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LIBBY DOWNEY
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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.
December 20, 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 (Via Teleconference)
Jane Parker, (Unincorporated) Monterey County Supervisor, District 4 (Seated at 9:45 a.m.)
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
Daylene Alliman, Human Resources Manager
Glen Evett, Last Chance Mercantile/Household Hazardous Waste Manager
Richard Pettitt, Site Manager
Rebecca Aguilar, Administrative Support Supervisor
Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Charlie Cordova, Green Waste Recovery
Michael Gross, Green Waste Recovery
Teresa Rios, Monterey County Environmental Health Division
Rose Gill, Salinas Valley Solid Waste Authority
Roberto Moreno, Salinas Valley Solid Waste Authority
Joe Cadelago, Waste Management, Inc.
Felipe Melchor, Waste Management, Inc.

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the December 20, 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 November 15, 2013 Regular Board Meeting**
- 2) **Approve Report of Disbursements**
- 3) **Approve Revisions to General Manager Employment Contract**

PRESENTATIONS

4) California Public Employees Retirement System Presentation on Pension Reform

The Board reviewed a memorandum from Human Resources Manager Daylene Alliman regarding the Public Employee Pension Reform Act of 2013 (PEPRA). General Manager stated that staff had reported briefly on this matter to the Personnel Committee, where it was requested that a presentation be made to the Board on pension reform and its impact on the District. Ms. Renee Ostrander, Assistant Division Chief for the Customer Account Services Division of the California Public Employees Retirement System (CalPers), made a presentation.

Director Parker was seated at 9:45 a.m.

Ms. Ostrander addressed the Board and provided a presentation which answered the questions of District rates now and in the future, what could be done to reduce those costs, what was CalPers doing in reducing the unfunded liability, and the future of pension reform. She also explained the difference between “new” members and “classic” members. Ms. Ostrander advised that information could also be found on their website at www.calpers.ca.gov, and that a new phone had been established for agency key decision makers to facilitate and expedite assistance.

Ms. Ostrander will provide a copy of her presentation and responses to questions from Board members via email.

Director Downey retired from the meeting (via conference call) at 10:20 a.m.

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

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

The Board reviewed a draft final Agreement and RFP for a Countywide Solid Waste Management Study. General Manager stated that the final agreement and RFP incorporated comments made by the Board at the November meeting. He stated that the Consensus Group, made up of County CAO Lew Bauman, City Managers Ray Corpuz (Salinas), Rene Mendez (Gonzales), Susan Stanton (Greenfield), Tom Frutchey (Pacific Grove), Hans Uslar (Monterey) and Patrick Mathews (SVSWA), had reviewed the final document. He further stated that among the revisions, the group had agreed to include Mike Niccum, General Manager of the Pebble Beach Community Services District to provide balance between the Salinas Valley and the Peninsula. The SVSWA authorized participation in the process at their December 19, 2013 Board meeting. There is a strong interest among the City Managers and the County to proceed with this Study as soon as possible.

Director Parker commended everyone involved in moving this process forward in an effort to establish cooperation on a number of issues countywide.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Accept Revisions to, and Authorize Participation in the Process for, the Request for Proposals for a Countywide Solid Waste Management Study.

6) Receive Staff Report on Production and Use of Compressed Natural Gas (CNG) Fuel, and Authorize General Manager to Proceed with Feasibility Analysis for a Truck Yard and Maintenance Facility

The Board reviewed two memorandums from Assistant General Manager Tim Flanagan with regard to production and use of CNG and the potential for producing vehicle fuel from organics in the solid waste stream and development of a truck yard and maintenance facility for refuse collection vehicles.

Assistant General Manager provided the Board with a presentation on what the District is currently doing with the landfill gas (LFG) and what can be done in the future in an effort to have a balanced energy portfolio. He stated that in 2013, staff had submitted a grant application to the California Energy Commission (CEC) for the development of a bio-gas fueling project located here at the District in an effort to develop renewable based fuels for the Monterey Peninsula. Even though the District did not receive the grant, staff has continued to evaluate the potential for diversification of its bio-gas resource. The District's experience with PG&E over the past several years has demonstrated the benefit of developing other options for bio-gas utilization other than renewable energy generation. The recent Model Franchise RFP process also brought about interest in the development of fueling options from bio-gas generated from landfill gas (LFG) and from the anaerobic digestion (AD) project. All of the proposers will utilize compressed natural gas (CNG) fuel in their new fleet and three of the proposers indicated they would cooperate in the development of a bio-gas fueling station for their vehicles. The same proposers would also be interested in locating their truck yard on the District property. With the need for diversification of the District's bio-gas resource, the potential need to provide fuel for the hauling fleet for the Monterey Peninsula, and the desire to develop alternative fuel options for District vehicles and potentially other peninsula jurisdiction vehicle fleets, District staff believes it is prudent planning to continue to pursue development of a bio-gas fueling project as part of our overall site master plan.

Board discussion followed regarding potential conflicts with the current PG&E contract, the required use of alternative fuel franchise agreement proposals, and the ability to potentially increase District revenue.

It was moved by Director McCloud, seconded, and Unanimously Carried To: Receive Staff Report on Production and Use of Compressed Natural Gas (CNG) Fuel, and Authorize General Manager to Proceed with Feasibility Analysis for a Truck Yard and Maintenance Facility.

STAFF REPORTS

7) Review Finance, Operating, and Recycling Reports

The financial statements for October 2013 were reviewed by the Board. In summary, Year-to-date Total Operating Expenses were below budget by \$29,849 and above last year by \$71,614, at \$6,242,818. Year-to-date Total Salary Expenses were below budget by \$212,932. The year-to-date Operating Revenues were above budget by \$1,449,992 (23.2%) and above last year by \$806,431 (11.7%) at \$7,698,325. Year-to-date tipping fee revenues are \$6,042,828, above last year by \$610,084 and budget by \$1,291,162.

The November 2013 financial statements were not available, although Tipping Fees Revenue for November was projected to be \$1,350,000, about \$160,000 above budget. The full year Tipping Fees Revenues were projected to be \$1,450,000 above budget and \$780,000 above last year.

The Operating Report for November 2013 was also reviewed by the Board.

8) Legislative and Regulatory Report

General Manager reported that the officers of the SWANA Legislative Task Force (LTF) had met with CalRecycle's Assistant Director for Policy Development, Scott Smithline, in which General Manager joined via teleconference. CalRecycle is working in coordination with the California Air Resources Board (CARB), to develop regulations to achieve greater organics diversion in the State. Mr. Smithline has been very firm and clear about the State's objective to effectively achieve the goal of diverting organics away from landfills, through legislation, regulation or a landfill ban on organics. It would appear CalRecycle and CARB are determined to achieve this goal during 2014. The LTF will be submitting further comments to CalRecycle as a follow-up to the meeting.

OTHER CORRESPONDENCE

GENERAL MANAGER COMMUNICATIONS

General Manager stated that a Special Board meeting would be held at the Seaside City Council chambers on January 8, 2014 at 5:00 p.m. in order to receive the recommendation from District's Technical Advisory Committee (TAC) following the evaluation of the Proposals for Franchise Refuse Collection. The Special Meeting was necessary because of a delay in considering the matter at the December Board meeting, causing a scheduling conflict for the consultants, HF&H. Other written communication was provided in the General Manager's report.

BOARD COMMUNICATIONS

CLOSED SESSION

The Board went into closed session at 11:05 a.m. regarding the following:

- 1) Conference with Labor Negotiators:
District Negotiators: William Merry, Tim Flanagan, Daylene Alliman

Employee Organizations: Operating Engineers and Management Employees

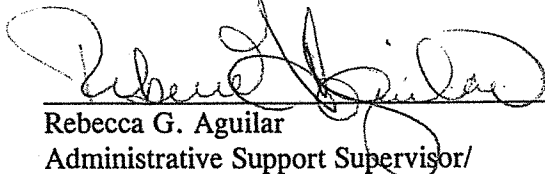
- 2) Conference with Property Negotiators:
Property: Landfill Site Space/Capacity
District Negotiators: William Merry and Tim Flanagan
Negotiating Parties: a. Cities of Gilroy/Morgan Hill
b. County of Monterey
Terms: All Terms and Conditions

The Board came out of closed session at 11:55 a.m. and Legal Counsel announced that the Board had taken up the two matters identified on the closed session agenda, and information had been received by the Board, with no action taken.

ADJOURNMENT

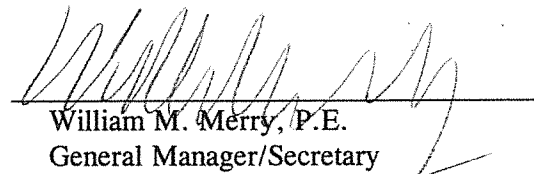
There being no further business to come before the Board at this time, the December 20, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to January 17, 2014 by Chair Allion at 11:56 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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