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DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

ROBERT WELLINGTON
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 15, 2013

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

MEMBERS PRESENT: Leo Laska (Chair), Pebble Beach Community Services District Boardmember
Dennis Allion (Vice Chair), City of Del Rey Oaks Councilmember
Sue McCloud, City of Carmel-by-the-Sea
Gary Bales, City of Pacific Grove
David Pendergrass, City of Sand City Mayor
Libby Downey, City of Monterey Vice Mayor
Ian Oglesby, City of Seaside Councilmember
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4

MEMBERS ABSENT: Bruce Delgado, City of Marina Mayor

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Daylene Alliman, Human Resources Manager
Rick Shedden, Senior Engineer
Harry Hunzie, Materials Recovery Facility/Landfill Gas Facility Manager
Chuck Rees, Finance Manager
Jeff Lindenthal, Public Education and Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Glen Evett, Last Chance Mercantile/Household Hazardous Waste Manager
Rebecca Aguilar, Administrative Support Supervisor
Ida Gonzales, Administrative Support Specialist
Clyde Walkup, Materials Recovery Facility Operations Supervisor/OE3 Representative
Mario Van Cleave, Landfill Gas Power Systems Supervisor
Ernesto Mangubat, Landfill Gas Power Systems Maintenance Technician
Bertha Perez, Last Chance Mercantile Sales Clerk
Yolanda Palacio, Materials Recovery Facility Laborer I
Augustine Cruz, Maintenance Worker II

OTHERS PRESENT: Ted Terrasas, City of Monterey
Hans Uslar, City of Monterey
Charlie Cordova, Green Waste Recovery
Michael Gross, Green Waste Recovery
Rob Hilton, HF&H Consultants
Teresa Rios, Monterey County Environmental Health
Doug Kenyon, Republic Services of Salinas

OTHERS PRESENT: Patrick Mathews, Salinas Valley Solid Waste Authority
(continued) Virginia Johnson, Office of Santa Cruz County Supervisor Bruce McPherson
Felipe Melchor, Waste Management
Ted Melicia, District Former Senior Maintenance Worker
Lewis Leader
Josie Mangubat
Daniel McCormick
Sharnie Ryan

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the March 15, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Chair Laska at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no comments from the public.

CONSENT AGENDA

Following a motion by Director McCloud, and seconded, the Board approved the following actions:

- 1) Approve Minutes of February 15, 2013 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Authorize Issuance of Request for Proposals (RFP) for Gull Abatement Services

Following a motion by Director Parker, and seconded, the Board approved the following actions:

- 4) Adopt Resolution of Appreciation (2013-02) for Retiring Household Hazardous Waste Technician James Morris
- 5) Adopt Resolution of Appreciation (2013-03) for Retiring Materials Recovery Facility Laborer I, Yolanda Palacio
- 6) Adopt Resolution of Appreciation (2013-04) for Retiring Site Senior Maintenance Worker, Theodore (Ted) Melicia
- 7) Adopt Resolution of Appreciation (2013-05) for Retiring Materials Recovery Facility Operator II, Edward (Ed) Kalisz
- 8) Adopt Resolution of Appreciation (2013-06) for Retiring Materials Recovery Facility Laborer II, Francisco Solorio
- 9) Adopt Resolution of Appreciation (2013-07) for Retiring Materials Recovery Facility/Landfill Gas Project Manager, Harry Hunzie
- 10) Adopt Resolution of Appreciation (2013-08) for Retiring Landfill Gas Power Systems Supervisor, Mario Van Cleave

- 11) **Adopt Resolution of Appreciation (2013-09) for Retiring Site Maintenance Worker II, Augustine (Tino) Cruz**
- 12) **Adopt Resolution of Appreciation (2013-10) for Retiring Last Chance Mercantile Sales Clerk II, Bertha Perez**
- 13) **Adopt Resolution of Appreciation (2013-11) for Retiring Information Systems Manager, Don Prescott**
- 14) **Adopt Resolution of Appreciation (2013-12) for Retiring Landfill Gas Power Systems Maintenance Technician, Ernesto (Ernie) Mangubat**

On behalf of the Board, Chair Laska presented the employees with their resolution and expressed appreciation to all retiring employees for their dedicated efforts and years of service. He wished them well in their retirement.

PRESENTATION

15) **Presentation on Community Choice Aggregation (CCA) Regulatory Alliance**

General Manager stated that Gine Johnson, working for Santa Cruz County Supervisor Bruce McPherson, would provide a presentation on the topic of Community Choice Aggregation (CCA). He stated that Santa Cruz County is prepared to move forward with a CCA and wanted to provide Monterey County and San Benito County the opportunity to participate in a technical advisory committee to look into the feasibility of pooling residential, business and municipal electricity loads, and to generate and/or purchase power.

Ms. Johnson stated that she is working with Supervisor McPherson advising him on transportation and environmental policy. She explained that even if a CCA was established, Pacific Gas & Electric (PG&E) would still be involved with transmission, distribution, and customer service functions. She provided the Board with economic and environmental reasons to pursue a CCA. CCAs can be cost competitive due to its diversified portfolio approach, low overhead & nonprofit status, no shareholder profit margins or salaries, and low borrowing costs. There are four CCAs that have been created in the state of California and one that has been successful in providing power to its customers, the Marin Energy Authority. The first step towards a CCA would be to conduct a feasibility study, which would provide procurement options, rate analysis, development projections, and identification of financial needs. In Marin, all startup costs were borrowed, although they are almost debt free after three years. Conducting a feasibility study would take two to six months, at a cost under \$200,000 if Monterey County was included. She stated that there would be no impact to general funds as the plan was to fund the study by way of grants and private funds. The County of Monterey is considering participation at their meeting of March 26, 2013. Ms. Johnson stated that she has not contacted the individual cities yet, but if District member agencies were interested in participating, she was available to provide a presentation to individual member agencies.

Board discussion followed regarding the pros and cons of a CCA for the community. Ms. Johnson stated that there were many aspects that still needed to be studied to make sure that a CCA is right for the region. The plan would be to hire experts to provide assistance in what the least expensive and most effective steps were towards creation of a CCA, and assist with discussions with PG&E. Counties and cities would not be expected to commit to a CCA until after the feasibility study was completed. Director Oglesby stated that it would be beneficial for member agencies to participate in the study at no cost to them.

Following further discussion and consensus approval by the Board, staff was asked to prepare information to send to member agencies regarding the CCA concept for consideration by each city council. Staff was also asked to send a letter supporting participation of Monterey County in the CCA study to the Board of Supervisors prior to their March 26, 2013 meeting.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION**16) Receive Report on February 20, 2013 Monterey Regional Waste Management District Technical Advisory Committee (TAC) Meeting, Receive Draft Request for Proposals (RFP) for Solid Waste, Recycling, and Organics Collection Services and Authorize Distribution of RFP to Member Agencies**

The Board reviewed a memorandum from Public Education and Recycling Manager Jeff Lindenthal, summarizing the draft Request for Proposals (RFP) for Solid Waste, Recycling, and Organics Collection Services. The Board also reviewed a summary of the February 20th Technical Advisory Committee (TAC) meeting, the proposed RFP process schedule, and the Model Franchise Agreement that would serve as the template for proposers to bid on. General Manager stated that the RFP is the result of the contract with HF&H Consultants, on behalf of the member agencies, and allows for flexibility relative to services, service options, and pricing strategies. Following Board authorization, the RFP document will be forwarded to city and member agency managers, and to TAC members, for any comments and revisions, and for action before their Councils. The RFP would then return back to the Board, with modifications, if any, at the May meeting, at which time the staff would request the Board to release the RFP to proposing firms. Proposals would then be due on August 16, 2013.

Rob Hilton of HF&H Consultants provided the Board with a quick overview of the RFP process. Proposers will be asked to submit a "base proposal" that covers collection services and programs that are similar to the current scopes of services, and "alternative proposals" that address new programs that could be included in the final agreement. He reviewed the schedule with the Board and stated that it is anticipated that Agreements with the successful firm(s) would be completed by March 2014.

Board discussion followed regarding the RFP process, stressing a need to ensure that the cities receive all the information needed, in order to review thoroughly, and in an easy to read and follow format. Director Parker clarified that HF&H would continue to guide and assist member agencies with the RFP. Mr. Hilton responded that their scope of work had included the initial receipt, review and analysis of the proposals submitted, along with a cost analysis.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Receive Report on February 20, 2013 Monterey Regional Waste Management District Technical Advisory Committee Meeting, Receive Draft Request for Proposals (RFP) for Solid Waste, Recycling, and Organics Collection Services and Authorize Distribution of RFP to Member Agencies.

STAFF REPORTS**17) Review Financial, Operating and Recycling Reports**

Due to the early date of the meeting, the financial statements for February 2013 were not provided to the Board, although Tipping Fees Revenue for February is projected to be \$1,160,000, \$130,000 below budgeted levels for the month. The Board reviewed the financial statements for January 2013 which showed Operating Income at a loss of \$50,637 and year-to-date is income of \$654,484. The year-to-date total Operating Expenses are below budget by 2.9% at \$10,878,151. The year-to-date Operating Revenues are \$11,532,636, below last year by \$693,695 and 2.5% below budget.

As requested at the February Board meeting, Finance Manager reported that he had looked at moving reserves from the Local Agency Investment Fund (LAIF) to another financial institution in an effort to improve interest

returns. He had contacted staff at the Fort Ord Reuse Authority (FORA) regarding their reserve investments. FORA's excess reserves are invested in multi-year certificates of deposits. Certificates of deposits are not allowed investments under the current District Investment Policy, although staff will evaluate this possible change as part of the budget process for FY 2013/14.

General Manager stated that as reported to the Board at the February Board meeting and in an effort to reduce operating expenses to match revenues, staff intended to reduce the hours at the Household Hazardous Waste (HHW) Facility and the Last Chance Mercantile (LCM), by closing on Mondays beginning April 1st. The administrative office would also be closing at 4 p.m., rather than 5 p.m. allowing for improved efficiencies in administrative staff and workload scheduling. Staff was also contemplating reducing the gate hours from the current 61 hours per week to about 50 hours per week by opening 7:30 a.m. to 3:30 p.m., or so,, instead of the current 6:30 a.m. to 5:00 p.m. The reduction in hours is being proposed by staff in an effort to reduce expenses to match revenues, and to improve operating efficiencies with the reduced workforce.

Board discussion followed regarding projected savings and lost revenue with the proposed reduction in hours. Staff was directed to delay reducing the hours for District operations until there has been more opportunity to review costs savings and provide more information to the Board.

18) Receive Status Report on Landfill Gas (LFG) Project Operations and Plans

The Board reviewed a memorandum from Information Systems Manager Don Prescott outlining several options under consideration for future operations of the LFG Project. General Manager reported that there have been several challenges over the last few years in operating the LFG project. He reported that the District had not been selected for either of the two California Energy Commission (CEC) grant applications recently submitted. Staff will be attending the Solid Waste Association of North Americas (SWANA) Annual LFG Symposium this month and will hold discussion with firms that are interested in assisting with the LFG operations. He stated that with the retirement at the end of March of three employees involved with LFG operations, it will provide an opportunity to review how the District should best move forward with LFG operations.

General Manager also provided a summary of the Monterey Peninsula Regional Water Authority (MPRWA) Technical Advisory Committee (TAC) meeting he had attended on February 25, 2013 at their request. Director McCloud stated that a letter was forthcoming from the MPRWA expressing interest in purchasing the District's renewable energy at the best price. General Manager stated that in his opinion, the District should receive "fair market value" for the renewable energy it produces. Board discussion followed various considerations regarding sale of the power, including pricing and a need to make decisions that are in the best interest of the District.

19) Report on Solid Waste Legislation and Regulatory Matters

General Manager provided a summary of the SWANA Legislative Task Force (LTF) meeting held in Sacramento on March 7th. He reported that there seems to be little doubt that through the combined efforts of CalRecycle, the Legislature (in particular Assemblyman Chesbro) and the Governor's office, the existing 75% recycling goal will turn into a mandate during this two year legislative session, effective in 2020.

General Manager reported that CalRecycle is preparing a Report to the Legislature on the impacts in achieving 75% recycling in the State. Source reduction, funding for infrastructure, and siting challenges are top issues to be addressed. The LTF and industry stakeholders hope to comment on the next draft of the

Report, although it was reported by CalRecycle staff that they did not intend to solicit public comments on the Final Report. The LTF concluded it would be advisable to send a letter to CalRecycle objecting to that course, and to request an opportunity to allow stakeholder comments before the Report was made final. Director McCloud inquired whether the District should also send such a letter to CalRecycle. General Manager responded in affirmative and suggested he would inquire further with the LTF and report back to the Board in April.

OTHER CORRESPONDENCE

20) Letter from Special Districts Risk Management Authority (SDRMA) RE: Nomination for SDRMA Board of Directors 2013 Election

The Board reviewed a letter from SDRMA regarding upcoming nominations for their Board of Directors. Four seats are up for election and the nomination-by-resolution filing deadline is May 3, 2013. All of the District Board members are eligible to serve. No Board members expressed interest in serving on the SDRMA Board.

21) Letter from California Special Districts Association RE: CSDA Board of Directors Call for Nominations Seat B

The Board of Directors reviewed a letter from the California Special Districts Association (CSDA) regarding upcoming nominations for their Board of Directors. The deadline for receiving nominations is May 24, 2012 and it must include a District resolution or minute action indicating support for the candidate. All District Board members are eligible for this seat. No Board members expressed interest in serving on the CSDA Board.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the 18-month inspection of the District's landfill and Materials Recovery Facility operations, conducted by John White of CalRecycle in coordination with Bob Bates from the Monterey County Environmental Health Department had gone very well, with "no violations" resulting from the inspection. The entire District staff is to be commended for their dedicated efforts to achieve a "clean" inspection report from the State.

He also reported that construction on the SmartFerm Anaerobic Digestion project was complete and Public Education and Recycling Manager Jeff Lindenthal will be making a presentation on the project at the annual Biocycle Conference in San Diego on April 9, 2013. General Manager stated he will make a similar presentation at the SWANA Western Regional Symposium in San Luis Obispo on April 17, 2013.

BOARD COMMUNICATIONS

Director McCloud commented that All Saint's School had declared "Zero Waste Week" from March 17-23, and suggested that the Board send a letter commending the students' efforts. Public Education and Recycling Manager responded that District staff had learned of the school's efforts and had sent a letter of appreciation and support. He stated that the District had supported their efforts by providing radio advertisements announcing the event. A letter from the Board would also be appreciated by the students.

CLOSED SESSION

The Board went into closed session at 11:36 a.m. regarding the following:


- 1) Conference with Property Negotiators:
 - Property: Landfill Site Space/Capacity
 - District Negotiators: William Merry and Tim Flanagan
 - Negotiating Party: County of Monterey/Salinas Valley Solid Waste Authority
 - Terms: All Terms and Conditions

The Board came back into open session at 11:58 a.m. and Legal Counsel announced that in the closed session the Board had received information and discussion was held; no action was taken.

ADJOURNMENT

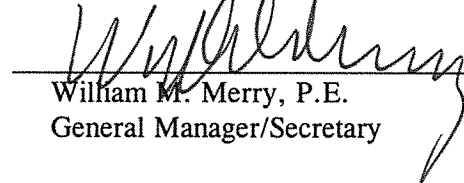
There being no further business to come before the Board at this time, the March 15, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to April 19, 2013 by Chair Laska at 11:59 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



William M. Merry, P.E.
General Manager/Secretary