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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 21, 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  
 Gary Bales, City of Pacific Grove  
 Sue McCloud, City of Carmel-by-the-Sea  
 David Pendergrass, City of Sand City Mayor  
 Bruce Delgado, City of Marina Mayor  
 Libby Downey, City of Monterey Councilmember  
 Ian Oglesby, City of Seaside Councilmember

**MEMBERS ABSENT:** Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

**STAFF PRESENT:** William Merry, General Manager  
 George Thacher, Legal Counsel  
 Tim Flanagan, Assistant General Manager  
 Jeff Lindenthal, Deputy General Manager for Community Programs  
 Rick Shedden, Senior Engineer  
 Chuck Rees, Finance Manager  
 Daylene Alliman, Human Resources Manager  
 Glen Evett, Last Chance Mercantile/Hazardous Materials Manager  
 Clyde Walkup, Materials Recovery Facility Operations Manager  
 Richard Pettitt, Site Manager  
 Ron Mooneyham, Equipment Maintenance Manager  
 Rebecca Aguilar, Administrative Support Supervisor  
 Kimberle Herring, Public Education Coordinator

**OTHERS PRESENT:** Ted Terrasas, City of Monterey  
 Charlie Cordova, Green Waste Recovery  
 Jim Moresco, Green Waste Recovery  
 Emily Hansen, Green Waste Recovery  
 Ric Encarnacion, Monterey County Environmental Health Division  
 Teresa Rios, Monterey County Environmental Health Division  
 Naomi Pollack, Offices of National Marine Sanctuary Ocean Garden School Program  
 Mike Niccum, Pebble Beach Community Services District  
 Doug Kenyon, Republic Services of Salinas  
 Rose Gil, Salinas Valley Solid Waste Authority  
 Patrick Mathews, Salinas Valley Solid Waste Authority

**OTHERS PRESENT:** Ron Provost, Stevenson School  
(continued) Alyssa Newman, Stevenson School  
Jessi Goodman, Stevenson School  
Kendra Calhoun, Steven School

### ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the February 21, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Allion at 9:00 a.m.

### CLOSED SESSION

The Board went into closed session at 9:05 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 9:45 and Legal Counsel announced that the Board had taken up the two items on the closed session agenda. With regard to Item 1, discussion was held, and no action was taken. With regard to Item 2, discussion was held and direction was given to District negotiators; no action was taken.

### PUBLIC COMMUNICATIONS

There were no public comments.

### CONSENT AGENDA

*Director McCloud requested that Item 5 be pulled from the Consent Agenda.*

*Following a motion by Director McCloud, and seconded by Vice Chair Laska, the Board unanimously approved Consent Agenda Items 1-4, and 6.*

- 1) Approve Minutes of January 8, 2014 Special Board Meeting
- 2) Approve Minutes of January 17, 2014 Regular Board Meeting
- 3) Approve Report of Disbursements
- 4) Accept Report from Personnel Committee Chair on Meeting of January 29, 2014
- 6) Adopt Resolution 2014-01 "Supporting Students for Zero Waste Week", March 17-21, 2014

**PULLED ITEM FROM CONSENT AGENDA**

**5) Approve Updated Travel and Reimbursement Policy**

The Board reviewed a memorandum and updated Travel and Reimbursement Policy from Human Resources Manager Daylene Alliman. Director McCloud inquired on out-of state and international travel, and the absence of a cash advance for authorized travel and the hardship it might cause employees. Director Allion asked if the policy was applicable to the Board. Human Resources Manager responded that out of state and international travel were included in the policy, and that anticipated expenses related to authorized travel were mainly for incidentals as the District typically pre-paid for travel and lodging expenses. She stated that the policy included Board members. Director McCloud asked that amendments be made to the policy as discussed and for clarification.

It was moved by Director McCloud, seconded by Vice Chair Laska, and Unanimously Carried To: Approve Updated Travel and Reimbursement Policy as Amended.

**PRESENTATIONS**

**7) Presentation of Resolution 2014-01 to Offices of National Marine Sanctuary Ocean Garden School Program**

Ron Provost, instructor at Stevenson School introduced students Alyssa Newman, Jessi Goodman, Kendra Calhoun , who provided background information on the NOAA's Ocean Guardian School program and the campaign for Students for Zero Waste Week. Mr. Provost also introduced Naomi Pollack from the Offices of National Marine Sanctuary Ocean Garden School Program.

On behalf of the Board, Chair Allion presented the students with a Resolution supporting Zero Waste Week, March 17 - 21, 2014.

**8) Five Year Award to Director Bruce Delgado**

On behalf of the Board, Chair Allion congratulated Director Delgado and presented him with a five-year service award. Director Delgado commented that he enjoyed serving on the District Board.

**OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**

**9) Accept Report from Finance Committee Chair on Meeting of January 29, 2014**

The Board review the Finance Committee Report prepared by Committee Chair Allion.

It was moved by Director McCloud, seconded by Director Oglesby, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of January 29, 2014.

**10) Receive Financial Reports and Mid-Year Budget Review**

The Board reviewed the financial statements for December 2013 and January 2014. The year-to-date Operating Revenues are above budget by \$1,893,453, and above last year by \$1,295,400, at \$12,828,036.

Year-to-date tipping fee revenues are \$10,099,152, above last year by \$1,091,113 and budget by \$1,783,735. Year-to-date Total Operating Expenses are above budget by \$55,356 and above last year by \$226,251, at \$11,032,523. Year-to-date Total Salary Expenses are below budget by \$305,473 and last year by \$480,783.

The Midyear Budget for the FY 2013/14 was reviewed by the Board. Finance Manager provided a brief overview of the midyear budget. Mid-year budget estimates for 2013/14 show an increase in net income of \$2,582,000 from Budget due primarily to increased acceptance of contract waste. Total Operating Expenses are projected to be above budget by \$331,000 because of increased state and county disposal taxes on the increased amount of waste, and unexpected repairs and maintenance on the Landfill Gas (LFG) to Energy Power Project. Capital Outlays are below budget by \$1,512,000 due primarily to the delay in spending on the LFG Blower Ground Flare.

It was moved by Director McCloud, seconded by Director Oglesby, and Unanimously Carried To:  
*Receive Financial Reports and Mid-Year Budget Review.*

**11) Authorize General Manager to Negotiate One Year Agreement with Cornerstone Resources to Host Pilot Demonstration of Cornerstone's "BurCell" Waste Pre-Processing System**

The Board reviewed a proposal from Cornerstone Resources to have the District host a pilot demonstration project, along with information about their "BurCell" process. General Manager stated that The "BurCell" unit takes lower grade organics and pre-processes them before they are introduced into the ZWE SmartFerm Anaerobic Digester (AD) system, which was installed during 2013. ZWE would also participate in the project. There would be little if any cost to the District to host the pilot demonstration project. Cornerstone would be responsible to obtain all necessary permits and to conduct their trial tests. In return, the District would obtain real time test data results for a system that would be complementary to the AD system.

The Board also reviewed letter from Alexander Bascom with Global Organics Energy (GOE), expressing gross misrepresentations made in the Cornerstone proposal with regard to the GOE integrated system. In the letter, Mr. Bascom invited the Board to tour their project located at the Crazy Horse Landfill. Board discussion followed regarding GOE's project and the Burcell project.

Patrick Mathews, Salinas Valley Solid Waste Authority (SVSWA) General Manager, addressed the Board and stated that the SVSWA has been looking at various technologies. He stated that the SVSWA had approved a commercial scale auto-clave in partnership with GOE, and looked forward to sharing information.

It was moved by Vice Chair Laska, seconded by Director McCloud, and Unanimously Carried To:  
*Authorize General Manager to Negotiate One Year Agreement with Cornerstone Resources to Host Pilot Demonstration of Cornerstone's "BurCell" Waste Pre-Processing System.*

**12) Authorize Staff to Conduct a One-Day Household Hazardous Waste Collection Event in 2014 at a Monterey Peninsula Location at Estimated Cost of \$30,000**

The Board reviewed a memorandum from Last Chance Mercantile/Hazardous Materials Manager Glen Evett. General Manager stated that the District has not sponsored a one day collection event since 2002, and with the reduction last year in the operating hours of the household hazardous waste (HHW) program, this will be a good opportunity to further extend the program into the community.

It was moved by Director Delgado, seconded by Director McCloud, and Unanimously Carried To: Authorize Staff to Conduct a One-Day Household Hazardous Waste Collection Event in 2014 at a Monterey Peninsula Location at Estimated Cost of \$30,000.

**13) Authorize Scope of Work from JR Miller & Associates to Proceed with Phase I of Final Plans and Specifications for Materials Recovery Facility (MRF) Improvements at a Cost of \$175,000**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan and the proposed scope of work for the MRF improvements. He also provided the Board with background information to date leading to the recommendation of staff to proceed with Phase I. The MRF improvements would replace the existing sort line equipment and would install a new second sorting line for recycling of commercial and multifamily dwellings (apartments), as mandated by the state, using the existing MRF building footprint.

Board discussion followed regarding total costs for the MRF improvements, including a new sorting line, versus the costs for only replacing the existing sort line equipment, and whether the improvements would be necessary if the current waste hauler had been recommended during the ongoing franchise process. Assistant General Manager stated that although the collection franchise procurement process has contributed to the final design of the MRF, staff would have recommended the improvements regardless of which franchise hauler was selected. Director Downey stated that the City of Monterey agreed that the existing MRF equipment needed to be replaced, but did not believe that all the improvements were needed, such as the second sorting line, and was willing to discuss the matter further with District staff. Director Delgado stated that the consultant, Kathleen Gallagher, hired by the City of Marina, and the representative on the District's Technical Advisory Committee (TAC), had raised some questions, mainly focused to whether the MRF improvements were needed given the commitment by GreenWaste Recovery (GWR), the hauler recommended by the TAC, to recycle 65% of the wastestream hauled by GWR. Staff provided the Board with information on current recycling percentages achieved by each member agency jurisdiction, by the District, and by the waste hauler. The MRF improvements, coupled with franchise hauler recycling efforts, are projected to enable all member agency jurisdictions to reach the state recycling goal of 75% by 2020.

Board discussion followed regarding recycling percentages, the questions raised by Ms. Gallagher, and value-added by the MRF improvements. Vice Chair Laska clarified that this action was to move the design phase forward and if there was enough information in order for the consultant to design something that could be scalable depending on the need. Director Delgado expressed concern on expending \$175,000 when it was unclear how much the recycling percentage would be increased based on GWR's commitment.

Emily Hansen of GWR addressed the Board and stated that GWR's commitment was to recycling 65% of what they picked up at the curbside, regardless of whether the material was brought to the District. Chair Allion stated that it was important to remember that part of the improvements included replacement of old equipment and it was critical to understand how the additional investment would facilitate achieving the 75% diversion goal. Assistant General Manager stated that the Phase I final design effort would provide the information needed in order for District staff to make a recommendation on the final design of the MRF equipment needed, and the Board to make a more informed decision from that recommendation. General Manager stated that staff was making the recommendation at this time because it was prudent to do so, based on the District's history of MRF operations during the past 20 years, although the design could be done in increments. Director Oglesby agreed that the implementation of the design could be incremental, and the Phase I work would help determine how to best proceed.

*It was moved by Director Oglesby to Authorize Scope of Work from JR Miller & Associates to Proceed with Phase I of Final Plans and Specifications for Materials Recovery Facility (MRF) Improvements at a Cost of \$175,000. The motion was seconded by Director McCloud.*

Ms. Gallagher addressed the Board and stated that as a participant in the TAC process, she had reviewed the GWR proposal. She expressed concern regarding scope of work relative to the mixed waste processing especially with the commitment of the proposed franchised hauler Green Waste Recovery (GWR). She recommended deferring this item to the TAC for cost benefit discussion and analysis, in order to provide more thorough analyses to the Board. The Board was provided with a list of questions posed by Ms. Gallagher. Director McCloud expressed regret that the concerns were not raised directly to District staff prior to the meeting packet preparation for Board review, or prior to the Board meeting.

Doug Drennen, JR Miller & Associates, addressed the Board and stated that Ms. Gallagher's questions were important. As part of the scope of work, it was their intent to integrate the anticipated effectiveness resulting from the collection process of GWR in their design. He stated that in order for member jurisdictions to achieve 75%, the District would need to process mixed waste. He stated that before they released a request for proposals to equipment vendors, it was imperative to define the anticipated collection effectiveness so that the equipment vendors knew what to propose, based on a full implementation or a phased approach.

Discussion was held on the scope of work, the cost of \$175,000, and what it included. Mr. Drennen stated that discussions would be held with GWR regarding their proposed recycling program. Assistant General Manager stated that it has always been staff's intention to include the TAC and the franchise haulers in the MRF improvement discussions during the the final design stage of the planning process.

Mike Niccum, General Manager for PBCSD, addressed the Board and stated that it has been identified that diversion of organics is needed and how GWR is planning to do this still needs to be discussed. He believed that discussion through the TAC was a good place to further define this question.

*It was moved by Director Downey to Refer the Final Plans and Specifications for the MRF Improvements to the District's TAC for Review and Cost Benefit Analysis, and Return Back to the Board. Director Delgado seconded the motion.*

Director McCloud expressed concern with referring it to the TAC and delaying the process since they had not been part of the Board meeting discussion. She suggested that staff meet with Ms. Gallagher and Mr. Drennen. Vice Chair Laska stated that the controversial piece of the scope of work seemed to be the mixed waste processing component. He believed that if information resulted from discussions which precluded the mixed waste processing component, the scope of work could be modified.

*Director McCloud motioned that a Committee be formed to Include Mr. Drennen, Ms. Gallagher, and representatives from GWR, as well as other interested parties to review the scope of work and address the questions raised by Ms. Gallagher. The motion died for lack of a second.*

Discussion followed regarding the motion made by Director McCloud. Director Downey stated that the TAC could review the minutes to gain an overview of the discussion held by the Board. Assistant General Manager stated that as identified in the scope, workshops would be held with interested parties to discuss final design of the equipment plans. Chair Allion added that the scope of work should specify that the TAC be included in the workshops.

It was moved by Director Downey, seconded by Director Delgado, and Approved by Directors Downey and Delgado; Opposed by Chair Allion, Vice Chair Laska, and Directors Bales, McCloud, Pendergrass, Oglesby To: Refer the Final Plans and Specifications for the MRF Improvements to the District's TAC for Cost Benefit Analysis and Return Back to the Board. Motioned Failed.

It was moved by Director Oglesby, seconded by Director McCloud, and Approved by Chair Allion, Vice Chair Laska, and Directors Bales, McCloud, Pendergrass, Oglesby; Opposed by Directors Downey and Delgado To: Authorize Scope of Work, as Amended to Include the TAC, from JR Miller & Associates to Proceed with Phase I of Final Plans and Specifications for Materials Recovery Facility (MRF) Improvements at a Cost of \$175,000. Motioned Carried.

Director Delgado retired from the meeting at 11:40 a.m.

Director McCloud inquired whether the MRF would be closed during the renovation to which Assistant General Manager responded that it was anticipated that a shutdown would be necessary. Director McCloud asked that the impact of the closure be included in the TAC discussions.

- 14) Receive Report on On-Site Truck Parking, Fueling, and Maintenance Facility, and
- a. Authorize Scope of Work from JR Miller & Associates to Prepare Preliminary Site Plans for Truck Parking, Fueling, and Maintenance Facility at a Cost of \$43,000
  - b. Authorize District to Act as Lead Agency for Environmental Review of Proposed Truck Parking, Fueling, and Maintenance Facility
  - c. Approve Proposal from Denise Duffy & Associates, Inc. to Conduct Environmental Review for the Proposed Truck Parking, Fueling, and Maintenance Facility at a Cost Not-to-Exceed \$45,841

The Board reviewed memorandums from Senior Engineer Rick Shedden and Assistant General Manager. General Manager stated that in December 2013, the Board had authorized staff to proceed with efforts to locate a truck yard on-site, an effort related to the selection by the seven member agencies of the District of GWR for negotiations for a ten year collection contract, beginning early in the year 2015. Upon approval, preliminary work would commence to prepare the site plan and building layout, and to prepare the environmental documents for the project. Ideally, the truck maintenance facility would be operational before GWR assumed operation of the first Peninsula franchise contract.

Director Pendergrass retired from the meeting at 11:45 a.m.

Board discussion followed regarding the scope of work and the District acting as lead agency.

- It was moved by Vice Chair Laska, seconded by Director McCloud, and Unanimously Carried To: Receive Report on On-Site Truck Parking, Fueling, and Maintenance Facility, and
- a. Authorize Scope of Work from JR Miller & Associates to Prepare Preliminary Site Plans for Truck Parking, Fueling, and Maintenance Facility at a Cost of \$43,000.
  - b. Authorize District to Act as Lead Agency for Environmental Review of Proposed Truck Parking, Fueling, and Maintenance Facility.
  - c. Approve Proposal from Denise Duffy & Associates, Inc. to Conduct Environmental Review for the Proposed Truck Parking, Fueling, and Maintenance Facility at a Cost Not-to-Exceed \$45,841.

**STAFF REPORTS**

**15) Review Operating, and Recycling Reports**

The Board reviewed the January 2014 Operating Reports.

**16) Report on Solid Waste, Recycling, and Organics Collection Services Request for Proposals Selection Process**

The Board reviewed memorandum from Deputy General Manager for Community Programs Jeff Lindenthal reporting on the status of the franchise procurement process.

**17) Report on January 21, 2014 Meeting of Monterey County Special Districts Association**

The Board received a memorandum from Chair Allion summarizing the January 21, 2014 Monterey County Special Districts Association meeting.

**18) Report on Solid Waste Legislation and Regulatory Matters**

The Board reviewed a draft letter of support for the proposed SB 1014 (Jackson)-Safe Medication Management, which is an Extended Producer Responsibility (EPR) Bill for proper management statewide of expired and unwanted pharmaceuticals. This letter of support falls under the October 2012 Resolution adopted by the Board to support EPR initiatives, including for pharmaceuticals. Director McCloud provided suggestions to the letter.

General Manager provided the Board with a report on the AB 32 Scoping Plan and Key recommended actions for the Waste Sector.

**OTHER CORRESPONDENCE**

There was no other correspondence.

**GENERAL MANAGER COMMUNICATIONS**

General Manager reminded the Board that the Annual Statement of Economic Interests (Form 700) had to be filed with the Monterey County Clerk's office no later than April 1<sup>st</sup>. All Board members need to submit two original signed statements; one for the District and another for the Authority, with the exception of Director Parker, since the County is not a member of the Authority.

He encouraged the Board to consider attending the SWANA Annual Landfill Gas, 18th Annual Landfill Symposia, and "The Road to Zero Waste" Recycling Symposia which would be held in Monterey, March 24-27, 2014.

**BOARD COMMUNICATIONS**

There were no Board communications.



**BOARD WORKSHOP**

19) Discussion and Implementation of Strategic Plan Initiatives, Including Recovering Resources from Waste


Board discussion was held regarding time constraints.

It was moved by Director Delgado, seconded by Director McCloud, and Unanimously Carried To: Postpone Discussion and Implementation of Strategic Plan Initiatives to an Alternate Date as Provided by Staff.

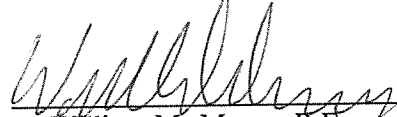
**ADJOURNMENT**

There being no further business to come before the Board at this time, the February 21, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to March 21, 2014 by Chair Allion at 11:53 a.m.

**RECORDED BY:**

  
\_\_\_\_\_  
Rebecca G. Aguilar  
Administrative Support Supervisor/  
Recording Secretary

**AUTHENTICATED BY:**

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