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Director of Communications & Sustainability

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Director of Operations

ROBERT WELLINGTON
Legal Counsel

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:00 a.m.
October 20, 2017

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Bruce Delgado (Chair), City of Marina Mayor
Carrie Theis (Vice Chair), City of Carmel-by-the-Sea Mayor Pro Tem
Gary Bales, City of Pacific Grove
Leo Laska, Pebble Beach Community Services District
Libby Downey, City of Monterey
Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
Jason Campbell, City of Seaside Councilmember
Jerry Blackwelder, City of Sand City Vice Mayor

MEMBERS ABSENT: Dennis Allion, City of Del Rey Oaks Councilmember

STAFF PRESENT: Tim Flanagan, General Manager
Rob Wellington, Legal Counsel
Guy Petrabor, Director of Engineering & Compliance/District Engineer
Jeff Lindenthal, Director of Communications & Sustainability
Peter Skinner, Director of Finance & Administration
Tim Brownell, Director of Operations
Berta Torres, Human Resources Manager
Chuck Rees, Finance Manager
David Ramirez, Senior Engineer
Garth Gregson, Accounting Manager
Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
Kacey Christie, Safety & Risk Manager
Ron Mooneyham, Equipment Maintenance Manager
Becky Aguilar, Executive Assistant/Clerk of the Board
Kimberle Herring, Public Education and Outreach Coordinator
Angela Goebel, Public Education and Outreach Specialist
Ida Gonzales, Administrative Support Specialist
Rosemary Perez, Accounting Assistant

OTHERS PRESENT: Ted Terrasas, City of Monterey
Gabe Gordo, City of Watsonville
Mike Niccum, Pebble Beach Community Services District
Doug Kenyon, Republic Services of Salinas
Rob Durham, Monterey County Environmental Health

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the October 20, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Delgado at 9:00 a.m.

ADDITION OF CORRESPONDENCE

General Manager stated that there were two letters that had been placed on the dais that staff wanted to introduce under "Other Correspondence". They had been received following distribution of the agenda. One was from the City of Watsonville and the other from the Monterey County Regional Fire District.

It was moved by Director Allion, seconded by Director Parker, and Unanimously Carried To: Add Two Letters to Other Correspondence.

BOARD WORKSHOP SESSION (Approximately 9:05 to 10:35 am)

1) Discussion on Long Term Financial Planning

General Manager stated that the presentation would be done in two parts to address three main business points: discussion on business strategy, identification of the related business needs, and lastly seeking directional guidance for revenue development. These additional revenue elements will be required to fund the additional capital demands staff is projecting to ensure compliance with the new regulatory commitments required by CalRecycle, the Regional Water Quality Control Board, and the Monterey Bay Air Resources District, as well as the fulfillment of the District's mission of turning waste into resources in a sustainable business manner for the benefit of the community.

Director of Engineering provided the Board with a presentation entitled "Your District – Yesterday & Today" which provided information since the District's formation in October 1951 to present day. The presentation depicted how the District facilities have evolved over time to include financial and staffing levels for each era. Staff believed that having the history would be useful in the long-term financial planning for the future. The presentation, which would be made available on the District's website as a resource, included information on tip fee history and tip fee and service level comparisons to other nearby landfills.

Following the presentation, Board discussion followed. Chair Delgado expressed appreciation for staff's efforts in compiling the District's history and being able to have it all in one place. General Manager emphasized previous Board members foresight and vision, the unique site infrastructure, sound financial management, and the need to plan for future infrastructure development. Other Board members also expressed appreciation to staff for the comprehensive presentation and suggested providing it to new Board members. The Board also inquired about tipping fee revenue, tonnage depiction reflected by increased recycling, and information that would be provided at the November Board meeting.

PUBLIC COMMUNICATIONS

Chair Delgado invited all to attend the Flavors of the Harvest at the Goodwill Garden in Marina on October 28th, from 4-6 p.m.

Director of Finance and Administration introduced Garth Gregson, District's new Accounting Manager. Accounting Manager addressed the Board and provided the Board with his background and stated that he was looking forward to being a part of the District.

CONSENT AGENDA

It was moved by Chair Delgado, seconded by Director Laska to approve the Consent Agenda.

- 2) **Approve Minutes of September 22, 2017 Regular Board Meeting**
- 3) **Approve Report of Disbursements, and Board and Employee Reimbursements**
- 4) **Authorize Scope of Work with Golder Associates, Inc. for Module 6 Engineering Design Services, on a Time and Materials Basis, at a Cost Not to Exceed \$150,000**
- 5) **Receive Report on October 4, 2017 Finance Committee Meeting**
- 6) **Receive Report on October 4, 2017 Personnel Committee Meeting**

RECOGNITION

- 7) **Recognition of Director Gary Bales for Receipt of California Special Districts Association Board Member of Year Award**

General Manager stated that he was glad that California Special Districts Association had recognized Director Bales as their Board Member of the Year. He had received the award at CSDA's annual meeting held in Monterey in September. It was exceptional to have a Board member who had served for 48 years. The Board viewed the video of Gary receiving his award. Chair Delgado shared that he attended a session entitled "How Did You Do It", which included Director Bales as part of the panel. He stated that it was inspiring to see him on the panel helping new Board members.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 8) **Approve Reclassification of Finance Analyst Position to Assistant Accounting Manager Position and Associated Salary Schedule**

The Board reviewed a memorandum from Director of Finance and Administration. Staff had presented the recommendation to both the Finance and Personnel committees, which the committees had supported. He stated that the decision to convert the Finance Analyst position to an Assistant Accounting Manager position of greater scope beginning in January 2018 was because staff now had a better idea of business needs related to the improved Materials Recovery Facility (MRF). The other reason was the resource gap that had become evident during the process of filling the Accounting Manager position to replace the retiring Finance Manager and to handle new demands as the District evolved.

Board discussion followed regarding the financial impact. Director of Finance and Administration replied that the Finance Analyst was projected to be filled in Fiscal Year 2018/19. Staff was requesting to fill the Assistant during the current fiscal year.

It was moved by Chair Delgado, seconded by Director Laska, and Unanimously Carried To: Approve Reclassification of Finance Analyst Position to Assistant Accounting Manager Position and Associated Salary Schedule.

9) Approve Funding of Assistant Accounting Manager Position Beginning January 2018

It was moved by Chair Delgado, seconded by Director Laska, and Unanimously Carried To: Approve Funding of Assistant Accounting Manager Position Beginning January 2018.

10) Approve Revision to Policy for Election of Board Officers and Appointment to Board Committees

The Board reviewed a revised policy. Staff was recommending the suggested revision due to the fact that there would be no Board meeting in December Board and would be recommending combining the November and December meeting on the 2018 Board meeting calendar.

It was moved by Director Parker, seconded by Director Downey, and Unanimously Carried To: Approve Revision to Policy for Election of Board Officers and Appointment to Board Committees.

11) Appoint Ad Hoc Nomination Committee to Consider Board Chair and Vice Chair Appointments

Chair Delgado selected Director Parker and Director Downey to serve on the Ad Hoc Nomination Committee.

It was moved by Chair Delgado, seconded by Director Bales, and Unanimously Carried To: Appoint Directors Parker and Downey to the Ad Hoc Nomination Committee to Consider Board Chair and Vice Chair Appointments.

STAFF REPORTS

12) Review Finance, Operating, and Recycling Reports

The financial statements for the month of June 2017 were not yet available pending completion of the fiscal 2017 audit. Finance Manager informed the Board that the audit procedures for the June 30, 2017 financial statements were complete and a draft report has been sent to the auditors for their review. The draft report will be presented to the Finance Committee at the November 1st Meeting. The pre-audit FY 2016–2017 Operating Income is \$2.4 million or \$2.5 million above Budget and the Operating Expenses are \$2.3 million (10.6%) above budget.

The financial statements for July, August and September 2017 were also not completed pending the completion of the audit. The year-to-date Tipping Fees Revenues through September 2017 are estimated at \$6.7 million which is \$1.4 million above budget and \$0.5 million higher than the same period last year. The Board reviewed the Operating Report for September 2017.

13) Public Education and Recycling Report

The Board reviewed a memorandum from Director of Communications and Sustainability Jeff Lindenthal. He provided an update on the collaboration of the District, the City of Pacific Grove, GreenWaste Recovery (GWR), and Everyone's Harvest Farmers Market to offer residents and vendors the opportunity to drop off food scraps during the local market beginning in September, which has been successful. Kitchen food scrap collection bins were distributed and the feedback from residents has been positive. The City of Marina also began food scrap

collection at the Everyone's Harvest Farmers Market beginning on October 15th. In both Marina and Pacific Grove, GWR is providing the food scrap cart and collection as part of their municipal service at no additional cost to the cities.

He also reported that on October 3, 2017, the Carmel City Council had approved an amendment to their municipal code which will require restaurants to make straws and plastic cutlery available only upon customer request beginning January 1, 2018, similar to making water available upon request during times of drought. He stated that the movement had been initiated by students at Carmel River School who had been very articulate and passionate about eliminating plastic straw waste. The District will be purchasing a small supply of compostable straw "starter kits" that community groups may provide to restaurants to allow them to try out the alternative product and get feedback from their customers. The District utilized this same approach during local consideration of polystyrene foam food packaging bans in 2008.

Lastly, he reported staff had decided to change the timing of the Annual Report to the end of the fiscal year to be able to capture the opening of the improved MRF and provide operational information.

14) Report on District Capital Projects

Staff provided an update on District capital projects to include pictures on the progress of the MRF Improvements Project.

Director Downey expressed appreciation to Senior Engineer David Ramirez for the tour he had provided of the MRF following the Board meeting in September. She stated that the skylights now installed in the MRF provided better lighting.

15) Report on ISWA/SWANA Wastecon Technical Conference and Tradeshow

General Manager stated that he and Director Downey had attended the conference held in Baltimore, MD, September 25-27, 2017. He stated that as a member of the SWANA International Board, he had been part of the planning and development of the conference, which had been well attended, with over 1,500 attendees from over 75 countries participating. It had been interesting to learn that the issues the District is challenged with in this area, were the same issues and challenges all over the world. Particular emphasis had been placed on organics management, and marine litter and its impacts on the world oceans, aquatic species, and those organisms that consume aquatic species.

Director Downey stated that it had been the best conference she had attended with the information related to marina litter exceptional. She provided information on the various sessions and tour she had attended.

16) Report on California Special Districts Association Conference

The Board received a written report from Chair Delgado. Chair Delgado stated that he had attended several good sessions including one regarding software called Dashboard, which assisted in providing 10-year financial projections. Director Bales also attended the conference and expressed appreciation to all involved in the nomination process for his receiving the Board member of the year award. Over 800 districts were represented at the conference. He had attended several good sessions related to better board practices and employee engagement. Chair Delgado asked Director Bales how he has managed to maintain interest and motivation in serving on the District Board for 48 years. Director Bales replied that he enjoyed serving on the District Board and working with staff. The District has had a solid record and one of success.

OTHER CORRESPONDENCE**17) Letter from City of Watsonville RE: Interest in Exploring Agreements for Acceptance of Materials**

General Manager stated that the District had received a letter from the City of Watsonville expressing interest in exploring a formal agreement for acceptance of organics, mixed recyclables, and construction and demolition (C&D) waste. District staff will be meeting with the City of Watsonville to discuss those options.

18) Letter from Monterey County Regional Fire District RE: No Cost Opportunity to Annex.

General Manager stated that the District had received a letter from the Monterey County Regional Fire District (NCRFD) regarding annexing the District area and provide fire related services. Legal Counsel stated that staff will be looking at all options. Chair Delgado that the City of Marina was now servicing the District under contract and NCRFD has requested merging the duties, from the division chief level and above, for both agencies.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that San Benito County is in the process of bidding its franchise collection system. Their consultant has approached the District to discuss the possibility of utilizing the District for processing services in support of the county's Request for Proposals. Staff requested and received consensus from the Board to draft a "letter of interest" to San Benito and the cities of Hollister and San Juan Bautista indicating the District's interest in providing services. General Manager also reported that the City of Watsonville has indicated their intent to deliver an additional 1,000 to 1,200 tons per month of municipal solid waste (MSW) for disposal as their last landfill cell is reaching capacity sooner than expected. Watsonville has indicated interest in working with the District on a new contract for the full range of services – single-stream processing, MSW processing, C/D processing, and organics processing.

General Manager reported that in January 2017 the District received a single roll-off box load of what has now been determined to be lead and PCB contaminated sand blast material from the PG golf course maintenance facility. The hauler GreenWaste Recovery (GWR) declared and the District charged and handled it as clean soil. It was about 14 tons of sand blast sand contaminated with approximately 300-500 lbs of lead based paint chips (estimated). District staff was notified by the contractor in late August 2017 and immediately investigated the facts of the circumstance and contacted both the Regional Water Quality Control Board and the LEA to provide the required regulatory notification and to seek the Agency's determination of a course of action. District staff also notified the City of Pacific Grove and GWR of this occurrence. One potential outcome of this circumstance is for the District to receive a Notice of Violation as a result of receiving this material albeit unknowingly and as a result of the failure of other parties to disclose to the District the contaminated nature of the material for which they knew of or should have known of at the time. Staff will keep the Board apprised of this situation

General Manager stated that District and Monterey One Water (M1W) staff continue to work together over common projects of interest. Specifically, staff has been working on new power generation and power delivery concepts, evaluation of combined operations for organics processing, shared services, and joint evaluation of potential impacts of easements and Cal-Am plant construction to Charlie Benson Road.

Results of lab testing of landfill gas (LFG) samples obtained during the August 2017 source test of Engine #3 and the enclosed flare indicate a sulfur compound concentration of 790 parts per million (ppm). September LFG testing results indicate a sulfur compound concentration of 710 ppm. The District's review indicate that the exceedances have occurred since June. Daily non-compliance continues at this time. The District has notified the Monterey Bay Air Resources District (MBARD) that sulfur oxides (SOx) emissions from the LFGTE Plant and enclosed flare has been

exceeded and has met with them to prepare for a Variance Application and Hearing Board process associated with the exceedances. The District is pursuing a short-term rental of treatment units to mitigate the sulfur concentrations while a more permanent treatment system is planned. Cost impacts are being assessed and will be included in future reports.

BOARD COMMUNICATIONS

Director Downey expressed appreciation to General Manager for his presentation to the City of Monterey City Council. General Manager stated that staff would be contacting other member agency staffs to discuss opportunities for staff to provide a similar presentation to their respective agencies.


CLOSED SESSION

Legal Counsel stated that since there were no new developments relative to the closed session items, there was no need for a closed session.

ADJOURNMENT

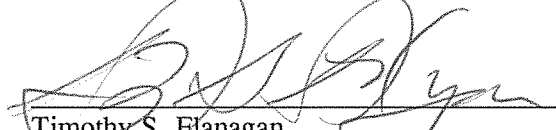
There being no further business to come before the Board at this time, the October 20, 2017 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Delgado at 11:57 a.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary