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# MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

*Home of the Last Chance Mercantile*

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:33 a.m. (Immediately Following MRWMA Meeting)  
 September 21, 2018

MRWMD Boardroom  
 14201 Del Monte Blvd., Monterey County, CA

**MEMBERS PRESENT:** Carrie Theis (Vice Chair), City of Carmel-by-the-Sea Mayor Pro Tem  
 Leo Laska, Pebble Beach Community Services District  
 Director Libby Downey, City of Monterey  
 Dennis Allion, City of Del Rey Oaks Councilmember  
 Jason Campbell, City of Seaside Councilmember  
 Jerry Blackwelder, City of Sand City Vice Mayor

**MEMBERS ABSENT:** Bruce Delgado (Chair), City of Marina Mayor  
 Gary Bales, City of Pacific Grove  
 Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4)

**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  
 Tim Brownell, Director of Operations  
 Berta Torres, Human Resources Manager  
 Clyde Walkup, Materials Recovery Manager  
 Garth Gregson, Accounting Manager  
 Rosa Marcelo, Assistant Accounting Manager  
 Becky Aguilar, Executive Assistant/Clerk of the Board  
 Kimberle Herring, Public Education and Outreach Coordinator  
 Angela Goebel, Public Education & Outreach Specialist  
 Ida Gonzales, Administrative Support Specialist  
 Beatriz Zepeda, Last Chance Mercantile Assistant Manager  
 Baldo Trujillo, Materials Recovery Facility Supervisor  
 Marino Dominguez, Materials Recovery Facility Sorter II  
 Froylan Hernandez, Materials Recovery Facility Sorter I

**OTHERS PRESENT:** Ted Terrasas, City of Monterey  
 John Greenlee, Caldwell Flores Winters  
 Charlie Cordova, GreenWaste Recovery  
 Mike Niccum, Pebble Beach Community Services District

### ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the September 21, 2018 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Vice Chair Theis at 9:33 a.m.

### PUBLIC COMMUNICATIONS

There were no public communications.

### CONSENT AGENDA

*Following a motion by Director Laska, seconded by Director Downey, the Board approved the Consent Agenda.*

- 1) Approve Minutes of July 20, 2018 Regular Board Meeting
- 2) Approve Report of Disbursements, and Board and Employee Reimbursements
- 3) Receive Report on August 1, and August 29, 2018 Finance Committee Meeting
- 4) Receive Report on August 1, and September 5, 2018 Personnel Committee Meeting
- 5) Adopt Resolution 2018-18 Amending Designated Positions on the Conflict of Interest Code
- 6) Approve Draft Recycling Services Agreements with WM Recycle America, LLC, and Potential Industries Inc., Subject to Final Review by Legal Counsel

### PRESENTATIONS

#### 7) **Small Planet News: Sustainable Moments Collective**

The Board received a presentation from Director of Communications and Sustainability Jeff Lindenthal on the Sustainable Moments Collective working group which consisted of District staff and staff from the Monterey County Convention and Visitors Bureau (MCCVB), Monterey Bay Aquarium, City of Carmel, Monterey One Water, and others. By building on the MCCVB's existing Sustainable Moments marketing campaign, the group is helping to develop messaging and share program news from the respective agencies to help broaden the reputation of the region as a sustainable destination. The purpose of the collective is to share best practices from concurrent sustainability initiatives and use the group's collective influence to reach visitors and residents alike. He shared that Governor Brown had signed the Plastic Straw Reduction Policy making California the first state in the nation to require restaurants to only make straws available upon request in an effort to reduce and eliminate the use of plastic straws. He commended the City of Carmel for implementing a similar policy last year.

Vice Chair Theis stated that it was good to have a collective effort in educating visitors to the Monterey Peninsula area on the local community efforts.

RECOGNITIONS

**8) Recognition of Materials Recovery Facility Sorter I Froylan Hernandez, Sorter II Marino Dominguez, and Last Chance Mercantile Assistant Manager Beatriz Zepeda for 20 Years of Service to the District**

The Board recognized three long-term employees who have demonstrated exceptional work ethic, commitment, and a positive attitude over their 20-year career at the District. General Manager stated that Marino Dominguez had operated the wood line for many years, and Froylan Hernandez has been a good, steady, employee with the Materials Recovery Facility (MRF) team since he began working at the District. Beatriz Zepeda or "B" as she is known to everyone at the District has risen to the rank of LCM Assistant Manager after she started as a Sales Clerk I & II. Beatriz is very capable, known for excellent customer service, and is part of the dynamic LCM team that has doubled revenues over the past 10 years since she became the Assistant Manager. On behalf of the Board, Vice Chair Theis congratulated Marina, Froylan, and "B".

**9) Recognition of Materials Recovery Supervisor Baldo Trujillo for 25 Years of Service to the District**

The Board recognized Baldo Trujillo. General Manager stated that Baldo began working at the original LCM on site as a Laborer/Sales Clerk I and had steadily advanced at the District up to his position of MRF Supervisor. He has seen both versions of the MRF (1.0 and 2.0) and been instrumental in implementing start-up of both versions. Baldo has consistently supported the District mission while providing leadership to co-workers, as well as, encouraging cooperation among all operations within the District. Baldo has accepted extra responsibilities in any job classification he has occupied within the District and strives for a safe and effective operation. He is well deserving of this recognition of his 25 years of outstanding service. On behalf of the Board, Vice Chair Theis congratulated Baldo.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

**10) Receive Finance Committee Recommendation and Schedule Public Hearing for October 19, 2018 Board Meeting to Issue up to \$25 Million in Revenue Bonds for Capital Expenditures Required to Maintain Existing Operations and Build a Capital Reserve Fund**

Director of Finance & Administration Peter Skinner expressed appreciation to the Board for their time and efforts while staff determined the need and the amount of the bond issuance. Staff had presented a series of workshops and study sessions around the topic of long-term funding. Staff was recommending, and the Finance Committee concurred, that the issuance of a total of \$25 million in bonds was needed to fund the transition and construction of vital infrastructure and equipment over the next three to five years.

District Financial Advisor John Greenlee of Caldwell Flores Winters addressed the Board to provide information regarding the state of the market and stated that the market had remained relatively stable. He provided preliminary cost information and timeline schedule for the bond issuance. He also stated that he expected that the District's bond rating would increase.

Director Allion, as Chair of the Finance Committee, stated that a lot of time had been spent and information had been provided at several finance committee meetings regarding this issue. Director Laska, who was also on the committee, stated that the committee felt this was good balance of revenue and debt. There were several projects that needed to be completed to continue to operate the District.

Board discussion was held regarding the District's ability to repay the debt and seeking grant funding for some of the projects. Staff responded that part of the debt coverage methodology, was to ensure there was adequate revenue to repay the debt. Director Allion stated the District's cash flow was higher than budgeted. The reference to private or grant funding also included partnership with private companies such as with the anaerobic digestion facility. Board discussion continued regarding overborrowing especially with the higher than budgeted cash flow. Director Allion reiterated that the finance committee felt that \$25 million was needed for the next 3-5 years. Director Laska commented that another factor was the favorable interest rate. Mr. Greenlee stated overborrowing did not make economic sense.

*It was moved by Director Allion, seconded by Director Laska To: Receive Finance Committee Recommendation and Schedule Public Hearing for October 19, 2018 Board Meeting to Issue up to \$25 Million in Revenue Bonds for Capital Expenditures Required to Maintain Existing Operations and Build a Capital Reserve Fund.*

**11) Approve Revisions to Personnel Policies to Authorize General Manager to Hire Employees up to Step 6 of the Salary Schedule**

The Board reviewed a memorandum from Director of Finance & Administration Peter Skinner and Human Resources Manager Berta Torres regarding the difficulty of filling a unique position mainly due because the General Manager could only authorize up to Step 3 of the Salary schedule. Anything beyond that required Board approval. Given the dynamic current employment market and the fact that the District had been turned down by two qualified candidates in the past few months due to salary concerns primarily, the Personnel Committee had concurred with staff recommendation that the General Manager be granted the discretion of giving qualified candidates an entry point at any step of the Board-approved salary ranges of Steps 1 through Step 6. General Manager stated that he would notify the Board when an employee was hired at a step higher than 3 and that staff would be coming back to the Board to establish a total compensation philosophy.

*It was moved by Director Allion, seconded by Director Blackwelder To: Approve Revisions to Personnel Policies to Authorize General Manager to Hire Employees up to Step 6 of the Salary Schedule, with Reports to the Finance Committee and Personnel Committee When Positions Hired Above Step 3 and Budgetary Impacts.*

**12) Receive Personnel Committee Recommendation and Accept District Goals for 2018/19**

Staff presented to the 2018/19 Goals to the Board which had been developed in cooperation with operation managers and line staff. The Personnel Committee had recommended staff present the Goals for Board approval. Board discussion followed regarding the Goals and expressed appreciation for metric information.

*It was moved by Director Downey, seconded by Director Allion To: Receive Personnel Committee Recommendation and Accept District Goals for 2018/19.*

**STAFF REPORTS**

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

The Board reviewed the financial statements for August 2018. Accounting Manager provided the Board with a presentation on the financial statements. Director Downey requested the information provided in the presentation be included in the packet. The Board also reviewed the Recycling Reports for August 2018.

Board discussion was held the loss in recycling revenue, mainly due to the fact that CalRecycle has not paid the District the redemption value for materials processed in the Materials Recovery Facility because of an inadvertent administrative error in which Waste Management's (WM) identification number was cancelled. WM has since reapplied for a new number, but it is unclear whether the District will receive 100%. Although the District is confident most of the reimbursement will be received, it has not been included in the revenue balance. Director Allion commented that by not including the anticipated revenue, it distorted the District's income. General Manager stated that staff has been working diligently with CalRecycle and has engaged other legislative organizations. Staff will look at the revenue reporting and provide further information to the Finance Committee.

**14) Report on Public Education and Recycling**

The Board reviewed a memorandum from Director of Communications and Sustainability Jeff Lindenthal reporting on the successful launch of the "What Goes Where" app. Public Education & Outreach Specialist Angela Goebel provided a brief demonstration of the website for Board members. Public Education staff also provided a report on the California Resource Recovery Association Conference held Oakland, CA on July 26-29, 2018.

Public Education and Outreach Coordinator Kimberle Herring provided a presentation on the West End event in which the District participated, held in Sand City August 18-19, 2018.

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

General Manager provided the Board with a written summary of the meeting.

**16) Report on Solid Waste Association of North America WasteCon Conference**

General Manager provided a verbal report on the Annual Solid Waste Association of North America WasteCon. He stated that a large focus was on the current market conditions for recycling in China. Plenary speakers focused on the need for businesses and agencies to be ahead of the rapid change of pace for cultural shifts, demographic shifts, changing market conditions, and workplace employee engagement. He also notified the Board that he had been officially installed as the SWANA International Board Secretary at the conference.

**17) Report on September 10, 2018 Meeting with Salinas Valley Recycles Regarding Memorandum of Understanding**

General Manager stated that District staff and Salinas Valley Recycles (SVR) staff had met on September 10<sup>th</sup> to review the substantial edits SVR had made to the draft MOU developed by the City of Salinas and the County of Monterey, in an effort to address the beneficial use of existing and planned solid waste infrastructure to improve community services and help control costs for all of Monterey County.

Director of Communications and Sustainability stated that he had attended the September 20, 2018 SVR meeting and the SVR Board had moved that representatives from the City of Salinas, Monterey County, and south county cities be included in the discussions. General Manager recommended that the Board direct staff to review the edits and meet with the District adhoc Committee; the Board concurred.

The Board also reviewed letters from Monterey County and several Monterey County cities supporting the collaboration of the District and SVR.

OTHER CORRESPONDENCE

18) Letter to Don Chapin Company RE: Extension of Agreement Through December 31, 2018

The Board reviewed a letter sent to The Don Chapin Company extending their agreement with the District for sand processing through the end of the year. The extension was necessary to accurately assess the conditions for the total amount of material needed to be excavated and terms and conditions. Staff anticipates bringing an Agreement back to the Board for approval at the November 30<sup>th</sup> Board meeting.

GENERAL MANAGER COMMUNICATIONS

General Manager commented that staff has continued to meet with Monterey One Water (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) and the trees along CBL. District staff and M1W will be meeting to review the longer-term assessment of a comprehensive digester gas and energy utilization plan. He reported that the District had received full payment for the negotiated easement price of \$42,300. He also stated that staff and the District consultant are working on bid documents for the bidding for construction of Module 6. Staff expects to have completed the bidding process and bring back to the Board a selection by the October or November Board meeting. Staff met with Regional Waster Quality Control Board staff this month to begin the review for submittal process and timetable for approval of design for the Module 6 construction.

BOARD COMMUNICATIONS

There were no Board communications.

CLOSED SESSION

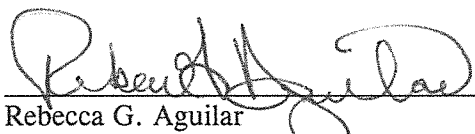
1) Public Employee Performance Evaluation: General Manager

The Board tabled the item scheduled for closed session due to the absence of three Board members. The matter will be discussed at the October 19, 2018 Board meeting.

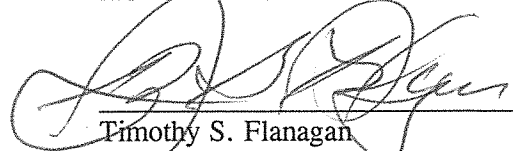
ADJOURNMENT

There being no further business to come before the Board at this time, the September 21, 2018 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Vice Chair Theis at 12:05 p.m.

RECORDED BY:

  
\_\_\_\_\_  
Rebecca G. Aguilar  
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:

  
\_\_\_\_\_  
Timothy S. Flanagan  
General Manager/Secretary