015, schools choose a week to carry out their Zero Waste Week campaign and students focus on reducing waste with a goal of raising awareness about the wastefulness of single-use plastic bags and bottles, and the impact of such litter upon the health of local watersheds and our National Marine Sanctuary. The District provides both financial sponsorship and staff time to provide technical assistance for planning and event coordination.

She introduced Naomi Pollack, coordinator of the program, and Alyssa Nally, intern for the program, as well as three students from Carmel High School, Haven Parker, Gina Sakoda, and Eliza Perkins. The students provided the Board with compost made from food scraps as an example of the compost that would be produced using the food waste from their school as a result of Zero Waste Week.

Chair Allion presented the Carmel High School students with Resolution 2015-02 and thanked them for their efforts.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) **Accept Report from Finance Committee Chair on Meeting of February 4, 2015**

The Board reviewed a summary of the meeting from the Chair of the Finance Committee. Discussion was held on the Midyear budget, operations and capital projects, and the Bond financing process.

It was moved by Vice Chair Oglesby, seconded by Director Parker, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of February 4, 2015.

6) **Accept Financial Reports and Mid-Year Budget Review**

The Board reviewed the financial statements for the month of December. The Year to Date Operating Income continues to remain above budget and prior year due to increased revenues and reduced expenses. Tipping Fees Revenues for the month January 2015 are estimated at \$1,465,000 which is \$40,000 above budget and \$93,000 above last year.

The Board also reviewed a memorandum from Finance Manager Chuck Rees regarding the Fiscal Year 2014/15 Midyear Budget, which had been reviewed with the Finance Committee. Finance Manager provided the Board with an overview of the midyear budget, which shows an increase in net income of \$560,000 from budget. The District's budget shows a net income of \$1,511,000 and a reduction in unrestricted cash of \$3,820,000. Based on activity through midyear, staff now anticipates a net income of \$2,071,000 and a decrease in unrestricted cash of \$1,675,000.

Director Bales inquired on the status of the installation of the new landfill gas engine/generator. Assistant General Manager explained that the truck yard has taken priority, although staff was assessing the timing of installing the engine in coordination with a new power sales agreement.

It was moved by Director Parker, seconded by Director Theis, and Unanimously Carried To: Accept Financial Reports and Mid-Year Budget Review.

7) **Receive Update on Bond Structure and Terms, Status of Draft Engineers/Feasibility Report and Timeline for Issuance of the Revenue Bonds**

The Board reviewed a memorandum from the Finance Manager regarding the timeline and process for the issuance of the Bonds. The District's Financial Advisor, John Greenlee addressed the Board to provide information on the status of the Engineering Report prepared by HF&H Consultants. He stated that his goal was for the District to receive a AA rating and much of the Bond Public Offering Statement was based on the Engineering Report. Following review of the report, it was determined that clarification was needed, which may delay the final report. Mr. Greenlee stated that if the final bond document package was not ready for approval at the March Board meeting, he would notify the Board.

Board discussion followed regarding impacts of delaying closing the bond sale, such as higher interest rates and delay of capital projects. Director Bales suggested holding a Special Meeting of the Board, if necessary. Mr. Greenlee stated that closing the bond sale sooner would be better as he believed that by the end of the year, interest rates would go up. Finance Manager stated that the District is prefunding capital projects with the expectation that reimbursement would be provided by the bonds.

No Action Taken.

8) Approve Edits to Amendment to Joint Powers Authority (JPA) Agreement

The Board reviewed the JPA Amendment outlining minor edits made by the City of Monterey and the County of Monterey to incorporate language consistent with their franchise agreements. Staff reported that all member jurisdictions have approved the JPA amendment, although some may need to now approve the edits. Staff also reported that the County of Monterey also agreed to become a member of the Monterey Regional Waste Management Authority.

It was moved by Director Parker, seconded by Director Laska, and Unanimously Carried To: Approve Edits to Amendment to Joint Powers Authority (JPA) Agreement.

9) Adopt Resolution 2015-03 Approving Payment of \$40 Per Ton for Recyclable Materials from Member Agencies When Delivered to MRWMD Materials Recovery Facility For Processing

The Board reviewed a memorandum and Resolution from Director of Community Programs Jeff Lindenthal seeking Board approval to pay \$40 per ton for recyclable materials, which GreenWaste Recovery (GWR) is initially providing to the participating member agencies under the new franchise agreements, when the recyclable materials are redirected to the District's Materials Recovery Facility (MRF) for processing. The District has plans to develop single-stream recyclable materials processing capacity as part of its MRF Improvement Project to meet the needs of the member agencies. The District's Technical Advisory Committee discussed the matter and recommended adoption of the resolution to ensure that member agencies receive the same economic value for the duration of their agreements with GWR.

It was moved by Director Pendergrass, seconded by Director Laska, and Unanimously Carried To: Approve Resolution 2015-03 Approving Payment of \$40 Per Ton For Recyclable Materials From Member Agencies When Delivered To MRWMD Materials Recovery Facility For Processing.

10) Consider Hearing Officer's Findings, Conclusion and Recommendation and Adopt Resolution 2015-04, Consenting to the Request from Lewis C. Nelson and Sons, Inc. to Substitute a Subcontractor for Roofing Work Due to an Inadvertent Clerical Error in its Bid for the Truck Parking & Maintenance Facility

The Board reviewed a Resolution and memorandum from Assistant General Manager Tim Flanagan regarding the hearing that was conducted on February 10, 2015 on the matter of the clerical error by Lewis C, Nelson and Sons, Inc. (LCN) for the roofing contractor submitted in their bid for the Truck Parking and Maintenance Facility. Due to the fact that the listed roofing contractor, Pueblo Roofing, failed to appear at the appointed time of the hearing, the recommendation was to allow for the substitution of Andy's Roofing.

It was moved by Director Laska, seconded by Director Oglesby, and Unanimously Carried To: Adopt Resolution 2015-04 Consenting to the Request from Lewis C. Nelson and Sons, Inc. to Substitute a Subcontractor for Roofing Work Due to an Inadvertent Clerical Error in its Bid for the Truck Parking & Maintenance Facility.

11) Accept Report from Personnel Committee Chair on Meeting of February 4, 2015

The Board reviewed a summary of the meeting from the Chair of the Personnel Committee, in which staff reported on items relative to the recruitment of the Principal Engineer and the General Manager, and employee roundtable meetings. The purpose of the roundtables was to develop trust and teamwork. The Board was provided a copy of the recruitment brochure for the General Manager position. Interim Human Resources Manager Berta Torres reported that the recruitment was on schedule.

No Action Taken.

12) Consider Process for Nomination of Board Officers and Committee Appointments

The Board reviewed a draft policy, prepared by Directors Parker and Downey, on the process for electing Board officers (Chair and Vice Chair), and the appointments to Board Committees.

Discussion followed regarding the current process, the need for a formalized process, and language modifications to allow for more flexibility on the rotation of officers. Chair Allion commented that Director Theis had expressed interest in serving on the Personnel Committee and appointed her to replace Director Laska who would be resigning.

It was moved by Director Downey, seconded by Director Parker, and Unanimously Carried To: Consider Process for Nomination of Board Officers and Committee Appointments, as Modified.

13) Review District Strategic Action Plan and Provide Comments to Staff

Following a request at the January Board meeting, the Board reviewed the Strategic Action Plan and the associated actions and metrics to track the Strategic Plan.

Director Bales requested staff to consider revisiting the concept of zero waste. He also stated that under the category of innovation, wording be included to depict the District continuing as a leader in the industry, and under finances, wording such as continuing to keep the District on a sound financial basis.

Board discussion followed regarding Director Bales' comments, which were noteworthy. Staff was commended on their efforts and was provided with direction on future reporting. Staff was also directed to provide the strategic plan to the General Manager recruitment firm.

No Action Taken.

STAFF REPORTS

14) Review Operating and Recycling Reports

The Board reviewed the operating and recycling reports for January 2015.

15) Report on Public Education and Recycling

The Board reviewed a memorandum from Director of Community Programs reporting on Zero Waste Week and the new reusable shopping bags made with recycled agricultural plastic. The shopping bags will be distributed to member agencies to help with education and outreach for the plastic bag ban.

Gabriela Carbajal, Monterey County Environmental Health Bureau, addressed the Board to provide information on the status of the countywide plastic bag ban.

16) Report on January 15, 2015 Technical Advisory Committee TAC Meeting

The Board received a summary on the meeting. Director Downey inquired about the recruitment of some of the Waste Management, Inc. (WMI) route drivers as she understood all drivers would be recruited. Emily Hansen, GWR, addressed the Board and responded that WMI, would be retaining some of their drivers.

17) Report on Monterey Bay Community Choice Aggregation (CCA) and Project Development Advisory Committee (PDAC)

The Board received a report on the CCA and PDAC of which the District is a member. The CCA is working on the project to develop local utility options for all member jurisdictions in Monterey, San Benito, and Santa Cruz counties.

18) Report on January 20, 2015 Meeting of Special Districts Association of Monterey County

The Board received a summary of the meeting.

19) Report on February 11, 2015 Litter Abatement Task Force Meeting

The Board received a summary of the meeting.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

Staff reported that the PG&E Interconnection agreement for the expanded plant (additional 3.2 MW) was proceeding smoothly. PG&E had finalized the Interconnection Agreement and staff and consultants are currently reviewing it.

General Manager reported that the LAFCO Commissioners would consider the District's Municipal Services Review MSR at their February 23rd meeting, which he and Chair Allion would be attending. He stated that the Salinas Valley Solid Waste Authority had submitted a letter outlining concerns to LAFCO, and he had contacted the commissioners to inquire if they had any questions.

BOARD COMMUNICATIONS

20) Attendance at "The Essential Guide to the Brown Act" Webinar

The Board received a copy of the PowerPoint presentation provided at the February 10th webinar attended by Director Bales. Chair Allion expressed appreciation to Director Bales for his participation, which provided insurance premium discounts from the Special District Risk Management Authority.

Director Bales inquired how the Board wanted to respond to the comments made during public communications by Ms. Wilde. Legal Counsel commented that it was up to the Board to decide. Staff was directed to agendaize the matter for a future meeting.

Director Downey commented that she would not be at the March 4, 2015 Personnel Committee meeting.

CLOSED SESSION


There was no closed session.

ADJOURNMENT IN MEMORY OF ANDREW PAROLA

General Manager stated that Andrew Parola was one of the original garbage men who came out of the Bay Area to form companies of their own, and was a partner with Al Rossi for many years at Salinas Disposal before they sold the company to USA Waste. He was Gary Parola's (owner of Monterey Disposal) father.

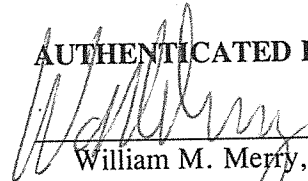
There being no further business to come before the Board at this time, the February 20, 2015 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned in memory of Andrew Parola by Chair Allion at 11:27 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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