

BOARD OF DIRECTORS

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IAN OGLESBY
VICE CHAIR

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



MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

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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 JOINT DISTRICT & AUTHORITY REGULAR MEETING MINUTES

Friday, 9:00 a.m.
April 17, 2015

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Dennis Allion (Chair), City of Del Rey Oaks Councilmember (Seated at 9:02 a.m.)
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 Board Boardmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Bruce Delgado, City of Marina Mayor
Carrie Theis, City of Carmel-by-the-Sea Councilmember

MEMBERS ABSENT: Libby Downey, City of Monterey Councilmember

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Chuck Rees, Finance Manager
Jeff Lindenthal, Director of Community Programs
Berta Torres, Interim Human Resources Manager
Clyde Walkup, Assistant Materials Recovery Facilities Manager
Richard Shedden, Senior Engineer
Richard Pettit, Site Manager
Ron Mooneyham, Equipment Maintenance Manager
Glen Evett, Last Chance Mercantile & Hazardous Materials Manager
Kimberle Herring, Public Education Coordinator
Rebecca Aguilar, Administrative Support Supervisor
Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Jarrod Penner, Bianchi, Kasavan & Pope, LLP
Ted Terrasas, City of Monterey
John Greenlee, Caldwell Flores Winters Inc.
Charlie Cordova, GreenWaste Recovery
David Carriaga, Operating Engineers Local 3
Mike Niccum, Pebble Beach Community Services District
Doug Kenyon, Republic Services of Salinas

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the April 17, 2015 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Vice Chair Oglesby at 9:00 a.m. Chair Allion was seated at 9:02 a.m.

General Manager commented that the meeting was a joint meeting of the Monterey Regional Waste Management District and the Monterey Regional Waste Management Authority for the purpose of conducting a Public Hearing and taking other action related to the Bond Issuance.

PUBLIC COMMUNICATIONS

There were no public comments.

CONSENT AGENDA

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

- 1) Approve Minutes of March 20, 2015 Regular District Board Meeting
- 2) Approve Minutes of March 20, 2015 Special Authority Board Meeting
- 3) Approve District Report of Disbursements, and Board and Employee Reimbursements
- 4) Accept Report from District Finance Committee Chair on Meeting of April 1, 2015
- 5) Approve Expenditure for District Community Event for General Manager Transition at a Cost Not-To-Exceed \$5,000
- 6) Authorize General Manager to Award Contract for Installation of Electrical Supply System and all Related Issues; and Return to the Board for Ratification of the Contract
- 7) Ratify Approval of Request from Lewis C. Nelson & Sons For Three Subcontractor Substitutions Due to Original Subcontractors' Inability to Fulfill the Subcontract for the Truck Parking & Maintenance Facility Project
- 8) Adopt Resolution 2015-05 Approving Determination that the Materials Recovery Facility Improvements Project is Categorically Exempt from the California Environmental Quality Act (CEQA); and Authorize Filing Notice of Exemption
- 9) Accept Report from District Personnel Committee Chair on Meeting of April 1, 2015

PUBLIC HEARING

- 10) **Conduct Joint Public Hearing to the Receive Public Comments on Proposed District and Authority Board Action to Approve the Issuance and Sale of Revenue Bonds, in an Amount Not to Exceed \$34,000,000 Aggregate Principal Amount, to Finance the Design, Acquisition and Construction of Expansion and Improvements to the District's Solid Waste Disposal and Recycling System and Related Facilities**

The Board received the legal notice published in the *Monterey Herald*. Assistant General Manager provided brief background information on the proposed action. Chair Allion opened the public hearing at 9:05 a.m. and following no public comments, the public hearing was closed at 9:06 a.m.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 11) **Receive Engineering Report and Feasibility Study Prepared by HF&H Consultants Associated with the Materials Recovery Facility Improvement and Franchise Hauler Truck Parking and Maintenance Facility Projects**

District Financial Advisor, John Greenlee addressed the Board and introduced Bond Underwriter Robert Larkins of Raymond James Financial and Bond Counsel Bob Feyer of Orrick Herrington & Sutcliffe. He stated that Standard & Poor's Rating Services (S&P) had assigned its 'AA-' long-term rating to the Authority's revenue bonds and that the interest rate for the Bond sale was estimated to be 3.5%. Since the rating is in the 'AA' high-grade category, the District will be able to enjoy the best rates in the market and can expect to have very high investor demand.

The Board received a copy of the Engineering Report prepared by HF&H Consultant associated with the MRF Improvement and Franchise Hauler Truck Parking and Maintenance Facility Projects. The Engineering Report was presented to Standard and Poors for consideration during their rating process.

Director Bales asked for a summary of the Engineering Report content. Finance Manager stated that the report had been used to support the information that had been submitted to the rating agency verifying that the District was in a position to repay the Bonds. Three sensitivity analysis associated with regional waste, recycling commodity prices, and Truck Parking and Maintenance Facility lease payments were conducted. If changes were experienced on any one of those items, the District would still be in a good position to repay the Bonds. Director Laska inquired if the sale of the Bonds would restrict the District from borrowing for the purchase of equipment. Finance Manager stated that the Bonds would have to be disclosed, but it would not preclude the District from borrowing additional funds.

It was moved by Director Laska, seconded by Director Bales, and Unanimously Carried To: Accept Engineering Report Prepared by HF&H Consultants.

- 12) **Adopt District Resolution 2015-06 Approving the Issuance of Not To Exceed \$34,000,000 Aggregate Principal Amount of Integrated Waste Management System Revenue Bonds; and Approving the Forms of and Authorizing the Execution of an Integrated Waste Management System Improvement Agreement, a Continuing Disclosure Agreement, a Preliminary Official Statement, an Official Statement and a Bond Purchase Agreement**

The Board reviewed the Bond documents, which funding will be used to finance the Materials Recovery Facility (MRF) Improvement and Franchise Hauler Truck Parking and Maintenance Facility Projects.

General Manager stated that the various documents have been reviewed and may be revised slightly. He stated that the Official Statement was not included in the packet since it will be produced following Board approval.

Board discussion followed regard the difference between 'AA' and 'AA-' with respect to interest rates. Mr. Greenlee responded that it was approximately 0.05%. He reminded the Board that in 1993, the District had received a BBB+ rating, a reflection of S&P factoring in the District's history, trends, solid management, and the economics of the region.

Board members agreed that fundamentally the Board relied on District staff and consultants to ensure all the documents were accurate and that receiving the AA- rating provided additional assurance. Chair Allion commented that although the Board had been happy when the previous Bonds had been paid off, it recognized that there were aging facilities and new legislative requirements to fulfill and new debt would have to be incurred to prepare for the future. The Board expressed appreciation to District staff and its consultants for all their work in obtaining the rating and moving the Bond sale forward. General Manager also expressed appreciation to District staff, consultants, and all involved.

It was moved by Director Pendergrass, seconded by Vice Chair Oglesby, and Unanimously Carried To: Adopt District Resolution 2015-06.

- 13) Adopt Authority Resolution 2015-1A Authorizing the Issuance of Not To Exceed \$34,000,000 Aggregate Principal Amount of Integrated Waste Management System Revenue Bonds; Approving the Forms of and Authorizing the Execution of a Trust Agreement, an Integrated Waste Management System Improvement Agreement, a Preliminary Official Statement, an Official Statement and a Bond Purchase Agreement; and Approving Certain Other Matters in Connection Therewith

The Board reviewed Resolution 2015-1A and related documents. Finance Manager commented that there was an amended Page 2 of the Resolution on the dais for the Board to consider. The amendment was necessary to reflect that the Authority had hired the Underwriter to serve solely as the underwriter.

It was moved by Director Parker, seconded by Vice Chair Oglesby, and Unanimously Carried To: Adopt Authority Resolution 2015-1A, As Amended.

STAFF REPORTS

14) Review District Finance, Operating, and Recycling Reports

The Board reviewed the financial statements for February 2015. The March 2015 financial statements were not available, although Tipping Fees Revenues for March are estimated at \$1,400,000, which is \$97,000 above budget and \$35,000 above last year. The Year to Date Operating Income continues to remain above budget and prior year due to increased revenues and reduced expenses. The Board also reviewed the Operating Report for March 2015.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

There were no further communications from the General Manager.

BOARD COMMUNICATIONS

Director Delgado expressed appreciation to District staff for their assistance and support at the Marina Earth Day event.

Director Pendergrass stated that the GreenWaste Recovery transition effective April 1, 2015 had gone well with only minor glitches, and he had not heard any complaints. He also stated that the public outreach had been well distributed.

CLOSED SESSION

The Board went into closed session at 9:35 a.m. regarding the following.

1. Personnel Matter: (Public Employee Appointment: General Manager)

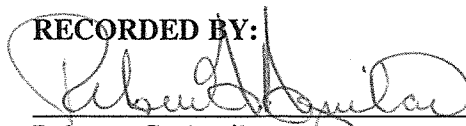
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came out of closed session at 1:47 p.m. Legal Counsel announced that the Board had completed interviews and had given instructions to a negotiating committee. No other action was taken.

ADJOURNMENT

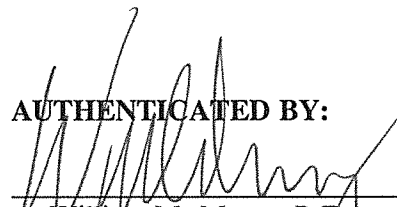
There being no further business to come before the Board at this time, the April 17, 2015 Regular Joint Meeting of the Monterey Regional Waste Management District and the Monterey Regional Waste Management Authority Board of Directors was adjourned by Chair Allion at 1:48 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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