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VICE CHAIR

GARY BALES
SUE MCCLLOUD
DAVID PENDERGRASS
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO



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WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
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.
November 15, 2013

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

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

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Rob Wellington, Legal Counsel
Tim Flanagan, Assistant General Manager
Jeff Lindenthal, Deputy General Manager for Community Programs
Rick Shedden, Senior Engineer
Chuck Rees, Finance Manager
Ron Mooneyham, Equipment Maintenance Manager
Jack Cook, Safety Manager
Clyde Walkup, Materials Recovery Facility Operations Manager
Rebecca Aguilar, Administrative Support Supervisor
Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Connie Glosser, Bianchi, Kasavan & Pope, LLP
Rene Mendez, City of Gonzales
Hans Uslar, City of Monterey
Tom Frutchey, City of Pacific Grove
Lew Bauman, County of Monterey
Charlie Cordova, Green Waste Recovery
Bob Bates, Monterey County Environmental Health Division
Teresa Rios, Monterey County Environmental Health Division
Roberto Moreno, Salinas Valley Solid Waste Authority
Mike Niccum, Pebble Beach Community Services District

ROLL CALL AND ESTABLISHMENT OF QUORUM

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

PUBLIC COMMUNICATIONS

There were no public comments.

CONSENT AGENDA

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

- 1) Approve Minutes of October 18, 2013 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Approve Draft 2014 Board Meeting Calendar
- 4) Accept Report from Finance Committee Chair on Meeting of October 30, 2013

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

5) Receive Presentation and Accept Annual Audit for Fiscal Year 2012/13

The Board reviewed a memorandum from Finance Manager Chuck Rees along with the Annual Audit Report, prepared by Bianchi, Kasavan & Pope, LLP (BK&P). Ms. Connie Glosser of BK&P addressed the Board and stated that the audit had been reviewed in detail by the District's Finance Committee. She reported that BK&P had expressed an "unqualified" opinion, which was the highest level of assurance that an agency can receive from an auditor and no adjusting entries were required.

The Finance Manager provided the Board with a brief overview of the audit and reported that the District is in a strong financial condition with total net assets of \$31,726,772. District operations for the fiscal year were above budget primarily the result of increased Operating Revenues from Contract waste and Sand sales. The decrease in Operating expenses resulted primarily from reduced Salaries and Benefits and Environmental Services. The District's Audit Report showed Income from Operations of \$1,711,340 compared to the budget of \$1,062,000. Non-operating Expenses increased due to the one time Voluntary Early Retirement Incentive program cost of \$1,063,108 and resulted in the Net Change in Position being \$357,425 below budget. The District's Unrestricted Net Position decreased to \$3,541,575 primarily due to capital acquisitions totaling \$4,479,994.

General Manager commended accounting staff for their efforts in ensuring that financial controls are kept in order, and all other staff for helping to reduce expenses, find new revenue, and improve efficiencies for District operations. The Board also commended staff for their outstanding efforts in obtaining such a clean report.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Accept Annual Audit for Fiscal Year 2012/13.

6) Accept Revisions to, and Authorize Participation in the Process for, a Request for Proposals (RFP) for a Countywide Solid Waste Management Study

Staff provided the Board with the most current revised RFP. General Manager stated that the revisions had been made collectively by the Concensus Group, made up of County CAO Lew Bauman, City Managers Ray Corpus (Salinas), Rene Mendez (Gonzales), Susan Stanton (Greenfield), Tom Frutchey (Pacific Grove), Hans Uslar (Monterey), Patrick Mathews of the Salinas Valley Solid Waste Authority (SVSWA) and himself. General Manager also provided a synopsis of discussions held to date. The Board was also provided with a list of questions, comments and suggestions by Director Bales, which were made prior to the revised RFP provided to the Board at the meeting. General Manager stated that some of the listed items have already been addressed.

Board discussion was held regarding the RFP, the list of items by Director Bales, and the need to actually conduct a study. Director Bales stated that he wanted to see a written response to his list in order to provide clarity for the entire Board. Director Pendergrass expressed concern with the District participating in perhaps an unwarranted study and the potential adverse effects to the District following the outcome of the study. Director Parker stated that the idea was to have the consultants analyze how waste is being transported around the county.

General Manager stated that the issue of merger or consolidation was not being considered which was reflected in the current RFP. There was reference in the RFP to the County withdrawing from the SVSWA, and at their November 5, 2013 meeting, the Monterey County Board of Supervisors (BOS) considered whether or not they would continue as a member of the SVSWA and the BOS voted to continue the matter to their December 3, 2013 meeting pending further discussions with the City of Salinas and others.

Both Dr. Bauman and Mr. Frutchey addressed the Board to speak in support of the need to conduct a study for the benefit of all county residents. Mike Niccum, General Manager for the Pebble Beach Community Services District addressed the Board and stated that with the District plans to make improvements to its facilities, it would be good to review the potential opportunities countywide.

Vice Chair Laska stated that he believed that there were three concerns by the District Board in previous discussions, this being that there would be no merger, and that the matters of rate equalization and importation of waste would not be included in the study. He believed that these items had been addressed. Chair Allion stated that he believed participation in the study could be beneficial. Director Oglesby stated that the RFP needed to be clarified in order for the Board to take action and staff needed to provide assurance that the RFP contained language addressing the Board's concerns.

It was moved by Director Downey, seconded, and Unanimously Carried To: Delay this Matter Pending the Outcome of the Monterey County Board of Supervisors December 3, 2013 Meeting; and to Allow Staff to Review the List of Questions, Comments and Suggestions Provided by Director Bales to Provide Written Response; and Bring Back to the Board at the December 20, 2013 Meeting.

7) Adopt Resolution 2013-15 Authorizing Purchase of 2014 Caterpillar 908H2 Compact Wheel Loader Without Competitive Bidding from Quinn Company, of Salinas, CA, in the Amount of \$106,330, for Use in Anaerobic Digester Operations

The Board reviewed a memorandum from Equipment Maintenance Manager Ron Mooneyham regarding unsuccessful staff efforts to secure a used loader with the required specifications to fit the anaerobic digester infrastructure. Caterpillar is the only manufacturer that makes a loader suitable for the District's operational needs.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Adopt Resolution 2013-15 Authorizing Purchase of 2014 Caterpillar 908H2 Compact Wheel Loader Without Competitive Bidding from Quinn Company, of Salinas, CA, in the Amount of \$106,330, for Use in Anaerobic Digester Operations.*

8) **Adopt Resolution 2013-16 Establishing 75% Waste Diversion Goal**

The Board reviewed a memorandum from Deputy General Manager for Community Programs Jeff Lindenthal recommending the Board adopt a resolution establishing a 75% waste diversion goal. The recommendation resulted from discussion held at the Board Workshop in October. As stated in the memorandum, establishing the diversion goal was a logical policy evolution building on the foundation established by the District's integrated diversion and recycling programs, and was the proactive approach CalRecycle was looking for local jurisdictions to adopt.

Director McCloud requested that staff provide an informational handout that Board members and others could use for briefing purposes.

It was moved by Vice Chair Laska, seconded, and *Unanimously Carried To: Adopt Resolution 2013-16 Establishing 75% Diversion Goal.*

9) **Accept Draft Monterey Regional Waste Management District Annual Report for 2013**

The Board reviewed the Draft Annual Report and provided comments and suggestions to staff.

It was moved by Director Parker, seconded, and *Unanimously Carried To: Accept Draft Annual Report for 2013.*

10) **Accept Report on Employee Injuries and Property Loss Incidents for Fiscal Year 2012/13**

The Board received a memorandum prepared by Safety Manager Jack Cook, with assistance from Human Resources Manager Daylene Alliman. Safety Manager reported on employee injuries and property loss incidents for fiscal year 2012/13. Board members were commended for their participation in the Special District Rick Management Authority (SDRMA) safety program which saved the District over \$42,000 in reduced insurance premiums. While there has been a slight increase in safety incidents, District staff continues to make safety a priority.

Board discussion followed regarding the report and requested that staff provide a safety update in 90 days.

It was moved by Director McCloud, seconded, and *Unanimously Carried To: Accept Report on Employee Injuries and Property Loss Incidents for Fiscal Year 2012/13, and Provide Quarterly Status Updates.*

STAFF REPORTS

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

The Board reviewed the financial statements for the month of September. The Operating Income for September is \$285,839 and \$1,167,744 year-to-date. The year-to-date total Operating Expenses are below budget by \$260,211 at \$4,444,289. The year-to-date Operating Revenues are above budget by \$925,783 and last year by \$383,484. Year-to-date tipping fee revenues are \$4,456,086, above last year by \$350,369 and budget by

\$892,336 due primarily to the increased Contract Waste received. The Year-to-date tonnage through October increased by 13.6% from last year (the non-contracted refuse is down 3.0% and regional and contracted waste is up 37.5%). The Operating Report for October 2013 was also reviewed by the Board.

12) Report on October 15, 2103 Meeting of Monterey County Special Districts Association

The Board reviewed a written summary of the October 15, 2103 Monterey County Special Districts Association meeting.

13) Report on Solid Waste Association of North America California Chapter Annual Legislative Task Force (LTF) Meeting

General Manager reported that the annual meeting of the SWANA LTF was held in Monterey on November 8th and 9th. He referred the Board to the letters included under "Other Correspondence" on the agenda, which were items of current interest to the LTF.

OTHER CORRESPONDENCE

14) Letter Dated November 6, 2013, to CalRecycle RE: Comments on CalRecycle's Update to its AB 341 Legislative Report: Statewide Strategies to Achieve the 75 Percent Goal by 2020

The Board reviewed a letter that the District had signed on to, which was prepared by the SWANA LTF. The letter makes a strong case to CalRecycle for collaboration between local, regional and State government to build on current practices and programs in an effort to achieve the 75% diversion goal.

15) Letter Dated November 1, 2013, to the California Air Resources Board (CARB) and CalRecycle RE: Additional Comments - Waste Management Sector Plan for the 2013 Scoping Plan Update

The Board reviewed a letter that the District had signed on to. The letter, prepared by a Solid Waste Industry Group (SWIG) of public and private representatives from across the State, is comprehensive in discussing CARB's proposed Scoping Plan for the Solid Waste Sector.

GENERAL MANAGER COMMUNICATIONS

The Board reviewed a flyer regarding the planned public Forum, focused on competition among four firms seeking the franchised collection contract, scheduled for Monday, November 18th from 4-6 p.m. at the Seaside City Hall Chambers. The Forum is intended to allow the four firms to present their Proposals and talk about the concept and approach for their collection service. It will be televised by AMP and the recordings made available for later viewing, which is anticipated to be useful as the individual member agencies consider the matter.

General Manager reminded the Board that the new site gate hours had become effective November 4th with very little comment from the public. He expressed appreciation for the Board's support in reducing the operating hours helping to increase District operations' efficiency.

The Board was notified that the sale price for landscaping materials would increase effective January 1, 2014. Staff had conducted a market analysis and found that District prices for small wood chips, compost and topsoil were being sold below market value. The new prices will become effective January 1, 2014.

BOARD COMMUNICATIONS

Director Downey expressed concern regarding litter on the highways and the need to change the approach in which litter issue was being handled and being proactive instead of reactive. Director McCloud stated that there was nothing to be done for the center median of the highway since Caltrans staff are only allowed to clean in those areas.

CLOSED SESSION

The Board went into closed session at 11:25 a.m. regarding the following:

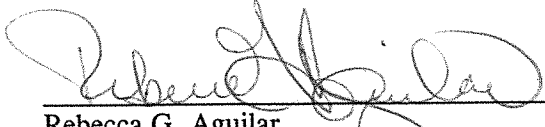
- 1) Conference with Labor Negotiators:
District Negotiators: William Merry and Tim Flanagan
Employee Organizations: Operating Engineers and Management Employees
- 2) Personnel Matter:
a. Public Employee Contract: Assistant General Manager
b. Public Employee Contract: General Manager
- 3) Conference with Property Negotiators:
Property: Landfill Site Space/Capacity
District Negotiators: William Merry and Tim Flanagan
Negotiating Parties:
a. Cities of Gilroy/Morgan Hill
b. County of Monterey
Terms: All Terms and Conditions

The Board came out of closed session at 12:15 and Legal Counsel announced that the Board had taken up the three matters identified on the closed session agenda, and with regard to the matters of conference with labor negotiators and conference with real property negotiators, information was received by the Board, no action was taken. With regard to the public employee contract matters the Board approved a revision to the agreement with the General Manager, which will be brought back for final action at the next board meeting, and also approved a recommendation by the General Manager relative to a minor revision to the employment agreement of the Assistant General Manager.

ADJOURNMENT

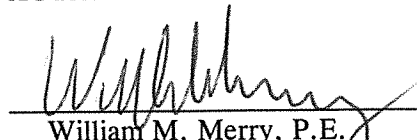
There being no further business to come before the Board at this time, the November 15, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to December 20, 2013 by Chair Allion at 12:16 p.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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