

BOARD OF DIRECTORS

LEO LASKA
CHAIR

DENNIS ALLION
VICE CHAIR

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



1
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.
December 21, 2012

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
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4
Bruce Delgado, City of Marina Mayor
Ian Oglesby, City of Seaside Councilmember

MEMBERS ABSENT: None

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Rick Shedden, Senior Engineer
Daylene Alliman, Human Resources Manager
Jeff Lindenthal, Public Education and Recycling Manager
Harry Hunzie, Material Recovery Facility/Landfill Gas Facility Manager
Jack Cook, Safety Manager
Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Ted Terrasas, City of Monterey
Charlie Cordova, Green Waste Recovery
Michael Gross, Green Waste Recovery
Teresa Rios, Monterey County Environmental Health
Brad Hagemann, Monterey Regional Water Pollution Control Agency
Doug Kenyon, Republic Services of Salinas
Jose Gamboa, Salinas Valley Solid Waste Authority
Joe Cadelago, Waste Management

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the December 21, 2012 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 public comments.

CONSENT AGENDA

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

- 1) Approve Minutes of November 16, 2012 Regular Board Meeting
- 2) Approve Minutes of November 28, 2012 Special Board Meeting

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 3) Receive Report from Finance Committee Chair on Meeting of November 28, 2012

The Board reviewed a memorandum from Chair Laska. Staff reported to the Committee that revenue estimates for FY 2012/13 are projected to be below budgeted levels. The Finance Committee will review the Mid-Year Budget at their January 30th meeting, with staff recommendations for matching the projected reduced revenues with anticipated expenses in the Budget.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Accept Report from Finance Committee Chair on Meeting of November 28, 2012.

- 4) Approve Draft Annual Report for 2012

The Board reviewed a Draft copy of the 2012 Annual Report. General Manager stated that Public Education and Recycling Manager, with assistance of other staff, prepared the draft Annual Report for 2012 with a theme of "The Next 60 Years", which is represented with descriptions of the Module 5 Landfill Liner project, the Anaerobic Digestion Pilot Project, and the proposed Materials Recovery Facility improvements. Printed copies will be distributed to local libraries, city halls, at District offices, and special events.

Board discussion followed regarding the report and suggested changes were provided to staff. Director Bales commended staff for reducing the pages from 16 to 12 as a cost savings measure of about 32%.

It was moved by Director Delgado, seconded, and Unanimously Carried To: Approve Draft Annual Report for 2012 Following Consideration by Staff on How Best to Incorporate Suggested Comments by the Board.

5) **Authorize Issuance of Request for Qualifications for Landfill Gas (LFG) to Energy Plant Operation**

The Board reviewed a Request for Qualifications (RFQ), prepared by Senior Engineer Rick Shedden, seeking qualified firms to operate the District's 5 megawatt LFG power generation plant and to determine if their methods in operating the plant could be an improvement versus having District personnel operate the plant as has been done for the last 28 years. General Manager stated that the draft RFQ was presented to the Finance Committee who supported its issuance as an effort to find the most effective and efficient means to carry out District operations.

Board discussion followed regarding preference for a local firm, efficiencies, and concern of issuing an RFQ instead of a Request for Proposals (RFP). Chair Laska stated that there are several companies that are headquartered outside of California, although they do operate in the state. Assistant General Manager stated that issuing an RFQ would allow for more flexibility and better information exchange as opposed to issuing a RFP in which the proposer would be required to be more specific. Legal Counsel referred the Board to the selection procedure described in the RFQ which stated that the qualifications would be reviewed and the best qualified firms would be interviewed for potential negotiations, and that the RFQ was non-binding.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Authorize Issuance of Request for Qualifications for Landfill Gas (LFG) to Energy Plant Operation.

STAFF REPORTS

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

The Board reviewed the financial statements for October 2012. The financial statements for November 2012 were not provided to the Board, although Tipping Fees Revenue is projected to be \$1,100,000, which is \$170,000 below budgeted levels for the month. The year to date Tipping Fees Revenues, through November, are projected to be \$100,000 above budget, which may seem to be good, but the winter months are historical for reduced tonnages below budgeted levels, originating from local sources and contracted waste. Staff continues to have a concern about the downturn in tonnages and revenue to date.

Year-to-date Total Operating Expenses are below budget by \$161,250 and above last year by \$21,588 at \$6,243,083. Year-to-date Total Salary Expenses are below budget by \$163,588 and last year by \$202,266. The year-to-date Operating Revenues are above budget by \$133,561 and below last year by \$597,084 at \$6,891,894. Year-to-date tipping fee revenues are \$5,432,746, above last year by \$23,473 and budget by \$276,079.

The Operating Report for November 2012 was also reviewed. The Total Solid Waste Accepted into the site (excluding regional and contracted waste) was 21,967 tons. Tonnage from regional and contracted waste from Watsonville, Capitola, Scotts Valley, and GreenWaste Recovery was 62, 550, 620, and 10,844 tons, respectively.

7) **Status Report on Construction of Anaerobic Digester (AD) Pilot Project**

The Board reviewed a memorandum from Public Education and Recycling Manager, which provided the status of the Anaerobic Digester (AD) Pilot Project. Operation of the AD unit will begin in mid to late January and an open house for the project is planned for January 25, 2013. General Manager expressed

appreciation to Brad Hagemann, Assistant General Manager of the Monterey Regional Water Pollution Control Agency (MRWPCA) for their support with the project. The AD unit will produce methane gas to be converted into electricity, which in turn will be sold to the MRWPCA for use in their wastewater treatment plant operation.

8) Status Report on Module 5 Landfill Liner Installation

The Board reviewed a memorandum from Senior Engineer Rick Shedden regarding the status of the Module 5 landfill liner installation. The \$3.7 million construction project is 75% complete and is anticipated to be completed within budget. It has been slowed by recent rains, but is scheduled for completion in the spring of 2013. The 23 acre Module 5 will have a service life of 17 years, providing landfill capacity until the year 2029.

9) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported that the Statewide Legislative Task Force of the Solid Waste Association of North America (SWANA) met in early November to review the 2012 regulatory and legislative efforts and to develop the Work Plan for 2013. The Board reviewed a summary of the Work Plan for 2013.

OTHER CORRESPONDENCE

There was no other correspondence.

GENERAL MANAGER COMMUNICATIONS

General Manager invited the Board to attend the Employee Awards Luncheon following the Board meeting. He stated that the grant application to the California Energy Commission was submitted and expressed appreciation to Assistant General Manager, consultant Brennan Jensen, and staff for all their efforts in bringing the application to completion.

General Manager reported that the next meeting of the District's Technical Advisory Committee (TAC) will be held on January 9, 2013 at 9 a.m. at the District administrative offices. A previous meeting was postponed because the accounts operational and financial information requested from Waste Management (WM) for member agencies had not been provided in full. The purpose of the meeting is to continue discussion of the cooperative waste and recycling collection franchise procurement process and issuing a Request for Bids.

Director Bales inquired if the information had been received from WM. Joe Cadelago of WM responded that data requests have been received from most member agencies; the data was provided to the requesting member agencies. Requests have not been received from Del Rey Oaks and Pacific Grove. Public Education and Recycling Manager commented that some of the information was incomplete and the remaining data is being requested. The Board expressed concern regarding the loss of time due to not having the information needed in order to move forward with discussions. Director Oglesby requested staff notify the Board if information is not forthcoming. Director Delgado agreed with Director Oglesby and expressed appreciation to District staff for providing its expertise and this valuable service to the community. He suggested that town hall meetings be held to educate the public. General Manager responded that requests have been made through city staff, although the next step would be to contact city managers and that education meetings will be planned in mid to late 2013 for the member agency communities.

BOARD COMMUNICATIONS

Director Delgado inquired about insurance premium incentive credits available from the Special District Risk Management Authority for Board member participation in training workshops and webinars. General Manager responded that staff would provide training information to the Board in order to receive the discounts for the fiscal year.

CLOSED SESSION

The Board went into closed session at 10:45 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 11:42 a.m.; it was announced that in closed session the Board received information regarding the property negotiations matter and no action was taken.

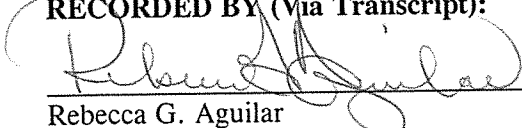
MOMENT OF SILENCE

Chair Laska asked for a moment of silence as an expression of sympathy for the families of all of those whose lives were lost at the Sandy Hook Elementary School in Newtown, CT.

ADJOURNMENT

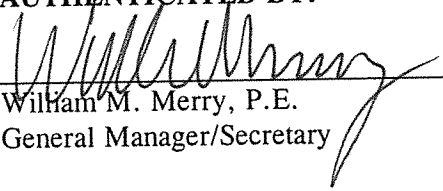
There being no further business to come before the Board at this time, the December 21, 2012 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to January 18, 2013 by Chair Laska at 11:41 a.m.

RECORDED BY (Via Transcript):



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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