

**MINUTES OF
THE SALINAS VALLEY SOLID WASTE AUTHORITY
BOARD MEETING
JANUARY 24, 2019**

CALL TO ORDER

Vice President Cullen called the meeting to order at 6:00 p.m.

ROLL CALL

The following Board Directors were present:

County of Monterey	Chris Lopez, Alt. Vice President
City of Salinas	Gloria De La Rosa, Vice President
City of Salinas	John Tony Villegas
City of Salinas	Christie Cromeenes
City of Gonzales	Elizabeth Silva
City of Soledad	Marisela Lara
City of King	Robert Cullen, President
City of Greenfield	Andrew Tipton

The following Board Directors were absent:

County of Monterey John M. Phillips

Staff Members Present:

Patrick Mathews, General Manager/CAO	Monica Ambriz, Human Resource Supervisor
Cesar Zuñiga, Asst. GM/Operation Manager	Erika J. Trujillo, Clerk of the Board
Ray Hendricks, Finance and Administration Manager	Rosie Ramirez, Administrative Assistant
Brian Kennedy, Engineering and Environmental Compliance Manager	James Sanchez, Interim General Counsel

MEETING ANNOUNCEMENTS

(6:01) Vice President Cullen announced the availability of translation services. No member from the public requested the service.

GENERAL MANAGER COMMENTS

(6:02) General Manager/CAO Mathews welcomed the new Board members. Mr. Mathews announced Item No. D would be postponed for February meeting.

DEPARTMENT MANAGER COMMENTS

(6:03) Asst. General Manager/Operation Manager Zuñiga commented on the flyer provided to the Board titled "Workforce Development Board Honors Clients" from the Monterey County's Workforce Development Board at its first award ceremony in which the Authority was awarded the Business Award and Employee Harold Dorsey was awarded the Adult Award.

BOARD DIRECTORS COMMENTS

(6:04) Director Silva welcomed the new Board members. Director Cullen welcomed the new Board member, encouraged them to ask questions and work with Authority staff to familiarize themselves with the solid waste industry. Director Cullen provided a brief overview of the Strategic Planning Retreat schedule. Commented on looking at schedule a special meeting during the day to focus on the Strategic Planning as done in previous years.

PUBLIC COMMENT

(6:06) None

ELECTION OF OFFICERS

- A.** Nominating coming member Director Silva provided the recommendation for the 2019 Election of Officers as follows; Robert Cullen for President, Gloria De La Rosa for Vice President, and Chris Lopez for Alternate Vice President.

Board Comments: The Board discussed the process and rotation of the election of officers according the Authority Joint Powers Agreement.

Public Comment: None

Motion: Director Silva made a motion to nominating Director Cullen for President, Director De La Rosa for Vice President, and Director Lopez for Alt. Vice President. Director Villegas seconded the motion.

Votes: Motion carried 8,0

Ayes: Lopez, De La Rosa, Villegas, Cromeenes, Silva, Lara, Tipton, Cullen

Noes: None

Abstain: None

Absent: Phillips

RECOGNITIONS

- B.** Director Tony Barrera, member since January 2011

- C.** Thomas Bruen, Authority General Counsel from 1997 to 2018

(6:09) General Manager/CAO Mathews presented proclamations to exiting Board member Barrera and departing General Counsel Thom Bruen.

- D.** New Employee Introduction – Postpone to February
(6:13) Item was differed to the February Board meeting.

Board Comments: The Board commented on the service provided by both Mr. Barrera and Mr. Bruen expressing their appreciation for their dedication to the Agency.

Public Comment: None

CONSENT AGENDA (6:13)

1. Minutes of November 15, 2018, Meeting
2. November 2018 Claims and Financial Reports
3. December 2018 Quarterly Investments Report
4. Member and Interagency Activity Report for November and December 2018 and Upcoming Events
5. 2018 Fourth Quarter Customer Service Survey Results and Twelve-Month Comparison
6. Monterey County Health Department, Environmental Health Bureau, Calendar Year 2017 Used Motor Oil and Filter Recycling Program Annual Report
7. Resolution No. 2019-01 Awarding the Agreement for the Johnson Canyon Landfill Module 7 Construction Project (CIP 9527) to Wood Brothers Inc. in the Amount of \$3,679,090.50
8. Resolution No. 2019-02 Awarding the Contract for Construction Quality Assurance for the Johnson Canon Landfill Module 7 Construction Project (CIP 9527) to Geosyntec Consultants in the Amount of \$314,025

9. Resolution No. 2019-03 Approving Change Order No. 1 to the Contract with Randazzo Enterprises for the Johnson Canyon Landfill Grinding of Concrete Materials in the Amount of \$38,950, and Supplemental Appropriation of \$8,450
10. Resolution No. 2019-04 Approving a Memorandum of Understanding (MOU) with the County of Monterey for Litter Abatement Services for the Amount of \$100,000 for Calendar Year 2019
11. Resolution No. 2019-05 Declaring Surplus Property and Authorizing the General Manager/CAO to Dispose of Property

Board Comments: None

Public Comment: None

Staff Comment: General Manager Mathews commented on Items Nos 7 and 8, commending Engineering and Environmental Compliance Manager Kennedy for his thorough work with the process of both items resulting in a significant amount in saving for the Authority.

Motion: Director Silva made a motion to approve the consent agenda as presented. Director Villegas seconded the motion.

Votes: Motion carried 7,0

Ayes: De La Rosa, Villegas, Cromeenes, Silva, Lara, Tipton, Cullen

Noes: None

Abstain: Lopez

Absent: Phillips

PUBLIC HEARING

12. RESOLUTION NO. 2019-06 APPROVING THE INITIAL STUDY AND NEGATIVE DECLARATION FOR THE CRAZY HORSE ORGANICS COLLECTION AND PROCESSING FACILITY PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT

(6:15) Engineering and Environmental Compliance Manager Kennedy provided an overview of the project history, the process currently taking place and the upcoming actions needed.

Public Hearing: The Public Hearing was opened at 6:15 p.m. No member from the public made comments, the Public Hearing was closed at 6:16 p.m.

Board Comments: None

Motion: Director Silva made a motion to adopt the resolution. Director De La Rosa seconded the motion.

Votes: Motion carried 8,0

Ayes: Lopez, De La rosa, Villegas, Cromeenes, Silva, Lara, Tipton, Cullen

Noes: None

Abstain: None

Absent: Phillips

PRESENTATION

13. 2018 EMPLOYEE SURVEY RESULTS

(6:16) Human Resource Supervisor Ambriz presented a report of the survey and a three-year comparison on measured items such as moral, job attitude, and employee engagement. She explained the purpose and the process of the annual survey, indicating that the 2018 survey was opened for submittal right before the notice of the City of Salinas' One Year Notice of Intent to Withdrawal from the Authority and the announcement of the purchase of Madison Lane

Transfer Station by Republic Services. The results reflected a decrease in the employee morale for the second consecutive year. Comments within the survey indicated the notice from the City of Salinas and the purchase of Madison Lane are creating uncertainty and correlate with the decline in the morale. Ms. Ambriz explained the next steps that will be taken by the Management team to address concerns identified from the survey results.

Board Comments: The Board discussed the presentation.

Public Comment: None

Motion: None; Information only

14. UPDATE ON THE CITY OF SALINAS' ONE YEAR NOTICE OF INTENTION TO WITHDRAW FROM THE JOINT POWERS AGREEMENT WITH THE SALINAS VALLEY SOLID WASTE AUTHORITY AND LONG-TERM FACILITY NEEDS PROJECT IMPLICATIONS

(6:25) General Manager/CAO Mathews presented an overview of the City of Salinas' stated reasons for withdrawal and their stated financial options. He reviewed the status of the Authority's Strategic Plan Objectives that were developed at the October 2018 Board of Directors Retreat by the Board, detailing the deferred or on hold items due to impacts from the notice of withdrawal, the purchase of the Madison Lane Transfer by Republic Services, and absence of the Alisal Market Place developer for the sale of the Sun Street Transfer Station. Mr. Mathews presented the history of the actions taken by the City of Salinas leading up to the notice of withdrawal. He thoroughly explained current actions being taken and the next steps needed for the Authority to continue to meet state regulations and provide services to its jurisdiction. Mr. Mathews informed the Board of the next obligatory actions prompted by the notice of withdrawal, including the budget approval process deeming it important that the City of Salinas provide the Authority a conclusion as promptly as possible. He presented the Board with a draft letter addressed to the City of Salinas regarding the Authority responsibility to secure financial assurances from the City with its possible withdrawal.

Interim General Counsel:

Mr. Sanchez commented on the financial implications for both the City of Salinas and the Authority caused by the notice. He indicated time is critical and receiving the assurance from the City of Salinas in as prompt a time as possible is extremely important in order to meet the Authority's JPA obligations.

Board Comments: The Board discussed the presentation inquiring on an update from the City of Salinas representatives. The City of Salinas representatives indicated no discussions have taken place regarding the process or decision of the notice to withdrawal. Directors De La Rosa and Cromeenes indicated they would be addressing the status of the withdrawal with the Salinas City Council.

Public Comment: None

Motion: None; Information only

CONSIDERATION

15. REQUEST FOR FISCAL YEAR 2019-20 PRELIMINARY BUDGET DIRECTION

(7:04) Finance and Administration Manager Hendricks explained the process of the budget and the ideal timeline of the approval. He presented three budget options that detailed three operating options, the projected rate increase for each, and the potential impacts of employment loss for each. Option One, a status quo budget for all services except for the organics program; Option two, a budget that includes diverting all the City of Salinas and North Monterey County solid waste to the Monterey Regional Waste Management District as

proposed by the City of Salinas Memorandum of Understanding; and Option Three, a budget with the withdrawal of the City of Salinas from the Authority. Mr. Hendricks commented on the ongoing matter of the adjustment needed to the processing rate of Organics for the City of Salinas. It has been identified and indicated to the Republic Services and the City of Salinas that a rate adjustment for processing of organics to equalize the rates as mandated by the Authority JPA and avoid the member agencies to subsidize the shortfall is required. General Manager Mathews provided a history of the agreement signed in 2004 by the City of Salinas and Republic Services, waste hauler for the City of Salinas that locked in rates for Organics processing. Indicating the rates expiration rates would expire when the agreement was projected to expire in 2010. However, the City of Salinas extended the agreement for 15 years carrying over the discounted Organics rates. He reiterated that last year the City of Salinas indicated an internal review would be done to be able to address concerns the City of Salinas and the Authority, and that no information has been provided to-date.

Board Comments: The Board discussed the presentation inquiring about the impact of the City of Salinas potential withdrawal would have on the remaining member agencies rate payers, the Organics program, and the grants obtained with the commitment of the City of Salinas. Directors Cullen requested that the City of Salinas representatives discuss the potential withdrawal at their next Council Meeting. Director Villas requested a breakdown of the budget process timeline.

Public Comment: Steve McCaffery from Republic Services commented on his disapproval with Republic Services being in the middle of the rate stabilization discussions with the City of Salinas and the Authority.

Motion: By Consensus the Board requested that staff return in February with the Status Quo Preliminary Budget.

FUTURE AGENDA ITEMS

16. AGENDA ITEMS – VIEW AHEAD SCHEDULE

(8:01) The Board reviewed the future agenda items.

CLOSED SESSION

(8:02) President Cullen invited public comment related to the following closed session item:

17. Pursuant to **Government Code Section 54956.8** to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. GM/Ops Manager Cesar Zuñiga, Finance and Administration Manager Ray Hendricks, and Interim General Counsel James Sanchez, concerning the possible terms and conditions of acquisition, lease, exchange or sale of 1) Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA; and 2) Republic Services Property, APNs 261-051-005, 007, and 019, located at 1120 Madison Lane, Salinas CA
18. Pursuant to **Government Code Section 54957.6** to provide direction to General Manager/CAO Patrick Mathews and Asst. GM/Ops Manager Cesar Zuñiga for labor negotiations; for all represented units.
19. Pursuant to **Government Code Section 54957 (b)** to consider the Performance Evaluation of the General Manager/Chief Administrative Officer Patrick Mathews for 2018.

20. Pursuant to **Government Code 54957(b)** to confer with General Manager/CAO Patrick Mathews and Asst. GM/Ops Manager Cesar Zuñiga, concerning the resignation of the Authority's General Counsel and the appointment/employment of counsel.

Public Comment: None

(8:02) President Cullen adjourned the meeting into closed session to discuss Item Nos. 17, 18, 19, and 20.

RECONVENE

(8:41) President Cullen reconvened the meeting to open session. President Cullen reported the following action for **Item No. 20**;

Motion: By consensus the Board directed General Manager Mathews to prepare and release a Request for Proposal for General Counsel Services. Requesting a summary of all submittals be provided to the Board at the February 21 meeting and the top three to be interviewed by the Executive Committee at the March 7 meeting with a hiring recommendation to the Board at its March 21 meeting.

ADJOURNED

(8:42) President Cullen adjourned the meeting.

APPROVED: 

Robert Cullen, President

Attest: 

Erika J. Trujillo, Clerk of the Board