

BOARD OF DIRECTORS
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VICE CHAIR

GARY BALES
SUE MCCLLOUD
DAVID PENDERGRASS
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO



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WILLIAM MERRY, P.E., BCEE
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 Movement

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
April 18, 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
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Tim Flanagan, Assistant General Manager
Daylene Alliman, Human Resources Manager
Richard Shedden, Senior Engineer
Chuck Rees, Finance Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Clyde Walkup, Assistant Materials Recovery Facility Operations Manager
Richard Petitt, Site Manager
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator
Ida Gonzales, Administrative Support Specialist
Lynette Mooneyham, Accounting Assistant (OE3 Support Unit Representative)
Kirk Bennett, Laborer (LSC Unit Representative)

OTHERS PRESENT: Charlie Cordova, Green Waste Recovery
Clinton Whitney JBS Associates
Keith Day, Keith Day Company
Doug Kenyon, Republic Services of Salinas
Susan Warner, Salinas Valley Solid Waste Authority

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the April 18, 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 Delgado, the Board unanimously approved the Consent Agenda.

- 1) Approve Minutes of March 21, 2014 Regular Board Meeting
- 2) Approve Report of Disbursements

PRESENTATIONS

3) **Forty-Five Year Award to Director Gary Bales**

General Manager expressed appreciation for all of Director Bales' contribution over the past 45 years. He read a letter on behalf of John Skinner, Executive Director and CEO of the Solid Waste Association of North America, also expressing appreciation for Director Bales' commitment and contributions to the solid waste field.

Tom Frutchet, City Manager for the City of Pacific Grove, presented Director Bales with a certificate of recognition on behalf of the Mayor Bill Kampe and the city council thanking him for his representation of their city. Chair Allion presented Director Bales with a longevity award and a jacket on behalf of the District and the Board.

Director Bales thanked everyone and stated that it had been an honor and a privilege to watch the District grow over the past 45 years.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

4) **Accept Report from Finance Committee Chair on Meeting of April 2, 2014**

The Board reviewed a memorandum from Finance Committee Chair Allion summarizing the meeting of April 2, 2014. Discussion was held on the financing process for the proposed capital improvements, preparation of the FY 2014/15 Budget, and the Landfill Gas (LFG) facility operations. The Committee received a memorandum from District consultant Dave Edwards, of Dave Edwards, Incorporated (DEI), which provided an update on LFG project activities.

General Manager reported that PG&E had provided updated and reduced costs estimates for the interconnection study. Staff would provide more information to the Finance Committee at their April 30th meeting and to the full Board at the May Board meeting.

It was moved by Director Parker, seconded by Director McCloud, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of April 2, 2014.

5) Authorize Issuance of Request for Proposals to Firms to Assist as Financial Advisor for Bond Issuance

The Board reviewed a memorandum and Request for Proposals (RFP) prepared by Finance Manager Chuck Rees outlining the process anticipated to secure financing for the projected capital improvements. The Finance Committee had discussed this matter and were supportive of proceeding in this manner.

It was moved by Director Pendergrass, seconded by Director Parker, and Unanimously Carried To: Authorize Issuance of Request for Proposals to Firms to Assist as Financial Advisor for Bond Issuance.

6) Authorize Purchase of Landfill Gas Collection System Equipment, Including Blower Skid and Enclosed Ground Flare, from Perennial Energy of West Plains, Missouri, in the Amount of \$894,070 (Including Estimated Sales Tax and Shipping Cost)

The Board reviewed a report from District consultant Dave Edwards of DEI recommending the Board authorize the purchase of the LFG equipment from Perennial Energy, Inc. (PEI). DEI with the assistance of Energyneering Services had conducted a full review of the proposals. PEI had the lowest bid and following a "value engineering" effort conducted by DEI, PEI had reduced the price further.

Board discussion followed regarding the value engineering process and the cost of compressed natural gas (CNG) versus the cost of diesel fuel.

It was moved by Vice Chair Laska, seconded by Director Downey, and Unanimously Carried To: Authorize Purchase of Landfill Gas Collection System Equipment, Including Blower Skid and Enclosed Ground Flare, from Perennial Energy of West Plains, Missouri, in the Amount of \$894,070 (Including Estimated Sales Tax and Shipping Cost).

7) Authorize Issuance of Request for Proposals to Purchase a Compressed Natural Gas (CNG) Roll Off Truck for Use in Materials Recovery Facility and Site Operations

The board reviewed a memorandum from Equipment Maintenance Manager Ron Mooneyham recommending the purchase of a new CNG roll-off truck would replace an existing truck. Staff estimates a fuel cost savings of 60% by using CNG instead of diesel fuel to power future District heavy duty trucks, and this is another step forward in using the District's own biogas as fuel and in reducing carbon emissions. The Finance Committee was supportive of the purchase.

It was moved by Director Delgado, seconded by Director Oglesby, and Unanimously Carried To: Authorize Issuance of Request for Proposals to Purchase a Compressed Natural Gas (CNG) Roll Off Truck for Use in Materials Recovery Facility and Site Operations.

8) Accept Report on Local Agency Formation Commission's (LAFCO) Final Fiscal Year 2014/15 Budget and Work Plan, and Status of District's Municipal Services Review

The Board reviewed the LAFCO Budget information and Work Plan for FY 2014/15. General Manager stated that LAFCO has worked hard to keep their costs down and their budget is actually less than that of FY 2013/14. He stated that LAFCO would be conducting the District's municipal services review (MSR) during FY 2014/15. The Board was provided with a letter that the Salinas Valley Solid Waste Authority (SVSWA) sent to LAFCO concerning the District's Sphere of Influence (1982), and concerns over SVSWA facilities being within the District's Sphere of Influence.

Board discussion followed regarding the percentage that special districts pay towards the LAFCO budget. General Manager stated that the cost was shared equally between special districts, the cities, and the county (each paying one-third). Board discussion was also held regarding the SVSWA letter.

It was moved by Director McCloud, seconded by Director Parker, and Unanimously Carried To: Accept Report on LAFCO's Final Fiscal Year 2014/15 Budget and Work Plan.

9) Receive Quarterly Safety Report

The Board reviewed a Safety Report prepared by Safety Manager Jack Cook. The report covers the six month period from October 1, 2013 through March 31, 2014. Human Resources Manager stated that the District has been working with consultant Targeting Solutions in an effort to identify problem areas.

It was moved by Director McCloud, seconded by Director Bales, and Unanimously Carried To: Receive Quarterly Safety Report.

10) Deny Claim against the District Filed by Anderson Law Offices on Behalf of Former Employee and Refer to the Special District Risk Management Authority (SDRMA) for Further Action (This Matter May be Tabled Until After Closed Session)

Legal Counsel recommended the Board refer this matter to SDRMA as a procedural matter.

It was moved by Director McCloud, seconded by Director Pengergrass, and Unanimously Carried To: Deny Claim against the District Filed by Anderson Law Offices on Behalf of Former Employee and Refer to the Special District Risk Management Authority (SDRMA) for Further Action.

STAFF REPORTS**11) Review Finance, Operating and Recycling Reports**

The Board reviewed the financial statements for March 2014. Tipping Fee revenues continue to exceed budget primarily due to revenue received for acceptance of Contract and Regional Waste for disposal. Total Operating Expenses are slightly below to budget. The Board also reviewed the Operating Report for March 2014.

12) Report on Special District Risk Management Authority (SDRMA) Safety/Claims Education Day

The Board reviewed a memorandum from the Safety Manager reporting on the SDRMA Safety/Claims Education Day. He also reported on the SDRMA Credit Incentive Program (CIP) whereby savings of \$54,188 were realized this fiscal year resulting from staff and Board members attending training provided by SDRMA.

13) Report on Attendance at SWANA Conferences

The Board reviewed staff summaries of conference attendance at various SWANA conferences and training held in Monterey during March 2014. Conference attendees who toured all of the District's operations, were particularly interested in the anaerobic digester (AD) project. Assistant General Manager expressed appreciation to District employees for their role in preparing the site for the tours.

14) Report on One-Day Household Hazardous Waste Collection Event Scheduled for May 10, 2014 at Monterey Peninsula College

The Board reviewed a memorandum from Last Chance Mercantile/Hazardous Materials Manager Glen Evett regarding the collection event. The Board was provided with flyers of the event for distribution at their cities.

15) Report on April 15, 2014 Meeting of Special Districts Association of Monterey County

The Board reviewed the meeting agenda and the minutes from the January 21, 2014 meeting. General Manager stated that a written summary of the meeting would be provided at the May Board meeting.

16) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported on the April 3rd SWANA Legislative Task Force (LTF) teleconference meeting in which CalRecycle's 75% Report and CARB's AB 32 Scoping Plan were discussed as well as AB 1826 (Chesbro): Mandatory Commercial Organics Collection, beginning in 2016. The Board also reviewed a letter the District sent to the Governor's office requesting that funding not be reduced from the Beverage Container Recycling program, which now supports curbside recycling programs and litter clean up.

Director Parker provided an update on the County plastic bag ban following a request by Director Delgado, and asked that District staff contact County staff for further information and distribution to the full Board.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the Monterey Regional Water Pollution Control Agency (MRWPCA) Board had adopted the Shared Services Resolution and staffs of both agencies will be meeting to discuss continued opportunities for implementation of the Resolution throughout both organizations.

General Manager reported that a study reporting on the equipment upgrades the District would need to make in order to provide power to the proposed desalination plant was almost complete and staff intended to discuss the report with the Finance Committee. Director Delgado stated that he had received inquiries on why the plant could not be built closer to where the water was needed and drilling wells in that area. The response was that the District site was closest to the slant well sites, the geology further south, toward the Seaside Basin, did not support such drilling, and being adjacent to the MRWPCA ocean outfall for brine disposal was key to the project.

BOARD COMMUNICATIONS

There were no Board communications.

CLOSED SESSION

The Board went into closed session at 11:20 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 Legal Counsel – Anticipated Litigation: Significant Exposure to Litigation Pursuant to Subdivision (9) of Section 54956: 1 Case.
- 3) 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 11:57 a.m. and Legal Counsel announced that only listed Items 1 and 3 (and not Item 2) were taken up by the Board, and in connection with each of those matters, information was provided by the District’s negotiators, and discussed by the Board. General directions were given by the Board, but no reportable action was taken.

ADJOURNMENT

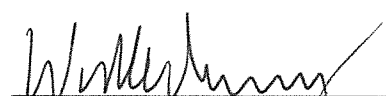
There being no further business to come before the Board at this time, the April 18, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to May 16, 2014 by Chair Allion at 11:58 a.m.

RECORDED BY:

AUTHENTICATED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary



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