

BOARD OF DIRECTORS
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VICE CHAIR

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



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 Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
August 22, 2014

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Dennis Allion, (Chair), City of Del Rey Oaks Councilmember
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
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4 (seated at 9:40 a.m.)
Bruce Delgado, City of Marina Mayor

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Chuck Rees, Finance Manager
Clyde Walkup, Assistant Materials Recovery Facility Operations Manager
Daylene Alliman, Human Resources Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Jeff Lindenthal, Deputy General Manager-Community Programs
Richard Petitt, Site Manager
Richard Shedden, Senior Engineer
Ron Mooneyham, Equipment Maintenance Manager
Rebecca Aguilar, Administrative Support Supervisor
Baldo Trujillo, Materials Recovery Facility Supervisor (OE3 Operations Unit Representative)
Berta Torres, Management Specialist

OTHERS PRESENT: Ted Terrasas, City of Monterey
Teresa Rios, Monterey County Environmental Health Bureau
Stephen Spitz, Orrick, Herrington & Sutcliffe, LLP
Doug Kenyon, Republic Services of Salinas
Patrick Mathews, Salinas Valley Solid Waste Authority
Roberto Moreno
David Ramirez

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the August 22, 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 Delgado, and seconded by Director Downey, the Board unanimously approved the Consent Agenda.

- 1) Approve Minutes of July 18, 2014 Regular Board Meeting
- 2) Approve Report of Disbursements to Include 2013/14 Board and Employee Reimbursements
- 3) Schedule a Public Hearing on September 18, 2014 to Receive Public Comments on Proposed Board Action to Adopt Negative Declaration for Proposed Truck Yard Facility
- 4) Adopt Resolution 2014-08 Establishing Records Retention Policy
- 5) Adopt Resolution 2014 09 Establishing Public Records Act Policy
- 6) Adopt Resolution 2014-10 Establishing Board Meeting Policy
- 7) Approve Revised Travel and Reimbursement Policy

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

8) Accept Report from Personnel Committee Chair on Meeting of July 30, 2014

The Board reviewed a memorandum from Personnel Committee Chair Laska summarizing the meeting in which the Committee discussed the status of the Associate Engineer position and the hiring of a Senior Engineer instead. The Committee directed staff to seek full Board approval. General Manager stated that staff would bring the recommendation to the Board at the September Board meeting.

It was moved by Director McCloud, seconded by Vice Chair Oglesby, and Unanimously Carried To: Accept Report from Personnel Committee Chair on Meeting of July 30, 2014.

9) Approve Selection of and Authorize General Manager to Sign a Contract with Orrick Herrington & Sutcliffe to Serve as District Bond Counsel for Anticipated Bond Financing for Capital Projects for Fixed Fee of \$80,000

The Board reviewed a memorandum from District Financial Advisor John Greenlee recommending the selection of Orrick Herrington & Sutcliffe (OH&S) to serve as Bond Counsel for the District at a fixed fee of \$80,000.

Director Parker seated at 9:40 a.m.

Mr. Greenlee addressed the Board and stated that OH&S had submitted the lowest bid and had served as the Bond Counsel for the District during the last bond process. Discussion followed regarding the difference between the lowest and highest bid. Mr. Greenlee stated that OH&S was familiar with District operations, which may have attributed to the lower bid.

It was moved by Director McCloud, seconded by Director Downey, and Unanimously Carried To: Approve Selection of and Authorize General Manager to Sign a Contract with Orrick Herrington & Sutcliffe to Serve as District Bond Counsel for Anticipated Bond Financing for Capital Projects for Fixed Fee of \$80,000.

- 10) Approve Selection of and Authorize General Manager to Sign a Contract with Raymond James Financial, Inc., of San Francisco to Serve as Underwriter for Anticipated Bond Financing for Capital Projects for a Fixed Fee of \$102,077

The Board reviewed another memorandum from Mr. Greenlee recommending the selection of Raymond James Financial, Inc., to serve as the underwriter for the bond financing for a fixed fee of \$102,077.

Mr. Greenlee stated that the 10 firms had been solicited to provide proposals and of those, 6 firms were short listed and interviewed. He provided the Board with an overview of the interviews and Board discussion regarding the process of the bond financing. Director Bales stated that it was important to make the public aware of the need for the bond financing. Director Laska stated that an engineer's estimate was needed to gather data that would allow for a more efficient sale process and a lower cost of borrowing. Mr. Greenlee stated that a request for proposals would be prepared and staff anticipated returning to the Board at the September meeting with a recommendation.

It was moved by Director Laska, seconded by Director Downey, and Unanimously Carried To: Approve Selection of and Authorize General Manager to Sign a Contract with Raymond James Financial, Inc. of San Francisco to Serve as Underwriter for Anticipated Bond Financing for Capital Projects for a Fixed Fee of \$102,007.

- 11) Adopt Resolution 2014-11 Authorizing Sole Source Purchase Using Preferential Competitive Pricing from National Joint Powers Alliance to Purchase Caterpillar Model G3520C Engine and 1.965 Megawatt Generator Set from Quinn Caterpillar, Salinas, CA, at a Cost of \$1,414,066

The Board reviewed a memorandum from Assistant General Manager, prepared in cooperation with District consultant Dave Edwards of Dave Edwards, Inc., recommending the purchase of a Caterpillar Engine/Generator. The new Caterpillar engine and 1.965 generator set would replace the two older, worn Jenbacher engine/generators which have a combined generating capacity of 2.044 kilowatts. The new generator is anticipated to significantly reduce maintenance costs and increase production of power and revenue. Funds have been included in the 2014/15 FY Capital Outlay Budget for this purchase.

Legal Counsel clarified that staff had initially believed that this would be a sole-source purchase, but competitive pricing had been obtained with National Joint Power Alliance. Board discussion followed regarding the output of the current generators and the service of the local Caterpillar dealer.

It was moved by Director McCloud, seconded by Director Downey, and Unanimously Carried To: Adopt Resolution 2014-11 Authorizing Sole Source Purchase Using Preferential Competitive Pricing from National Joint Powers Alliance to Purchase Caterpillar Model G3520C Engine and 1.965 Megawatt Generator Set from Quinn Caterpillar, Salinas, CA, at a Cost of \$1,414,066.

12) Authorize General Manager to Negotiate a Power Sales Agreement for the Sale of 8.2 Megawatts of Power Produced from the Landfill Gas to Energy Facility

The Board reviewed a memorandum from Assistant General Manager requesting Board authorization to allow General Manager to negotiate an agreement with firms who responded to the Request for Proposals on August 15, 2014. General Manager stated that staff needs to notify PG&E that the District is not interested in the Rule 21 offering for selling power, which is a 20-year contract, by September 18, 2014.

Board discussion followed regarding the need for a shorter term contract (i.e., 3-5 year) in coordination with the ability to provide the renewable power to the proposed desalinization plant. Director Delgado expressed concern with prematurely ruling out PG&E's Rule 21 pathway for selling the power. General Manager stated that in his discussion with CalAm staff, they were supportive of the District seeking a short term, i.e., 5-year, contract as they could purchase power from PG&E initially until the District was able to provide power to them. Director Downey stated that providing power to the proposed plant should not be at the detriment to the District. Staff was asked to follow up with CalAm to ensure that they were supportive of the District's intent to seek a 5-year contract.

It was moved by Director McCloud, seconded by Director Parker, and Approved by Chair Allion, Vice Chair Oglesby, and Directors Bales, Downey, Laska, McCloud, Parker, and Pendergrass; Opposed by Director Delgado To: Authorize General Manager to Negotiate a Power Sales Agreement for the Sale of 8.2 Megawatts of Power Produced from the Landfill Gas to Energy Facility. Motion Carried

STAFF REPORTS**13) Review Finance, Operating and Recycling Reports**

The financial statements were not available due to the year-end close and audit procedures. The Finance Manager reported that the auditors from Bianchi, Kasavan & Pope have completed the interim fieldwork procedures, and will start the year-end procedures August 25th. The Tipping Fees Revenues for the month July 2014 are estimated at \$1,690,000 which is \$265,000 or 19% above budget. Refuse Accepted (excluding Regional and Contract Waste) for July decreased by 483 tons or 2.8% from last year and increased by 997 tons or 6.3% from last month. The total refuse for the last 12 months were 182,139 tons down 2,593 tons or 1.4% from the 12 month period ended July 2013. The Board reviewed the Operating Report for July 2014.

14) Status Report on Updates to the Information Services System

The Board received a memorandum summarizing improvements made to the Information System/Information Technology over the last year. The work is being coordinated by District staff and carried out primarily by District consultant Monterey Bay Technology.

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

General Manager provided the Board with a memorandum summarizing the meeting.

16) Report on SWANA/CRRA (California Resource and Recovery Association) Conference

The Board reviewed a memorandum provided by District staff reporting on the conference held in San Jose. Staff learned a great deal from the many concurrent technical sessions and benefitted from the networking opportunities.

The District also received the Dave Hardy Leadership in Organics Award for the Anaerobic Digestion Pilot Project.

OTHER CORRESPONDENCE

17) Letters To and From CalRecycle Re: Violations at the CRV Buyback Center

The Board reviewed correspondence to and from CalRecycle regarding the notice of violation received at the Buyback Center. Staff has made adjustments to District procedures to be fully compliant with State Regulations.

18) Letter to Monterey County Board of Supervisors Re: Proposed Ban on Single Use Bags

The Board received a copy of the letter sent to the Monterey County Board of Supervisors in support of the proposed ban. Director Parker stated that the Board of Supervisors had approved of the ban on the use of single use bags at their September 1, 2014 meeting.

19) Letter to California Pollution Control Financing Authority Re: GreenWaste Recovery Exempt Facility Approval

The Board received a copy of a letter the District sent to the California Pollution Control Financing Authority supporting GreenWaste Recovery in their quest to seek tax exempt bonds. The funds being requested by GWR will be used to make capital purchases for the new franchise hauling agreement to begin in early 2015.

GENERAL MANAGER COMMUNICATIONS

General Manager provided the Board with an update on the Countywide Study of the Integrated Solid Waste Management System for Monterey County. He stated that the Consultant, R3, has requested data on tonnages and costs from the Salinas Valley Solid Waste Authority, the County, Waste Management Inc., City of Monterey, and the District. Staff is in the process of compiling the information R3 has requested.

BOARD COMMUNICATIONS

20) Attendance at Board Member & District Liability Issues Webinar

The Board was provided with a handout of the PowerPoint which was presented at the August 13, 2014 webinar attended by Director Bales. Participation in the webinar by Director Bales provides incentive credits from the Special District Risk Management Authority, which then provides insurance premium discounts to the District.

CLOSED SESSION

The Board went into closed session at 11:07 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) Public Employee Performance Evaluation: General Manager

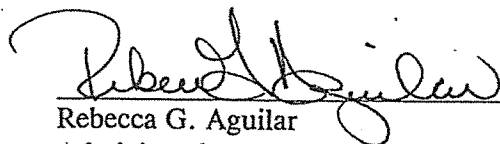
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came out of closed session at 11:47 a.m. and Legal Counsel announced that in connection with each of the items listed on the agenda, information was provided by the District's negotiators, and discussed by the Board. General directions were given by the Board to its labor negotiators, relative to that matter, but no reportable action was taken.

ADJOURNMENT

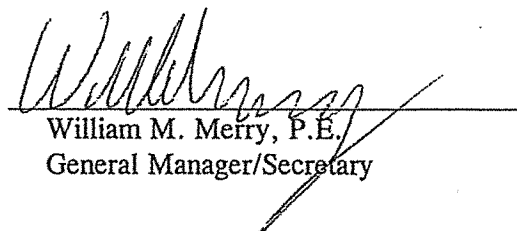
There being no further business to come before the Board at this time, the August 22, 2014 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Allion at 11:48 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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