



WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

ROBERT WELLINGTON
COUNSEL

BOARD OF DIRECTORS
DENNIS ALLION
CHAIR

IAN OGLESBY
VICE CHAIR

GARY BALES
SUE MCCLLOUD
DAVID PENDERGRASS
LEO LASKA
LIBBY DOWNEY
JANE PARKER
BRUCE DELGADO

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Arcuate

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
September 19, 2014

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Ian Oglesby (Vice Chair), City of Seaside Councilmember
Gary Bales, City of Pacific Grove
Sue McCloud, City of Carmel-by-the-Sea
David Pendergrass, City of Sand City Mayor
Leo Laska, Pebble Beach Community Services District Board President
Libby Downey, City of Monterey Councilmember (Seated at 9:40 a.m.)
Bruce Delgado, City of Marina Mayor

MEMBERS ABSENT: Dennis Allion, (Chair), City of Del Rey Oaks Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

STAFF PRESENT: William Merry, General Manager
Robert Rathie, Legal Counsel
Rob Wellington, Legal Counsel (Seated at 10:23 a.m.)
Tim Flanagan, Assistant General Manager
Chuck Rees, Finance Manager
Clyde Walkup, Assistant Materials Recovery Facility Operations Manager
Daylene Alliman, Human Resources Manager
Jack Cook, Safety Manager
Jeff Lindenthal, Deputy General Manager-Community Programs
Richard Shedden, Senior Engineer
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator

OTHERS PRESENT: John Greenlee, Caldwell Flores Winters
Ted Terrasas, City of Monterey
Erin Harwayne, Denise Duffy & Associates
Emily Hansen, GreenWaste Recovery
Jimmy Moresco, GreenWaste Recovery
Mark Dias, Monterey County Environmental Health Bureau
David Carriaga, Operating Engineers Local 3
Mike Niccum, Pebble Beach Community Services District
Christina Urquidez, Republic Services of Salinas
JD Black, Salinas Valley Solid Waste Authority
Roberto Moreno

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the September 19, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Vice Chair Oglesby at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no public comments.

CONSENT AGENDA

Director McCloud commented on the Item 3 with regard to the list of designated positions and whether or not all the positions needed to be included on the list. Staff responded that the list is reviewed every two years as required by law, and each position was categorized accordingly with different reporting requirements.

Director Bales stated that under Item 4, he had discussed the status of the Personnel Policy included in the contract, which seemed to be out of date. Human Resources Manager responded that the Policy is in the process of being updated and the update would be brought to the Board for approval at a future Board meeting.

Director Downey was seated at 9:40 a.m.

Following a motion by Director Laska, and seconded by Director Delgado, the Consent Agenda was Approved by Vice Chair Oglesby, and Directors Bales, Delgado, Laska, McCloud, and Pendergrass, with Director Downey abstaining. Motion Carried.

- 1) Approve Minutes of August 22, 2014 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Adopt Resolution 2014-12 Amending Designated Positions on the Conflict of Interest Code
- 4) Approve Amendment to Director of Community Programs Employment Contract

PUBLIC HEARING

- 5) Conduct Public Hearing to Receive Public Comments on Proposed Board Action to Adopt Negative Declaration for Proposed Truck Yard Facility

The Board received a copy of the legal notice that was placed in the Monterey Herald announcing the public hearing. They also reviewed a memorandum from Assistant General Manager under Item 6 regarding the proposed truck yard. General Manager stated that the Initial Study had been provided online.

Erin Harwayne, Denise Duffy & Associates, addressed the Board stated that DDA had prepared the environmental document for the Truck Yard Facility Project, which included traffic, air quality and greenhouse gas emissions studies. The Initial Study for the Project did not identify any potentially significant impacts that

would require mitigation; therefore a proposed Negative Declaration was prepared and circulated for public comment. After a 30-day public review period, no public comments were received.

Director Delgado inquired about the location of the project which staff pointed out on a District site map. He also inquired whether a coastal permit was required, to which Ms. Harwayne responded that it was not since District property is outside of the coastal zone.

Board discussion followed regarding not receiving the Initial Study in their packets. It was noted that the Initial Study was provided to the Board on the dais at the meeting. General Manager responded that the Initial Study has been on the District website since the initiation of the public review period and that it had been referenced as such the staff report on its location. Assistant General Manager responded that because the Initial Study was 258 pages long, including appendices, staff had decided to reference it in the report in an effort to reduce paper. Ms. Harwayne stated that she had worked closely with staff in preparation for the public review period to ensure that all posting requirements had been met. Following further discussion by the Board regarding the ability to access the reports online versus inclusion in the Board packets, staff was directed that in the future, an executive summary, at a minimum, should be included in the packets.

Vice Chair Oglesby opened the Public Hearing at 9:54 a.m. and following no public comments, the Public Hearing was closed at 9:55 a.m.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

6) **Certify Initial Study/CEQA Documentation and Adopt Resolution 2014-13 Approving Negative Declaration for the Truck Yard Facility Project**

It was moved by Director Delgado, seconded by Director McCloud, and Unanimously Carried To: Certify Initial Study/CEQA Documentation and Adopt Resolution 2014-13 Approving Negative Declaration for the Truck Yard Facility Project.

7) **Accept Report from Finance Committee Chair on Meeting of September 3, 2014**

The Board reviewed a summary from the Finance Committee Chair of the September 3, 2014 meeting. Finance Committee Vice Chair (Director) Laska, stated that during the meeting, discussion had been held on the bond financing process, which would be further discussed under Board agenda Item 8. Discussion had also been held regarding the capital projects, with significant discussion on the truck yard and compressed natural gas fueling station.

Following direction by the Committee, staff had prepared a draft outline for a community education and outreach plan/process for the bond financing and capital improvements. Board discussion followed regarding the outline and direction was provided to staff. Director Laska inquired about the status of the District's Joint Powers Authority (JPA) Agreement. General Manager stated that following review by legal counsel, an amendment to the current JPA Agreement will be necessary and he has been in contact with member agency staff regarding the amendment in which he has indicated that he will be asking the councils to adopt an amendment to the JPA Agreement.

Director Laska expressed concern regarding the timing of the sale of the bonds and meeting the very aggressive schedule. District Financial Advisor John Greenlee addressed the Board and stated that the bond sale timeline is being updated and he believes that the District is moving along nicely in order to meet the timeline. Director

McCloud stated that staff needed to be cognizant of member agency council meetings and frequency. Mr. Greenlee assured the Board that the market for bond sales is relatively calm and that the Engineer's Report was the last component needed to complete the Bond financing documents package and staff was seeking Board approval to hire HF&H Consultants under Agenda Item 8, and that report is expected by the end of October.

Director Laska stated that GreenWaste Recovery (GWR) has been clear that the truck yard is necessary upon commencement of the first franchise hauler contract in April 2014. General Manager stated that the construction of the truck yard facility and CNG fueling station is not necessarily contingent upon the timing of the sale of the bonds. The District is prepared to move that project forward as quickly as possible in order to meet the needs of GWR. Emily Hansen, GWR, addressed the Board and stated that of upmost importance is the CNG fueling station as GWR has a contingency plan for the administration and parking portions of the project.

It was moved by Director McCloud, seconded by Director Delgado, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of September 3, 2014.

8) Authorize Contract with HF&H Consultants in an Amount Not to Exceed \$35,000 to Prepare an Engineering Report for Bond Financing Documents

The Board reviewed a memorandum from District Financial Advisor John Greenlee regarding the need for an engineer's report and the process for reviewing the six proposals that were received from very experienced firms. The Engineering Report is needed to gather and analyze data that will provide assurances to the financial community and provide for a more efficient and successful Bond sale process and a lower cost of borrowing.

Board discussion followed regarding HF&H's qualifications. Director Bales requested that in the future, copies of selected proposals be included in the Board packets with the staff reports.

It was moved by Director Downey, seconded by Director Laska, and Unanimously Carried To: Authorize Contract with HF&H Consultants in an Amount Not to Exceed \$35,000 to Prepare an Engineering Report for Bond Financing Documents.

Legal Counsel Rob Wellington Seated at 10:23 a.m.

9) Approve Construction Contract with Chicago Bridge & Iron Company Environmental & Infrastructure, Inc. for Site Work to Install New Landfill Gas Flare in an Amount Not to Exceed \$636,400

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan regarding a construction contract with Chicago Bridge & Iron Company for site work needed to install the landfill gas (LFG) flare in an amount not to exceed \$636,400. General Manager stated that the Board had approved the purchase of the flare at the April 2014 Board meeting. Assistant General Manager provided the Board with a brief background on the use of the flare and the need for a permanent flare due to changes in regulations.

Board discussion followed regarding the need for the permanent flare. Director Bales expressed disappointment that alternatives to installation of an expensive flare were not offered such as purchase of another engine/generator. General Manager stated that the new LFG flare will provide better system control in collecting and utilizing the LFG, and will improve environmental protection.

It was moved by Director McCloud, seconded by Director Downey, and Unanimously Carried To: Approve Construction Contract with Chicago Bridge & Iron Company Environmental & Infrastructure, Inc. for Site Work to Install New Landfill Gas Flare in an Amount Not to Exceed \$636,400.

10) Approve Contract with Dave Edwards, Inc. (DEI) to Prepare a Jointly and Equally Funded Feasibility Study for the Monterey Regional Water Pollution Control Agency and the District to Explore Feasibility for Combining Biogas and Landfill Gas and for Future Processing of Food Scraps in the Amount of \$64,350 (District Cost – \$32,175)

The Board reviewed a memorandum from Assistant General Manager regarding the benefits of conducting a joint feasibility study. General Manager reported that he has spoken to Monterey Regional Water Pollution Control Agency (MRWPCA) General Manager and it is believed that DEI is the right firm to conduct the study due to its familiarity with the MRWPCA and the District operations. The study will help identify and potentially expand the potential for a joint landfill gas and digester gas project which would turn organic waste into fuel for use by Green Waste Recovery trucks, and/or to be combined with landfill gas and burned for electricity.

Director Pendergrass stated that the MRWPCA Finance Committee would be recommending approval to their Board at the September 29th meeting. General Manager stated that it is anticipated the report would be completed within six months

It was moved by Director Pendergrass, seconded by Director McCloud, and Unanimously Carried To: Approve Contract with Dave Edwards, Inc. (DEI) to Prepare a Jointly and Equally Funded Feasibility Study for the Monterey Regional Water Pollution Control Agency and the District to Explore Feasibility for Combining Biogas and Landfill Gas and for Future Processing of Food Scraps in the Amount Not to Exceed \$64,350, with the District Share Not to Exceed \$32,175.

11) Authorize General Manager to Upgrade Associate Engineer Position to Senior Engineer if Necessary

The Board reviewed a memorandum from General Manager outlining the reasons for his recommendation of hiring a Senior Engineer position instead of an Associate Engineer, as approved by the Board at the July 2014 Board meeting, including for succession planning purposes. The Personnel Committee had supported this recommendation at their July 30, 2014 meeting.

It was moved by Director Laska, seconded by Director Downey, and Unanimously Carried To: Authorize General Manager to Upgrade Associate Engineer Position to Senior Engineer if Necessary.

STAFF REPORTS

12) Review Finance, Operating and Recycling Reports

The Board reviewed the financial statements for June and July 2014. Finance Manager reported that the auditor's from Bianchi, Kasavan & Pope had completed their fieldwork and were finalizing their review process. The FY 2013/14 Operating Income is \$2,857,282. The Operating Income for July 2014 was \$654,323. This was above budget by \$435,906 (299.6%) due primarily to the end of year closing procedures that accrues all invoices resulting in fewer expenses reported in July. In addition, the July Regional and Contract Waste revenues were above budget due to Santa Cruz County's continuing work on the Buena Vista Landfill and refuse received from the economic activity in the San Jose area. Tipping Fees Revenues for August 2014 were estimated at \$1,570,000 and Refuse Accepted (excluding Regional and Contract Waste) decreased by 437 tons from last year. The Operating Report for August 2014 was also reviewed by the Board.

13) Summary of 2014 Program Awards

The Board reviewed a memorandum from Director of Community Programs Jeff Lindenthal in which he reported that following its first 12 months of operational success, the Anaerobic Digestion Compost Pilot Project had been recognized with the following four awards:

- Breathe California Central Coast "2014 Clean Air Award – Technology Category"
- California Resource Recovery Association "Dave Hardy Leadership in Organics Award"
- SWANA "Gold Excellence Award in Composting"
- California Special District Association "Innovative Program of Year Award for a Large District"

14) Report on SWANA 2014 Wastecon Technical Conference and Tradeshow

The Board reviewed a report on the SWANA 2014 Wastecon Technical Conference and Tradeshow prepared by Director Bales, Assistant General Manager Tim Flanagan, General Manager William Merry.

15) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported that the State legislature had completed their work for this session. During September, the Governor would be signing or rejecting legislative bills sitting on his desk, including:

- AB 1826, which mandates a phased-in approach to organics diversion by 2020; and,
- SB 270, the plastic bag bill, bans use of plastic bags in the State of California beginning July 1, 2015.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the District had also received the CSDA "Certificate of Transparency" and that the Administrative Support Supervisor would be attending the annual CSDA conference, which would be held in Palm Springs, to participate in training and technical sessions and to pick up both the award for innovation and the certificate.

BOARD COMMUNICATIONS

CLOSED SESSION

The Board went into closed session at 11:01 a.m. regarding the following:

- 1) Conference with Labor Negotiators:
District Negotiators: William Merry, Tim Flanagan, Daylene Alliman
Employee Organizations: Operating Engineers and Management Employees
- 2) Conference with Labor Negotiators:
District Negotiator: General Manager
Negotiation with Unrepresented Employees: Assistant General Manager, Director of Community Programs, Human Resources Manager

- 3) Public Employee Performance Evaluation: General Manager
- 4) Negotiation with Unrepresented Employee: General Manager

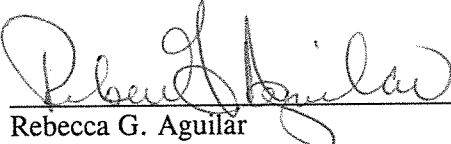
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came back in to open session at 11:45 and Legal Counsel announced that in the closed session the Board had taken up the matters listed on the agenda for the closed session and reported that: 1) with regard to Item 1 (Conference with Labor Negotiators) the Board received information from its negotiators, no reportable action was taken; 2) as to Item 2 (Negotiation with Unrepresented Employees [as listed]) the Board approved the recommendation of, and gave directions to, the General Manager as to the wage and benefit adjustments for the three at-will employees; 3) with regard to Item 3, the Board concluded its annual performance evaluation of the General Manager; and 4) as to Item 4 (Negotiations with Unrepresented Employee – General Manager), the matter was continued to the October 17, 2014 Board meeting.

ADJOURNMENT

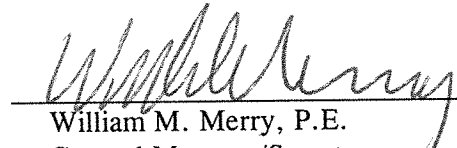
There being no further business to come before the Board at this time, the September 19, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to October 17, 2014 by Vice Chair Oglesby at 11:46 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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