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VICE CHAIR

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LIBBY DOWNEY
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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 Mountain

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT REGULAR MEETING MINUTES

Friday, 9:30 a.m.
September 20, 2013

Boardroom
MRWMD Offices
14201 Del Monte Blvd., Marina CA

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

MEMBERS ABSENT: Dennis Allion (Chair), City of Del Rey Oaks
David Pendergrass, City of Sand City Mayor

STAFF PRESENT: William Merry, General Manager
Tim Flanagan, Assistant General Manager
Rob Wellington, Legal Counsel
Daylene Alliman, Human Resources Manager
Chuck Rees, Finance Manager
Jeff Lindenthal, Public Education and Recycling Manager
Ron Mooneyham, Equipment Maintenance Manager
Jack Cook, Safety Manager
Richard Petitt, Site Manager
Clyde Walkup, Materials Recovery Facility Operations Supervisor/OE3 Representative
Rebecca Aguilar, Administrative Support Supervisor
Ida Gonzales, Administrative Support Specialist

OTHERS PRESENT: Ted Terrasas, City of Monterey
Charlie Cordova, Green Waste Recovery
James Coleman Monterey Regional Water Pollution Control Agency
Dave Meza, Salinas Valley Solid Waste Authority

ROLL CALL AND ESTABLISHMENT OF QUORUM

With notice duly given and presence of a quorum established, the September 20, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was called to order by Vice Chair Laska at 9:30 a.m.

PUBLIC COMMUNICATIONS

There were no comments from the public.

CONSENT AGENDA

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

- 1) Approve Minutes of July 19, 2013 Regular Board Meeting
- 2) Approve Report of Disbursements
- 3) Authorize General Manager to Purchase Used Compact Wheel Loader for Use in Anaerobic Digester Operations, at a Cost Not to Exceed \$80,000

OTHER ITEMS FOR BOARD CONSIDERATION, DISCUSSION AND ACTION

- 4) Accept Report from Personnel Committee Chair on Meeting of July 31, 2013 and Receive Presentation on Affordable Care Act by Jackson Booth

The Board reviewed a memorandum from Committee Chair Laska summarizing the Personnel Committee meeting of July 31st, in which the impact of the Health Care Reform to the District was discussed. The Committee requested that Jackson Booth, the District's health insurance broker, be invited to make a brief presentation to the Board and answer questions on the subject.

Mr. Booth addressed the Board with a presentation on the Federal health care changes and stated that there would be no impact to the District as it already provided more than the minimum health coverage required by the new law, which would take effect October 1, 2013. He stated that there may be some confusion among employees, so handouts and presentations will be provided over the next few months. There will be little direct fiscal impact to the District in Fiscal Year (FY) 2013/14, resulting from health care reform.

The July 31, 2013 Personnel Committee Meeting Report was accepted by Board consensus.

- 5) Accept Report from Finance Committee Chair on Meetings of July 31, and August 28, 2013

The Board reviewed two memoranda from Chair Allion from the Finance Committee meetings held on July 31st and August 28th. The purpose of the meetings was to review items related to the Final Budget for FY 2013/14, Landfill Gas Power Sales, and the Proposal from the City Managers' Group to participate in a County-Wide Solid Waste Study.

The July 31 and August 28, 2013 Finance Committee Meeting Reports were accepted by Board consensus.

- 6) Approve Five Year Agreement with City of Marina for Emergency and Fire Protection Services

The Board reviewed a memorandum from Safety Manager Jack Cook regarding the contract with the City of Marina for fire protection and emergency services. The City has provided services to the District for the past 40 years, and in more recent years, to the facilities of the Monterey Regional Water Pollution Control Agency (MRWPCA) located next to the District facilities. The MRWPCA will also be requesting that their Board

approve a new fire agreement with the City. As explained in the memorandum, an amendment to the existing agreement was necessary in order to update current labor and equipment rates, and also to provide language stating that the term of the agreement was five years or until the District is annexed to the North County Fire Protection District (NCFPD), although at this time there is no intention to do so.

Director Delgado stated the City is agreeable if the District were to annex to the NCFPD. There has been some confusion since the District is not within the city limits. General Manager stated that this might be considered when a municipal services review (MSR) is conducted for the NCFPD, which is not due for several years.

It was moved by Director Bales, seconded, and Unanimously Carried To: Approve Five Year Agreement with City of Marina for Emergency and Fire Protection Services.

STAFF REPORTS

7) **Review Financial, Operating and Recycling Reports**

The financial statements for July and August were not included due to the year-end close and audit procedures. Staff reported that Bianchi, Kasavan & Pope completed their final audit fieldwork on August 30th. The Board was provided with a draft of the Statements of Net Assets and Statements of Revenues, Expenses and Changes in Net Assets for Actual to Budget, and Midyear Estimate, for the year ended June 30, 2013. Tipping Fee Revenues were \$16,144,957, 4.4% above budget. Total Operating Revenues were \$20,634,277, 1.8% above budget. Total Operating Expenses were \$18,915,396, 1.5% below budget. The Changes in Net Assets were \$780,576, 31.4% below budget, which is noteworthy considering the over \$1 million paid out with the Voluntary Early Retirement Incentive program.

The preliminary Tipping Fee Revenues for July and August are \$3,100,000, which is above last year by \$200,000 and above budget by \$720,000. Refuse Accepted (excluding Regional and Contracted Waste) for July and August was 33,711 tons, an increase of 1,255 tons (3.9%) from the same period in 2012. The total refuse for the last 12 months was 184,326 tons, up 3,250 tons or 1.8% from the 12 month period ended August 2012. The Board also reviewed the Operating Report and Tonnage Report for August.

8) **Report on Public Education and Recycling.**

The Board reviewed a memorandum from Deputy General Manager for Community Programs Jeff Lindenthal in which he reported that the Proposals from franchised haulers were received on September 13, 2013. He stated that four proposals had been received and a Technical Advisory Committee meeting is scheduled for October 16th to begin to review the proposals. Representatives from all participating District member agencies have all confirmed that they will attend the meeting.

9) **Report on Landfill Gas Operations**

The Board reviewed a memorandum from Assistant General Manager Tim Flanagan reporting on the status of the Landfill Gas (LFG) operations. As noted in the memorandum, staff had been successful in moving away from the 30 year Power Sales Agreement (PSA) with PG&E, and as of September 11th, the District was selling all of its excess power to 3Phase Energy. General Manager commended Assistant General Manager, District consultant Brennen Jensen, Special Counsel Arthur Haubenstock, for their determination to exit the contract with PG&E and move to a new PSA. He also thanked Chair Allion for personally contacting the California Independent System Operator in an effort to move things forward.

General Manager also reported that proposals are being evaluated for outside operation and maintenance of the LFG Power Plant. Staff will be reviewing the proposals and considering all options in preparing to report back to the Board.

10) Report on Request for Proposals (RFP) for a Countywide Solid Waste Management Study

General Manager reported that a Subcommittee was formed to review the proposed RFP, comprised of the County CAO, the General Managers of the Salinas Valley Solid Waste Authority (SVSWA) and the District, and a representative from the Salinas cities (Gonzales City Manager) and the Peninsula (PG City Manager). The Subcommittee met on September 11th by telecom to review and comment on the RFP and revisions were suggested. The revised RFP is scheduled to be reviewed by the City Managers Group at their next scheduled meeting, on September 20th.

11) Report on Solid Waste Legislation and Regulatory Matters

General Manager reported on solid waste legislation as follows:

- SB 254 (Hancock) - Solid Waste: Used Mattresses: Recycling and Recovery. This Extended Producer Responsibility (EPR) bill was supported by SWANA; and was approved and sent to the Governor for signing.
- SB 804 (Lara) – Conversion, Anaerobic Digestion. SWANA has a Support position on this bill. Specifically, SB 804 continues to expand CalRecycle’s jurisdiction over non combustion biomass facilities, such as Anaerobic Digestion, and may reassign oversight from Air Districts to CalRecycle for certain emissions.
- SP 4; bill on fracking. The LTF may have an interest in this bill as it relates to fracking waste; and disposal issues such as radioactive waste that might be detected. Most drilling waste is liquid but it still could be an issue at some sites.

OTHER CORRESPONDENCE

12) Letter to CalRecycle RE: Comments on CalRecycle’s Proposed Materials Recovery Facilities (MRFs) Performance Standard

The Board reviewed a letter that the District signed on to regarding proposed Materials Recovery Facility operations performance standards.

GENERAL MANAGER COMMUNICATIONS

General Manager reported that the October 18th Board meeting will be an extended meeting beginning at 9 a.m. to 12:30 p.m.

BOARD COMMUNICATIONS

13) Report on August 13, 2013 Special District Risk Management Authority Webinar: Understanding Board Member & District Liability Issues

Director Bales provided the Board with a written report summarizing key points covered in the Webinar, along with a copy of the presentation.

14) **Report on August 22, 2013 California Special Districts Association Webinar: Understanding the Brown Act**

Director Bales provided the Board with a written report, illustrating important points covered in the Webinar, along with a copy of the presentation.

The Board also received a written report from Chair Allion from his attendance at California Special Districts Association Leadership Academy "Governance Foundations" workshop held in Monterey, CA on September 16th.

General Manager expressed appreciation to Chair Allion and Director Bales for attending the webinars and workshop which provides a reduction in District insurance premiums.

CLOSED SESSION

The Board went into closed session at 10:17 a.m. regarding the following:

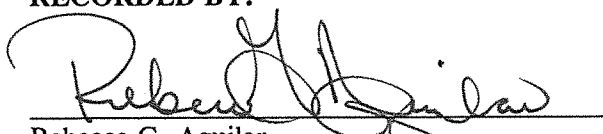
- 1) Conference with Labor Negotiators:
District Negotiators: William Merry, Tim Flanagan, and Daylene Alliman
Employee Organizations: Operating Engineers and Management Employees
- 2) Personnel Matter:
 - a. Public Employee Contract: Deputy General Manager
 - b. Public Employee Performance Evaluation: 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 back into open session at 11:30 a.m., and Legal Counsel announced that in closed session, the Board had received information and discussion was held; no action was taken.

ADJOURNMENT

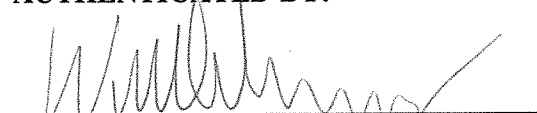
There being no further business to come before the Board at this time, the September 20, 2013 Regular Meeting of the Monterey Regional Waste Management District Board of Directors was adjourned to October 18, 2013 by Vice Chair Laska at 11:31 a.m.

RECORDED BY:



Rebecca G. Aguilar
Administrative Support Supervisor/
Recording Secretary

AUTHENTICATED BY:



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