



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: August 4, 2017
 TO: Board of Directors
 FROM: Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of August 2, 2017

The Finance Committee met on August 2nd at 9:00 a.m., at the District administrative offices. Committee members in attendance were Directors Delgado, Bales and Laska. Staff members in attendance were Tim Flanagan, Peter Skinner, Guy Petraborg, Tim Brownell, Chuck Rees, Jeff Lindenthal, Becky Aguilar, and Katy O'Connor. Rob Wellington was also in attendance. The purpose of the meeting was to receive information on Future Capital Improvements, Capital Project Update, receive General Manager Comments and hold a Closed Session regarding property negotiations and anticipated litigation. Discussion is summarized below and followed the attached agenda.

1. **Discussion on Future Capital Improvements.** Guy Petraborg presented background and a preview of several of the major development needs for the next five years or so in the three areas of:
 - (a) Continued Landfill Development
 - (b) Energy Development
 - (c) Organics Processing Development

The landfill is essentially a continuous construction project that periodically requires incremental Landfill Module Development to provide disposal capacity for a period of several years. As the landfill grows, it is regulatorily necessary to extend the Landfill Control Systems Development as well. The control systems are associated with Storm Water Management, Leachate Management, Landfill Gas (LFG) Management, and LFG Condensate Management. The design of the next module is planned for this fiscal year (Golder Associates, Inc.) and module construction is planned for next fiscal year. Extending the landfill control systems will then occur accordingly. Energy Development is a term that recognizes energy in the different forms that it exists. There is energy in LFG that is used in the Renewable Power Generation at the District. There is also energy in the waste heat that occurs from power generation. The waste heat has a potential beneficial use for digesters such as those that process sanitary sewer waste waters and organics. Digesters produce a biogas that has energy which can be used in power generation or purified and used to produce CNG. Monterey One Water (aka MRWPCA) not only has greater power needs for their Pure Water Project than the 1.8MW cited in the memorandum of understanding with the District but they also would have interest in an alternate power source for their treatment plant power needs to support the public's interest of maintaining the continuous water treatment process 24 hours per day, 7 days a week, 52 weeks a year. Public Policy and regulations are influencing the diversion of organics away from landfill disposal and to Organics Material Recovery and Recycling. Composting, mulch products, dry anaerobic digestion, and wet anaerobic digestion examples of organic processing and recycling were presented.

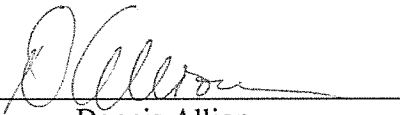
Discussion followed and it was noted that the Board is looking to staff to continue to provide updates during the October Board meeting and the Strategic Planning Workshop scheduled for the beginning of next year.

2. **Capital Project Updates.** Staff updated the Committee on the progress of the MRF Improvement Project. The MRF processing equipment from BHS continues to be installed (installation began June 5, 2017). The electrical equipment has been ordered (June 20, 2017) with delivery expected in October. Site work on the south side of the building will start in September (Granite Rock contract, Phase II Site Improvements). The construction contractors for equipment foundations and equipment installation are moving to be substantially completed by the end of October to mid-November. The MRF performance testing is trending to start after the end of the year following completion of the industrial building structural frame modification at the northeast corner of the MRF.

3. **General Manager Comments.** General Manager provided background on the Module 6 Design and assistance to be provided by Golder & Associates. He noted that there had been inspections at the District by CalRecycle and Cal OSHA since the last meeting. The CalRecycle was for the 18-month Solid Waste Facility Permit inspection. The final report has not been received, however, the inspector “passed” the facility. There was one area of concern regarding the alternate daily cover that is delivered by GreenWaste Recovery (GWR) via the Z-Best facility in Hollister, CA. Staff has already been working GWR to this area of concern. The Cal OSHA inspection was relating to the MRF equipment installation and the BHS sub-contractor Mid-West Recycling (MWR). District staff accompanied the inspection. The final report is being prepared by Cal-OSHA. There were items that were identified as being major areas of concern as well as some that could be addressed before the inspection was completed. Tim reminded the Committee that there would not be an August Board Meeting.

Closed Session. As listed on the agenda, the Committee met in closed session. Information was provided to the Committee; no reportable action was taken.

Next Meeting Date: Wednesday, September 6, 2017 at 9:00 AM.


Dennis Allion

Attachment

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Vice Chair
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Director of Administration/Finance
TIM BROWNELL
Director of Operations
ROBERT WELLINGTON
Legal Counsel

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE MEETING

Wednesday
August 2, 2017
9:00 a.m.

Board Room
MRWMD Offices
14201 Del Monte Blvd., Monterey County CA

Attending: Board Chair Delgado, Committee Chair Allion, Directors Bales and Laska
Rob Wellington, Legal Counsel
Tim Flanagan, General Manager
Chuck Rees, Finance Manager
Guy Petraborg, Director of Engineering & Compliance/District Engineer
Jeff Lindenthal, Director of Communications & Sustainability
Peter Skinner, Director of Finance & Administration
Tim Brownell, Director of Operations

OPEN SESSION AGENDA

1. Discussion on Future Capital Improvements.
2. Capital Project Updates.
 - Materials Recovery Facility (MRF) Improvements Project
3. General Manager Comments.
4. Next Meeting Date: Wednesday, September 6, 2017, 9:00 a.m.

CLOSED SESSION AGENDA

As permitted by the Brown Act (California Government Code Sections 54950 and following), the Committee may adjourn to closed session to consider the specific items listed below:

- 1) Conference with Property Negotiators
Property: Sale of Land for Construction of Pure Water Project
District Negotiators: Tim Flanagan and Guy Petraborg
Negotiating Parties: Monterey Regional Water Pollution Control Agency
Terms: All Terms and Conditions
- 2) Conference with Legal Counsel--Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9:
(One Case)