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**MONTEREY REGIONAL
 WASTE MANAGEMENT DISTRICT**
Home of the Last Chance Mercantile

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
 REGULAR MEETING MINUTES**

Friday, 9:40 a.m. (Immediately Following MRWMA Meeting)
 July 20, 2018

MRWMD Boardroom
 14201 Del Monte Blvd., Monterey County, 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
 David Pendergrass, City of Sand City Mayor
 Leo Laska, Pebble Beach Community Services District
 Director Libby Downey, City of Monterey
 Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)
 Dennis Allion, City of Del Rey Oaks Councilmember
 Jason Campbell, City of Seaside Councilmember

MEMBERS ABSENT: None

STAFF PRESENT: Tim Flanagan, General Manager
 Rob Wellington, Legal Counsel
 Guy Petraborg, Director of Engineering & Compliance/District Engineer
 Jeff Lindenthal, Director of Communications & Sustainability
 Peter Skinner, Director of Finance & Administration
 Berta Torres, Human Resources Manager
 Garth Gregson, Accounting Manager
 Clyde Walkup, Materials Recovery Manager
 Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
 Kacey Christie, Safety & Risk Manager
 Ron Mooneyham, Equipment Maintenance Manager
 Rosa Marcelo, Assistant Accounting Manager
 Kimberle Herring, Public Education and Outreach Coordinator
 Angela Goebel, Public Education & Outreach Specialist
 Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Ted Terrasas, City of Monterey
 John Greenlee, Caldwell Flores Winters
 Riley Jones, EMC Research
 Emily Goodwin, EMC Research

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the July 20, 2018 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Delgado at 9:40 a.m.

PUBLIC COMMUNICATIONS

There were no public communications.

Chair Delgado stated that there were several items on the agenda and General Manager needed to leave the meeting no later than 12:15 p.m. He also stated that due to time constraints, he was requesting that Item 11 be moved to the beginning of the meeting to allow time for discussion.

CONSENT AGENDA

Following a motion by Chair Delgado, seconded by Director Parker, the Board unanimously approved the Consent Agenda.

- 1) Approve Minutes of June 22, 2018 Regular Board Meeting
- 2) Approve Report of Disbursements, and Board and Employee Reimbursements
- 3) Receive Report on July 11, 2018 Finance Committee Meeting
- 4) Receive Report on July 11, 2018 Personnel Committee Meeting
- 5) Adopt Resolution 2018-17 Establishing Investment Policy Guideline for Fiscal Year 2018/19

PRESENTATIONS

6) Small Planet News: June 20, 2018 Household Hazardous Waste (HHW) Collection Event

Public Education and Outreach Coordinator Kimberle Herring provided a presentation on the HHW event and how outreach had been conducted. Several managers and staff worked the event and surveyed the participants. Some of the questions asked were jurisdiction, how they had heard about the event, and if they had participated before. Last Chance Mercantile/Hazardous Materials Manager Glen Evett reported that 691 vehicles had participated in the event. He provided information on how much material had been received and what the cost had been. He stated that the District was partnering with Waste Management Inc., to hold a collection event in Big Sur in October. The Board expressed appreciation to staff for a well-planned event.

RECOGNITIONS

7) Recognition of Last Chance Mercantile/Hazardous Materials Manager Glen Evett for 20 Years of Service to the District

General Manager stated that Last Chance Mercantile/Hazardous Materials Manager Glen Evett has led the LCM through a substantial increase in revenues almost every year. Glen has also led the HHW program through challenging circumstances, and his personnel perform our load checking compliance efforts and

helped make our community HHW one-day collection events the outstanding success it is today. He is one of the first to arrive every morning and it has been a pleasure to work with him. On behalf of the Board, Chair Delgado thanked Glen for his efforts and his leadership.

8) Recognition of District's Triple A (Attitude Achievement Award) Recipient, Kimberle Herring

General Manager stated that it is with great honor we recognize Kimberle Herring was unrelenting with her optimism, and for coordinating the very successful holiday giving campaigns. She has been the recipient of literally hundreds of "thank-you's" from first graders to college students for her passionate and informative tour presentations. Kimberle commented that it was due to Al Gore's "Inconvenient Truth" that she had opted to pursue a different career path and it had been a pleasure to have the opportunity to influence even one person make a better consumer choice or inspire one student to change their local community. She acknowledged everyone at the District who were making a difference. On behalf of the Board, Chair Delgado expressed appreciation to Kimberle for her efforts.

STAFF REPORTS (Out of Order)

11) Review Finance, Operating, and Recycling Reports

Under this item, General Manager stated that staff had provided a summary of analysis of the District's 5-year Capital Outlay Plan. He stated that current staff has provided valuable information in the development and outlining the capital improvement needs and the various approaches to funding them. Staff has estimated close to \$50 million in capital projects that are devoted to regular business operations in the next five years exclusive of any new projects around new diversion infrastructure in the MRF or organics management. The information was provided for discussion only, and no action was being taken at this time.

Director of Finance & Administration stated that the current year budget identified a Capital Outlay Plan of \$16 million of investment, \$30 million over the next 3 years, and nearly \$50 million over the 5-year plan period. The investments were deemed necessary to maintain existing operations and facilities, and to make upgrades necessary to keep the District compliant with regulatory mandates related to diversion, environmental protection and solid waste/hazardous waste management. He provided information summarizing the Plan by type of investment, by department, whether investments were needed for regulatory compliances purposes, and project details for the next 3 years of capital spending, which were candidates for debt financing. General Manager stated that none of these items were discretionary, and the Board would need to decide how to best fund forward these investments.

Board discussion followed regarding the high investment anticipated due to regulatory mandates to include organics processing, ability to fund some of the capital funding with cash from current operations, and consideration of borrowing up to \$25 million. Director of Finance & Administration stated that funding capital needs from current operations did not allow for the building up of a capital reserve plan and in three years the District would have a negative cash flow. Staff has held discussions regarding organics processing and there are several alternatives to include public-private partnerships, although most of the options are in the conceptual stage. Chair Delgado thanked staff for the financial analysis provided and it was good to know what would be needed in the next 5-10 years.

Mr. John Greenlee, Caldwell, Flores, Winters, addressed the Board and stated that at a previous Board meeting, information had been provided regarding borrowing more now due to interest rates increasing. He stated that following that meeting, he had spoken with industry experts and it is anticipated that interest rates

will be going up in the next 18-24 months. While they may increase, the municipal sector will be less impacted. The District is restricted to funding projects already identified.

The Board reviewed the Financial Statements and Recycling Reports for June 2018.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

9) Receive Report on 2017/18 District Goals and Discuss Development Process of 2018/19 District Goals

The Board was provided a summary of achievement of the District 2017/18 Goals. General Manager reviewed the summary with the Board and stated that, overall, District staff performed at a high level in regard to financial performance, operational performance, and most importantly, since the main focus for FY 2017/18 was planning, staff delivered a Strategic Plan that outlined capital needs and facility development over the next decade. Staff also held two successful events with the MRF opening. Areas of challenge for the District were, and have been, with safety and establishing a safety culture. Staff believes there is still work needed in keeping all employees informed, engaged and accountable. Overall, staff is proud of all the accomplishments achieved last year.

Staff also presented a basic outline for the establishment of goals for FY 2018/19 which will be presented at the September 21, 2018 Board meeting.

The 2017/18 District Goals were received by consensus of the Board.

10) Receive Results of Public Opinion Survey Conducted by EMC Research

Director of Communications & Sustainability Jeff Lindenthal addressed the Board and stated that staff has been working on communication and outreach efforts for the past few years and the public opinion survey conducted by EMC Research was part of the District' on-going efforts to help define effective public education and outreach efforts in the community. He introduced Emily Goodman with EMC Research.

Ms. Jones addressed the Board and provided a summary of the survey and shared the key findings which showed that the District's brand was strong. Most residents want to do a good job with recycling and would still have a favorable opinion of the District if rate increases were necessary having been explained the rationale. The District's efforts to contain costs with the rates charged by local haulers have paid dividends as most respondents felt their services are priced "right" with some "upside" potential for increases. She provided additional information related to each individual question.

Board discussion followed regarding percentage of responses from each city, reducing waste at the source, and interpretation of certain questions. Ms. Riley Jones, also from EMC, provided percentage information by city. Director of Communications & Sustainability commented that more work is needed on changing behaviors, and staff is collaborating with sustainability groups to educate residents on reducing packaging waste. Director Parker suggested that once an approach has been outlined, contacting local legislators to considering carrying or supporting legislation. Following a question by Director Downey regarding the "what goes where" app, Director of Communications & Sustainability responded that staff intends to roll out the app, which will provide recycling information by city, by mid-August. Ms. Jones responded to inquiries about individual question interpretation.

The Public Opinion Survey Results conducted by EMC Research were received by consensus of the Board.

STAFF REPORTS (Continued)**12) Report on Public Education**

The Board reviewed a memorandum from Director of Communications & Sustainability reporting on the District's participation with the AgTech Summit held in June. He also provided an update on plastics recycling and the general challenges of recycling plastic overall. The Board was also provided the minutes of the District's June 20, 2018 Technical Advisory Committee.

Board discussion ensued regarding what types of plastics are currently recyclable and the litter problem on California highways to include the Monterey Peninsula.

13) Report on 2018 Employee Survey

The Board reviewed a memorandum from HR Manager Berta Torres summarizing the employee survey, along with the complete survey results. The survey included 14 multiple choice questions to assess various areas of the employee experience. Response was lower than the previous survey, although it is believed that the opening of the MRF may have been the reason. Staff plans to continue these employee surveys every 12-18 months as an on-going best practice. Chair Delgado requested staff provide comparison information between the current and previous survey. HR Manager responded that she would email the information to the Board.

14) Report on July 17, 2018 Meeting of Special Districts Association of Monterey County

General Manager stated that he attended the meeting and a written report would be provided at the September Board meeting.

OTHER CORRESPONDENCE**15) Letter from Salinas Valley Recycles (SVR) RE: Interagency Collaboration Ad Hoc Committee Formation**

The Board reviewed a letter dated June 29 from Salinas Valley Recycles (SVR) Chair Salinas in response to a letter sent by the District on June 22, 2018. Chair Delgado reported that the first joint Ad-hoc committee meeting was scheduled for July 25th. A summary of the July 25th meeting will be provided at the September Board meeting.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that staff has continued to meet with M1W staff and is moving forward on discussions with joint efforts on organics processing, electrical generation and power distribution, and long-term care and maintenance of Charlie Benson Lane (CBL) to include the trees.

He also reported that staff and the District consultant are working on bid documents for the bidding for construction of Module 6 and that SCS Engineers was in the middle of the waste composition study. Staff expects to present the final report to the Board in the next few months.

BOARD COMMUNICATIONS

Chair Delgado expressed appreciation to District staff and others for assisting in maintaining Lapis Road litter free. He stated that on July 28, 2018, a cleanup was scheduled for the area on Del Monte Blvd and Beach Road.

CLOSED SESSION

The Board adjourned to closed session at 11:45 a.m. to discuss the following:

- 1) Conference with Legal Counsel--Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (One Case)
- 2) Public Employee Performance Evaluation: General Manager

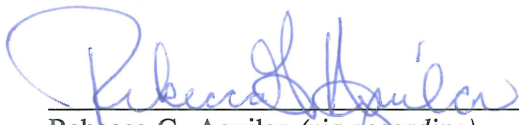
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came out of closed session at 12:05 p.m. and Legal Counsel announced that with regard to Item 1, the Board received information and provided direction to staff; No reportable action had been taken. With regard to Item 2, the Board held discussion and reportable action was taken.

ADJOURNMENT

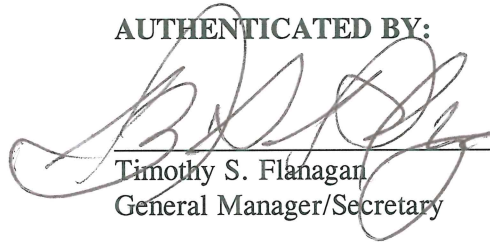
There being no further business to come before the Board at this time, the July 20, 2018 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Delgado at 12:05 p.m.

RECORDED BY:



Rebecca G. Aguilar *(via recording)*
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary