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PRINCIPAL ENGINEER

RICHARD SHEDDEN, P.E.
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.
September 18, 2015

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: 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 President
Libby Downey, City of Monterey Councilmember
Bruce Delgado, City of Marina Mayor
Carrie Theis, City of Carmel-by-the-Sea Councilmember

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

STAFF PRESENT: Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Ron Mooneyham, Equipment Maintenance Manager
Guy Petrabor, Principal Engineer
Chuck Rees, Finance Manager
Rick Shedden, Senior Engineer
Berta Torres, Interim Human Resources Manager
Clyde Walkup, Materials Recovery Facility Operations Manager
Rebecca Aguilar, Administrative Support Supervisor
Kimberle Herring, Public Education Coordinator
Rodney Barber, Mechanic Assistant II
Israel Hernandez, Material Recovery Facility Operator II
Leroy Roach, Laborer I

OTHERS PRESENT: Ted Terrasas, City of Monterey
Tom Frutche, City of Pacific Grove
Charlie Cordova, GreenWaste Recovery
Emily Finn, GreenWaste Recovery
David Frisbee, Monterey Bay Unified Air Pollution Control District
Alan Romero, Monterey Bay Unified Air Pollution Control District
Richard Stedman, Monterey Bay Unified Air Pollution Control District
Teresa Rios, Monterey County Environmental Health Bureau
Mike Niccum, Pebble Beach Community Services District
Justin Brown, Quinn Caterpillar
Susan Warner, Salinas Valley Solid Waste Authority

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the September 18, 2015 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

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

- 1) Approve Minutes of August 20, 2015 Regular Board Meeting
- 2) Approve District Report of Disbursements, and Board and Employee Reimbursements

PRESENTATIONS

- 3) Recognition of District's New Triple A (Attitude Achievement Award) Recipients, Rodney Barber, Israel Hernandez, and Leroy Roach

General Manager commented that the Attitude Achievement Award (AAA) was created in order to recognize employees who best lead by example throughout the District site with positive, upbeat, and "can-do" approaches to situations in the work place. Managers recognize employees who are observed making a positive impact beyond their operational areas and the award is only received when the employee has truly risen to exemplify the "AAA" spirit and approach.

On behalf of the Board, Vice Chair Oglesby publicly recognized the first three recipients of the AAA. They were Rodney Barber, Israel Hernandez, and Leroy Roach.

- 4) Presentation on Countywide Integrated Solid Waste Management Study by City Managers Group

The Board reviewed the Report on the Evaluation and Analysis of Monterey County's Solid Waste Management System, referred to as the County Wide Solid Waste Study (CWSWS), prepared by R3 Consultants. General Manager provided the Board with background information on the development of the CWSWS) and stated that presentations were provided countywide to the public by R3 with one being held at the Seaside City Council chambers on July 29, 2015. The Board also received a copy of the R3 PowerPoint presentations and a copy of comments provided by Director Bales. General Manager stated that on the District had also received comments from the Salinas Valley Solid Waste Authority late in the afternoon on September 16, 2015. The comments had been emailed to the Board and copies placed on the dais. He stated that Pacific Grove City Manager Tom Frutchey, and Pebble Beach Community Services District General Manager were present at the meeting to provide the Board with a brief presentation on the CWSWS and to answer any questions.

Mr. Niccum addressed the Board and stated that the reason for CWSWS had been in an effort to examine countywide efficiencies for the collection and disposal of solid waste. R3 Consultants had developed seven alternatives with one no longer being applicable since the District has moved forward with its Materials Recovery Facility Improvements. He stated that the results did not necessarily affect the Monterey Peninsula entities and that although there had not been agreement amongst the city managers group as to any one alternative, they had agreed that Option 7 was the most cost effective and least costly option.

Mr. Frutchev addressed the Board and stated that participation in the CWSWS had provided a good opportunity for all of the appropriate entities to work together to provide awareness and knowledge about what is being done in the County with regard to solid waste and recycling.

Director Delgado inquired why the potential increased State diversion requirements were not included in the CWSWS. Mr. Frutchev replied that the consultant had not included it because at the time the study was being conducted the 75% diversion was not a requirement. With regard to option 7, Director Delgado also expressed concern regarding the potential increased traffic coming through the City of Marina and its impact not being mentioned in the CWSWS and if there was opportunity to amend the CWSWS to include that. Mr. Niccum replied that the impact of traffic would be looked at as part of the environmental process for any of the options. Vice Chair Oglesby reminded the Board that by receiving the CWSWS, it did not bind the District in any way. Any option that affected the District would come back to the District Board for approval, following proper environmental review.

Board discussion followed regarding inclusion of the Board's comments and concerns in the CWSWS. The Board directed staff to provide its comments to the city managers. Mr. Frutchev stated that the Board comments would be provided to R3 Consultant.

Susan Warner, Diversion Manager for the Salinas Valley Solid Waste Authority (SVSWA), addressed the Board and provided information about the proposed clean fiber and organics recovery system, which was being offered by the vendor at a no risk to the SVSWA. She shared that the SVSWA Board is interested in continuing dialogue with the District on projects beneficial to both entities.

It was moved by Director Pendergrass, seconded by Director Downey, and Unanimously Carried to: Receive the Final Draft Report Prepared by R3 Consulting Group, Inc. on the Evaluation and Analysis of Monterey County's Solid Waste Management System

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) Receive Report from Personnel Committee Chair on Meeting of September 2, 2015

The Board reviewed a report from Personnel Committee Chair Allion. At the meeting, staff reported on the Voluntary Early Retirement Incentive (VERI) Program and the retention of Hagemann & Associates to assist with engineering planning and management resources.

Director Downey commented that at the meeting she had requested staff contact the City of Monterey regarding the city's VERI Program for comparison on the amount of compensation. Finance Manager responded discussions had been held with the City of Monterey, and the Board had determined the appropriate level of compensation. The City of Monterey would be contacted for input if and when the District were to consider a VERI Program in the future.

It was moved by Director Delgado, seconded by Director Bales, and Unanimously Carried to: Receive Report from Personnel Committee Chair on Meeting of September 2, 2015.

6) Receive Report from Finance Committee Chair on Meeting of September 2, 2015

The Board reviewed a report from Finance Committee Chair Allion. Discussion at the meeting included an update on District Capital Projects, and the Countywide Integrated Solid Waste Management Study (CISWMS).

It was moved by Director Downey, seconded by Director Bales, and *Unanimously Carried to: Receive Report from Finance Committee Chair on Meeting of September 2, 2015.*

7) Adopt Resolution 2015-13 Authorizing the Purchase of One New Caterpillar D8T Dozer Using the Preferential Competitive Pricing Offered Through the National Joint Powers Alliance (NJPA) Program

The Board reviewed information from Equipment Maintenance Manager Ron Mooneyham regarding the purchase of a new Caterpillar D8T Dozer.

Equipment Maintenance Manager addressed the Board and stated that the purchase of the dozer had been deferred for three years due to capital constraints. He stated that there were several reasons making the purchase possible including the use of the Preferential Competitive Pricing offered through the National Joint Powers Alliance (NJPA) Program and receiving a Carl Moyer Grant in the amount of \$278,445.00 from the Monterey Bay Air Pollution Control District (MBUAPCD). He stated that using the NJPA allows the District to take advantage of national bid pricing, streamlines the process of the competitive bid requirement and saves staff time. He stated that staff was also recommending, under agenda Item 8, to purchase the dozer from Quinn Caterpillar.

Board discussion followed regarding use of the smaller dozer and requested clarification of the NJPA bid process. Equipment Maintenance Manager responded that the D8T was currently being utilized by several landfills with no problems and that the NJPA was a public entity that issued a request for proposal every four years nationally. Public agencies, such as the District, are able to piggyback on the process thus saving staff time in creating specifications and issuing a request for proposals.

Richard Stedman, MBUAPCD Air Pollution Control Officer, addressed the Board to congratulate the District for receiving the award following an arduous application process. He stated that typically the Carl Moyer grant awards a little less than \$1 million in any given year. The MBUAPCD typically receives request for approximately \$10 million so the process is extremely competitive. Mr. Stedman stated that the MBUAPCD was supportive of the District operations.

General Manager expressed appreciation to the MBUAPCD for allowing the District to partner in reducing greenhouse gas emissions supporting the District's goals. He also expressed appreciation the Equipment Maintenance Manager and to the maintenance staff and operators for extending the life of the current dozer.

The Board expressed appreciation to the MBUAPCD for their award and for all the work that they do in the community.

It was moved by Director Laska, seconded by Director Pendergrass, and *Unanimously Carried to: Adopt Resolution 2015-13 Authorizing the Purchase of One New Caterpillar D8T Dozer Using the Preferential Competitive Pricing Offered Through the National Joint Powers Alliance (NJPA) Program.*

- 8) Approve Purchase of a Caterpillar D8T Dozer from Quinn Company of Salinas, CA, for the Total Price of \$861,000 (Including Sales Tax and Freight), and Declare Surplus and Authorize Sale of Unit LF10 D9R Dozer Using Competitive Bid Pricing

It was moved by Director Laska, seconded by Director Downey, and Unanimously Carried to: Approve Purchase of a Caterpillar D8T Dozer from Quinn Company of Salinas, CA, for the Total Price of \$861,000 (Including Sales Tax and Freight), and Declare Surplus and Authorize Sale of Unit LF10 D9R Dozer Using Competitive Bid Pricing.

STAFF REPORTS

- 9) Review Finance, Operating, and Recycling Reports, to Include Report on Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions

Finance Manager reported that the financial statements for June, July and August 2015 have been delayed due to the year-end close, audit procedures and accounting and reporting changes due to GASB 68 implementation. District auditor's, Bianchi, Kasavan & Pope, completed their field audit procedures and are proceeding with their internal reviews. No problems were reported when they completed the fieldwork. The Tipping Fees Revenues for the month August 2015 are estimated at \$1,790,000 which is \$370,000 above budget and \$215,000 above last year. The Operating Report for August was also reviewed by the Board.

Finance Manager reported that under Governmental Accounting Standards Board (GASB) Statement No. 68 (Accounting and Financial Reporting for Pensions), issued in 2012, government agencies will now be required to record the unfunded pension liability in their financial statements. The District will record a Net Pension Liability as of June 30, 2015 of \$5,528,953. There will be no impact on the cash flow of the District to CalPERS to fund the pension plan.

- 10) Report on 2013 Voluntary Early Retirement Incentive Program

The Board reviewed a memorandum from Interim Human Resources Manager Berta Torres regarding the VERI Program that had been conducted in 2013. She provided the Board with background information on the VERI Program and referred the Board to the graph included in her memorandum that showed cost savings of approximately \$500,000 were accomplished since the implementation of the program in March 2011. Although the VERI Program had met the District objectives, she reported that future reporting may not be possible due to changes in staffing levels anticipated with the Materials Recovery Facility improvements and tracking the different variables in the future.

- 11) Report on District Capital Projects

The Board received a report from Principal Engineer Guy Petrabor. General Manager stated staff received direction from the Finance Committee to provide project financial overview of the Truck Yard Facility, Utility Connections to the Truck Yard, the Compressed Natural Gas Fueling Facility, and additional site improvements related to these facilities, and the Materials Recovery Facility Improvement Project. He stated that staff is in the process of developing a report format to provide this information in order to keep the Board informed.

Director Laska inquired whether the delays have resulted in any difficulties for GreenWaste Recovery (GWR) operationally. General Manager responded that staff is working with GWR to ensure that their needs are

being met. Emily Finn, addressed the Board, and stated that GWR has not experienced any financial impacts thus far. The District has done a great job in accommodating GWR's operational needs.

12) Report on August 20 and September 17, 2015 Technical Advisory Committee Meetings

The Board reviewed the minutes of the August 20, 2015 Technical Advisory Committee (TAC) meeting. General Manager stated that since the TAC meetings are held the day prior to the Board meeting, the written minutes are provided the following month. He provided a verbal update of the September 17, 2015 TAC meeting.

13) Report on SWANA 2015 WasteCon Technical Conference and Tradeshow

General Manager provided the Board with a summary of the SWANA 2015 WasteCon Technical Conference and Tradeshow.

OTHER CORRESPONDENCE

14) Letter of Appreciation for District Employees Genaro Jaurrieta and Marino Dominguez

The Board received a copy of a letter from a customer expressing appreciation to District employees for their assistance, honesty, and trustworthiness in helping him reclaim a metal tailgate. General Manager stated that it was nice to receive the letter recognizing what District employees do every day.

GENERAL MANAGER COMMUNICATIONS

General Manager stated that District would be participating in the Household Hazardous Waste (HHW) event at the PBCSD on September 26th. The Board was given a magnet regarding the District's HHW collection facility, which would also be handed out at the event.

BOARD COMMUNICATIONS

Director Downey provided the Board with feedback regarding her teleconferencing experience and requested that Board members remember to turn their microphones off to minimize background noise.

CLOSED SESSION

The Board went into closed session at 11:10 a.m. regarding the following:

1. Conference with Property Negotiators:
 - Property: Landfill Site Space/Capacity
 - District Negotiators: Tim Flanagan
 - Negotiating Parties: City of Milpitas
 - Terms: All Terms and Conditions

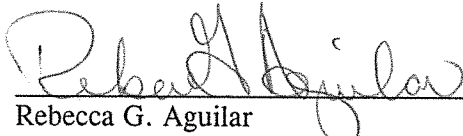
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came back in to open session at 11:45 a.m. and Legal Counsel announced that in the closed session the Board had taken up the matter listed on the agenda for the closed session and reported the Board received information from, and gave direction to, its negotiators, no reportable action was taken.

ADJOURNMENT

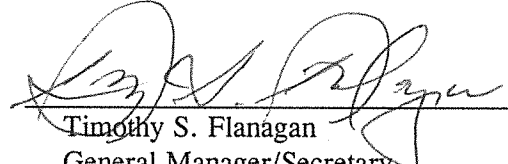
There being no further business to come before the Board at this time, the September 18, 2015 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Vice Chair Oglesby at 11:46 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary