

BOARD OF DIRECTORS

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MONTEREY REGIONAL
WASTE MANAGEMENT DISTRICT
Home of the Last Chance Mercantile
FINANCE COMMITTEE MEETING
AGENDA

TIMOTHY S. FLANAGAN
General Manager
GUY PETRABORG, P.E., G.E.
Director of Engineering & Compliance
PETER SKINNER
Director of Finance & Administration
TIM BROWNELL
Director of Operations
ZOE SHOATS
Director of Communications
ROBERT WELLINGTON
Legal Counsel

Wednesday, August 4, 2021

Bales Boardroom

9:00 a.m.

14201 Del Monte Blvd., Monterey County, CA

Please Note: Meeting will be held virtually via zoom compliant with Governor Newsom's executive Order N-29-20 which allows local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and address the local legislative body to avoid public gatherings, and which suspended all contrary provisions of the Brown Act. To join the zoom webinar, click on this link: <https://us02web.zoom.us/j/86326400635> copy/paste the link into your browser, or type the link into your browser. If your computer does not have audio, you will also need to join the meeting via phone. To participate via phone, please call: 1-669-900-9128; **Meeting ID: 863 2640 0635** Public Comments: if you are unable to participate via telephone or virtually, you may also submit your comments by e-mailing them to igonzales@mrwmd.org with one of the following subject lines "Public Comment Item #" (insert the item number relevant to your comment) or "Public Comment - Non Agenda Item". Comments must be received by 4:00 p.m. on Tuesday, August 3, 2021. All submitted comments will be provided to the Committee and may be read into the record or compiled as part of the record. Public comment will also be accepted during the meeting.

CALL TO ORDER

ROLL CALL AND ESTABLISHMENT OF QUORUM

PUBLIC COMMUNICATIONS

Anyone wishing to address the Committee on matters *not* appearing on the Agenda may do so now. *Please limit comments to a maximum of three (3) minutes.* The public may comment on any other matter listed on the agenda at the time the matter is being considered by the Board.

ITEMS FOR COMMITTEE CONSIDERATION, DISCUSSION AND ACTION

1. Bond Restructuring
2. Review Organizational Structure
3. Update on Authority to Construct (ATC) Permit - H₂S Treatment System
4. MBARD Fine and Settlement Agreement – 2019/20 Violations

GENERAL MANAGER COMMUNICATIONS

CLOSED SESSION

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the District's Meyers-Milias-Brown Act representative.

1. Conference with Property Negotiators
Property: Landfill Site Space/Capacity
District Negotiators: Tim Flanagan, Timothy Brownell, Guy Petraborg, Peter Skinner and Zoe Shoats
Negotiating Parties: Green Waste Recovery of San Jose, CA

RETURN TO OPEN SESSION WITH ANY REQUIRED ANNOUNCEMENTS FROM CLOSED SESSION

Please note: A report out and announcement concerning the closed session will be provided to anyone requesting same by emailing igonzales@mrwmd.org.

ADJOURNMENT

NEXT MEETING DATE: Wednesday, September 1, 2021 9:00 a.m.

This agenda was posted at the District offices at 14201 Del Monte Blvd, Monterey County, CA. Staff reports and additional information regarding these agenda items are available on the District website (www.mrwmd.org) and at the District offices during regular business hours (additional fee for copying). All meetings are open to the public. The District does not discriminate against persons with disabilities and the Boardroom is wheelchair accessible. Recordings of meetings can be provided upon request. To request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please call Ida Gonzales at (831) 384-5313 or e-mail: igonzales@mrwmd.org. Requests must be made at least 48 hours in advance of the meeting.



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: July 30, 2021
TO: Finance Committee
FROM: General Manager
SUBJECT: Finance Committee Meeting of August 4, 2021

ITEMS FOR COMMITTEE CONSIDERATION, DISCUSSION AND ACTION

1. Bond Restructuring

Rob Larkins from Loop Capital will make a presentation on the considerations and process for the debt refinancing that was discussed at the July Finance Committee meeting. Rob has been integral in the District's 2015 and 2018 bond issuances and is extremely knowledgeable of both the waste industry and the District.

Recommendation: Provide Direction to Staff

2. Review Organizational Structure

Staff is requesting that the Committee and the Board review the existing organizational structure and provide guidance as to the continued use of the existing structure, or to give the incoming GM the ability to change the organizational structure. The impact would be to have a delay in the filling of the Director of Finance and Administration position to perhaps the end of the calendar year.

Recommendation: Provide Direction to Staff

3. Update on Authority to Construct (ATC) Permit - H₂S Treatment System

Guy Petraborg, Director of Engineering and Compliance will provide a verbal report at the meeting. MBARD staff are reviewing MRWMD staff comments to the Draft ATC permit that was recently issued for the new H₂S Treatment System. A final version of the ATC permit is anticipated to be issued in August 2021.

Recommendation: Information Only

4. MBARD Fine and Settlement Agreement – 2019/20 Violations

Guy Petraborg, Director of Engineering and Compliance will provide a verbal report at the meeting. MBARD has proposed to impose a fine of \$29,352 with a suspension of \$177,888. District staff will need to continue to make progress on implementation of installation of additional collection wells, timely monitoring and reporting, and rapid compliance when surface emissions are detected.

Recommendation: Information Only

GENERAL MANAGER COMMUNICATIONS

August Board Meeting – Director Bales – Plans were to have an “in-person” event at the August meeting recognizing Director Bales and his 52 years of service. In light of recent upticks in COVID-19 cases, and general guidance around gatherings and mask wearing, staff is requesting direction from the Board as to whether or not to hold an “in person” event ahead of Board meeting scheduled for August 20th. Plans were to have a breakfast for Director Bales and then to move into Bales Board room for reading of resolution highlighting his accomplishments.

MIW/District Joint meeting – Respective staffs and Ad Hoc committee will be meeting on Thursday August 12th from 11:30 AM to 12:30 PM. The first meeting will focus on general topics and establishment of priorities on subjects of mutual interest including organics management and energy development from organics, micro grid potential and steps to develop the grid, strategic planning and joint site master planning, and updates on electrical connection, infrastructure maintenance cooperation and water management from District sources.

CLOSED SESSION

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the District's Meyers-Milias-Brown Act representative.

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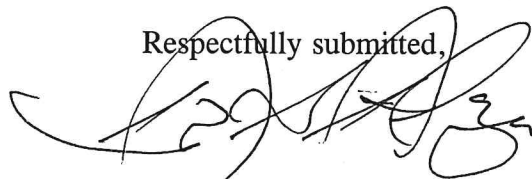
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ADJOURNMENT

NEXT MEETING DATE: September 1, 2021 at 9:00 a.m.

Respectfully submitted,



Timothy S. Flanagan



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: July 30.2021
TO: Finance Committee
FROM: General Manager
SUBJECT: Organizational Structure

RECOMMENDATION: Seek committee input on continuation of current organizational structure to guide recruitment of Director of Finance and Administration.

BACKGROUND

In 2013, the District had \$19.7 million in annual revenues; in year just ended revenues were over \$42 million. Over the past 5 years alone, revenue has nearly doubled. Staffing levels have remained essentially consistent since 2012 with a current total of 116 employees. The District has added new functions in our operations and new state policies and regulations have changed the District's mission. This led to the District's adoption of our Strategic Plan in 2014 – "Turn Waste into Resources". It was necessary to align the organization and fill the key role vacancies to fulfill the District's mission.

The previous organizational structure assigned oversight of **all** operational functions to the Assistant GM. This included engineering & compliance functions, and management of the District's joint ventures and partnerships, including composting, landfill gas management, sand extraction and aggregate crushing, and (at the time) operation of the anaerobic digestion facility. Additionally, the GM and Assistant GM shared oversight of Finance/Accounting and Administrative Services. The current GM determined this structure to be unsustainable, given the expansion of the District's operations, and called for an organizational realignment.

DISCUSSION

The District experienced a substantial amount of growth over the past five fiscal years in both revenue and in personnel to staff the upgraded MRF. These changes to the District's operations compelled the alignment of the senior leadership level to the current organization structure to lead and direct the expanded operations and effectively manage the increased financial obligations. The current structure established a Leadership Team, which includes the GM, four Directors and the HR Manager – all responsible for setting Business Strategy, Business Management, and providing the requisite independent management and compliance oversight of the Operation Team. The senior leadership level consists of four newly titled positions: Director of Finance & Administration, Director of Operations, Director of Engineering and Compliance/District Engineer, Director of Communications, and Human Resources Manager.

Staff is seeking Board direction as to whether to maintain the current existing organizational structure, or leave open the possibility for the new GM to change the organizational structure to their liking. If the current structure is identified as acceptable by the Board, staff can begin the recruitment of the Director of Finance and Administration on the heels of the GM recruitment. If the Board wishes to leave the organizational structure open to the next GM, then this recruitment should be delayed. If delayed, staff projects the Director of Finance and Administration position (or whatever the new title would be) would be filled late in the calendar year.

FINANCIAL IMPACT

No financial impact to be evaluated at this time

STRATEGIC PLAN

The following were the findings staff projected as to the implementation of the current leadership structure. Staff believes the objectives outline in the 2015 realignment were realized.

The District's Strategic Plan, adopted in 2014, identifies several key elements for our people and our organization. Under our People pillar, the key elements are as follows:

People: An engaged and talent workforce allows us to pursue the District's mission.

- 1. Utilize an intentional and mindful process in the recruitment, development, and growth of our people.*
- 2. Build a high performance, safety-oriented culture.*
- 3. Promote the health and well being of our employees.*

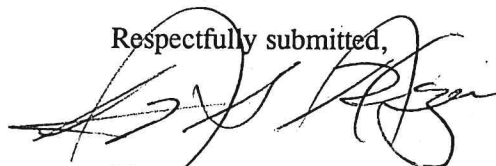
To this end, staff believes that the purpose of the organizational alignment changes proposed will

- 1. Align Business Management functions and Operations functions*
- 2. Promote Leadership Team Development*
- 3. Promote Operation Team Development thru a fully staffed, engaged, and collaborative Management Team*
- 4. Develop a Management Succession Planning for the future of District*

CONCLUSION

Staff believes that the challenges and opportunities facing the District over the next few years will necessitate a continued evaluation of management team functions and responsibilities. Staff believes the current structure has helped the District to achieve its Vision and Mission: to Turn Waste Into Resources in the most cost effective and environmentally sound manner to benefit the community and support the continued evolution of sustainable business practices. That being said, with the current recruitment of both a GM and Director of Finance and Administration, staff wanted to inform the Board as to their opportunity to weigh in on organizational structure and recruitment of key leadership positions.

Respectfully submitted,



Timothy S. Flanagan