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BRUCE DELGADO
DENNIS ALLION
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 General Manager
GUY PETRABORG, P.E., G.E.
 Director of Engineering & Compliance
JEFF LINDENTHAL
 Director of Communications & Sustainability
PETER SKINNER
 Director of Finance & Administration
TIM BROWNELL
 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, 9:30 a.m.
 March 22, 2019

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

MEMBERS PRESENT: Carrie Theis (Chair), City of Carmel-by-the-Sea Councilmember
 Jason Campbell (Vice Chair), City of Seaside Councilmember
 Leo Laska, Pebble Beach Community Services District Director
 Jane Parker, (Unincorporated) Monterey County Board of Supervisors Chair (District 4) (*seated at 9:35 a.m.*)
 Dennis Allion, City of Del Rey Oaks
 Jerry Blackwelder, City of Sand City Vice Mayor
 Dan Albert, City of Monterey Councilmember

MEMBERS ABSENT: Gary Bales, City of Pacific Grove
 Bruce Delgado, City of Marina Mayor

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
 Clyde Walkup, Materials Recovery Facility Manager
 David Ramirez, Senior Engineer
 Garth Gregson, Accounting Manager
 Glen Evett, Last Chance Mercantile/Hazardous Materials Manager
 Becky Aguilar, Executive Assistant/Clerk of the Board
 Angela Goebel, Public Education and Outreach Specialist
 Ida Gonzales, Administrative Support Assistant II

OTHERS PRESENT: Charlie Cordova, GreenWaste Recovery
 Rob Durham, Monterey County Environmental Health
 Suha Kilic, Pebble Beach Community Services District
 Mandy Brooks, Salinas Valley Recycles
 Clementina Ventura

ROLL CALL AND ESTABLISHMENT OF QUORUM

Notice duly given and presence of a quorum established, the March 22, 2019 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Theis at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no public communications.

CONSENT AGENDA

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

- 1) **Approve Minutes of February 15, 2019 Regular Board Meeting**
- 2) **Approve Report of Disbursements, and Board and Employee Reimbursements**
- 3) **Receive Report on March 6, 2019 Finance Committee Meeting**
- 4) **Receive Report on March 6, 2019 Personnel Committee Meeting**
- 5) **Approve a PG&E Easement Deed for Electrical Supply to RAMCO Enterprise (For Adjacent Parcel)**
- 6) **Ratify Purchase of Portable Litter Fencing from Coastal Netting Systems of Bakersfield, CA in the Amount of \$58,227.50**
- 7) **Adopt Resolution of Appreciation (2019-03) for Retiring Sorter I Clementina Ventura**

RECOGNITION

- 8) **Resolution of Appreciation (2019-03) for Retiring Sorter I Clementina Ventura**

On behalf of the Board, Chair Theis presented the resolution of appreciation to Clementina Ventura after 15 years of service to the District. On behalf of staff, General Manager wished her the best in her retirement and all future endeavors. Clementina thanked the Board and staff for the opportunity to work at the District and stated that she missed coming to work everyday and would miss everyone as well.

Director Parker was seated at 9:35 a.m.

PRESENTATIONS

- 9) **Small Planet News: Update on District Videos**

Staff provided the Board with an update on District videos that can be accessed from the District's website including a virtual tour of MRF 2.0 and the webcam streaming live from one of the Barn Owl boxes.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**10) Award Construction Contract for Landfill Module 6 Liner Project to the Qualified Low Bidder, Wood Brothers, Inc. of Lemoore, CA in the Amount of \$3,610,881**

The Board reviewed a memorandum from Director of Engineering & Compliance Guy Petraborg. The District received five (5) sealed bids on March 13th for the Module 6 Liner project. The bids received ranged from a low of \$3,610,881 to a high of \$7,137,000. Two of the bids were within the Engineer's Cost Estimate. The qualified low bid being recommended to the Board for contract award approval was from Wood Brothers, Inc. of Lemoore, CA, who has several decades of experience with landfill liner construction projects and was recently awarded the Johnson Canyon Landfill's Module VII contract by the Salinas Valley Solid Waste Authority.

Board discussion followed regarding the normal fill life of each module, budgeted costs and prevailing wage policy. Director of Engineering & Compliance stated that it depended on the size of each module and the fill waste and that Module 5 had a life expectancy of 15 years based on the fill rates at the time of construction, although with the current fill rate it had filled in half the time. He stated that Module 6 was a smaller module and has a fill life of two years based on current waste rates. He also stated that all contractors must pay prevailing rates and submit certified payrolls. General Manager stated that there was a fill sequence for each module in accordance with the Site Master Plan.

It was moved by Director Parker, seconded by Director Albert To: Award Construction Contract for Landfill Module 6 Liner Project to the Qualified Low Bidder, Wood Brothers, Inc. of Lemoore, CA in the Amount of \$3,610,881.

11) Approve Purchase of Biogas Conditioning Equipment from Unison Solutions, Inc. of Dubuque, Iowa, at a Cost of \$2,908,025 (excluding Sales Tax and Shipping Charges)

The Board reviewed a memorandum from Director of Engineering & Compliance regarding the purchase of biogas conditioning equipment for the CEC Grant project to convert biogas (LFG and/or Anaerobic Digester gas) to a primarily methane (CH₄) process gas for supply to the District's Franchise Truck Yard Compressed Natural Gas (CNG) station. Two bids had been received and staff was recommending purchase from Unison Solutions, Inc. of Dubuque, IA for the total amount of \$2,908,025 (excluding sales tax and shipping charges). This amount included two bid alternates; one for a hydrogen sulfide (H₂S) cleanup system and the other for a compressor to be used as a backup in case the main compressor failed or required maintenance. General Manager stated that the delivery of this project was part of Board direction to diversify revenue by providing a gas to fuel system. There have been recent challenges with the landfill gas system regarding sulfur oxides (SOX's) emissions and having the biogas clean up system will help.

Board discussion followed regarding installations cost, disposal of undesirable gas, and revenue to the District. Director of Engineering & Compliance stated that equipment installation costs could be up to \$600,000 and were included in the \$1.8 million District cost for the project. The undesirable gas that results from creating a clean process gas (methane) is recycled to the incoming landfill gas stream that is directed to the enclosed landfill gas flare. General Manager stated that the District buys pipeline gas from PG&E and sells it at cost to Greenwaste Recovery (GWR) for their compressed natural gas fueling. The District would gain revenues by selling the gas it produces and thru monetization of RINs and low-carbon fuel credits (LCFS). Staff is also working on a joint master plan with Monterey One Water to maximize gas to energy benefits.

It was moved by Director Albert, seconded by Director Parker To: Approve Purchase of Biogas Conditioning Equipment from Unison Solutions, Inc. of Dubuque, Iowa, at a Cost of \$2,908,025 (excluding Sales Tax and Shipping Charges).

STAFF REPORTS**12) Review Finance, Operating, and Recycling Reports**

The Finance and Operating and Recycling reports for February 2019 were reviewed by the Board. Accounting Manager also provided a financial review.

13) Report on Public Education Outreach

The Board reviewed a memorandum from Director of Communications & Sustainability Jeff Lendenthal detailing the cost-based rate adjustment (CBRA) process the agencies contracting with GWR will be performing. The CBRA allows for detailed analysis of actual GWR costs of operation and a comparison of actual vs. projected revenues which allows for a "true" rate.

He also reported that staff was working with the Monterey Bay Aquarium to host an Earth Day event in the auditorium with keynote speaking Bea Johnson, one of the most engaging practitioners and speakers on the topic of living a zero waste lifestyle. The event will be on April 22, 2019 at 7 p.m. More information will be provided to the Board as it becomes available. Director Laska stated that he would not be able to attend and requested that staff inquire about videotaping the event.

14) Report on Proposed Implementation of Materials Recovery Facility (MRF) Processing Fees for Single Stream Recyclables

The Board reviewed a memorandum from Director of Operations Tim Brownell regarding the proposed implementation of processing for single stream recyclables (SSR) received in the MRF. General Manager stated that the challenge of recycling is resonating nationwide and that after a year of operating the new MRF, the District now has a good understanding of the both the District's operating costs and the market conditions surrounding the handling and sale of single stream recyclable materials.

Director of Operations addressed the Board and stated that for the first year of operations, the District provided processing services at no charge for all uncontracted materials being delivered to the facility from third-party haulers such as Waste Management, Republic Services, City of Watsonville, and Recology, and paying Greenwaste Recovery (GWR) \$40/ton for the materials that they deliver under the franchise agreement. He stated that with the implementation of the Chinese National Sword initiative, recycling markets were in a different state than they were when the GWR franchise agreements were signed.

He provided the Board with a presentation outlining the key factors in the proposed processing fee structure and stated that the market rate for processing SSR materials in Bay Area ranged between \$25 -\$87 per ton and should include all staff wage and benefit costs as well as all MRF equipment and facility maintenance costs related to operations. Currently non-recyclable materials contained in SSR exceeded 22% and staff would like to set a goal of 10% or less. The processing fee structure would include a residual disposal fee charge for all non-recyclable materials delivered over 10%. The District would utilize an independent 3rd party to conduct an annual waste composition study for all sources of SSR materials to establish non-recyclable materials in excess of 10% of the incoming materials delivered to the MRF and charge haulers for all of those materials in excess of 10% at the solid waste disposal fee, which was currently \$62/ton.

Implementation of a processing fee, residual disposal, and elimination of GWR credit is estimated to increase revenues by up to \$3 million in FY 2019/20. The \$40 GWR credit would be eliminated in FY 2019/20, and the processing fee implemented in FY 2020/21 to minimize impact on rate payers. Director of Operations further commented that it had been discussed with the Board last year that a 10% disposal fee would be necessary during

the next three FYs. If the recommendations were implemented, an increase would not be necessary during the next FY. Staff intended to bring a recommendation to the Board following further discussion with the waste haulers.

Board discussion followed regarding impact to residents, administrative expenses, the ability to track material by hauler, concern regarding the fee structure and providing an incentive to recycle. Director of Operations stated that the impact to residents would depend on the individual cities recycling rate, the administrative expenses included staffing, and that the last study had provided residual percentages. General Manager stated that the State required 75% diversion, and the District and haulers would need to be creative to encourage residents to continue to recycle. The District still had the lowest rates and it was up to staff to keep rates as low as possible. Director Campbell expressed concern regarding the mind frame of it being easier to landfill than to recycle. Director Allion commented that if the material comes in clean, the residual fee would not be charged. Director Laska applauded staff for their efforts in determining the true costs of recycling and operations.

15) Update on District Goals for Fiscal Year 2018/19

The Board received an interim progress report on the current fiscal year District goals. Board members commented positively on progress made to date.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager advised the Board that the District, as the land owner, was notified by the Monterey County Environmental Health Department on February 13, 2019 that Zero Waste Energy, LLC., (ZWE), owner/operator of the Anaerobic Digester Pilot Facility was issued a notice of violation for operating with an expired permit. While there is some disagreement on the characterization of the history of events in the notice and prior submittals to the County, ZWE had elected compliance Option B. General Manager also advised the Board that the District had signed onto a letter of support for Senate Bill 54 (Allen, Weiner, Skinner), which establishes a comprehensive framework to reduce single use plastic packaging and places shared responsibility on the producer by designing products that reusable, recyclable, or compostable.

BOARD COMMUNICATIONS

Director Parker commented on the signage on Charlie Benson Lane and provided creative suggestions to staff to promote the Last Chance Mercantile and providing 3R information to the public.

CLOSED SESSION

The Board met in closed session at 11:15 a.m. on the following matters:

1. Conference with Property Negotiators:
 - Property: Landfill Site Space/Capacity
 - District Negotiators: Tim Flanagan & Guy Petraborg
 - Negotiating Parties: Salinas Valley Solid Waste Authority, City of Salinas, and County of Monterey
 - Terms: All Terms and Conditions

2. Conference with Labor Negotiators:

District Negotiators: Tim Flanagan, Peter Skinner, Timothy Brownell, and Berta Torres

Employee Organizations: Operating Engineers and Management Employees

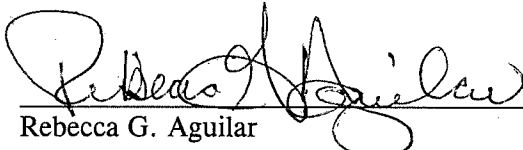
RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

The Board came back into open session at 11:50 a.m. Legal Counsel announced that in closed session discussion was held on the items listed on the agenda; no reportable action was taken.

ADJOURNMENT

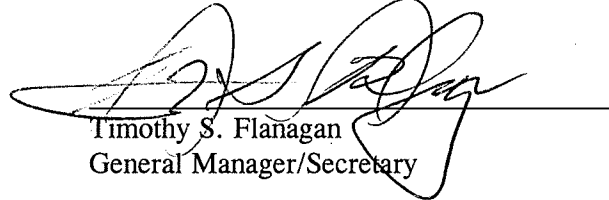
There being no further business to come before the Board at this time, the March 22, 2019 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned by Chair Theis at 11:51 a.m.

RECORDED BY:



Rebecca G. Aguilar
Executive Assistant/Clerk of the Board

AUTHENTICATED BY:



Timothy S. Flanagan
General Manager/Secretary