



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: December 9, 2015
 TO: Board of Directors
 FROM: Dennis Allion, Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of December 9, 2015

The Finance Committee met on December 9th at 9:30 a.m., at the District administrative offices. Committee members in attendance were Directors Bales, Laska and Pendergrass. Staff members in attendance were Tim Flanagan, Chuck Rees, Jeff Lindenthal, Guy Petraborgh and Becky Aguilar. Legal Counsel Rob Wellington was unable to attend. Karen Campbell and Jarrod Penner of Bianchi, Kasavan & Pope, LLP (BKP) were also present. The purpose of the meeting was to present the annual audit report for FY 2014/15, provide updates on the Capital Project Updates and General Management Comments. There was a scheduled closed session item regarding property negotiations. Discussion is summarized below and followed the attached agenda.

Presentation of 2014/15 Annual Audit Report and Financials. Karen Campbell and Jarrod Penner from BKP the District's independent auditing firm made a presentation of their findings and Board Communications letter regarding the FY 2014/15 audit report. They reported that they encountered no difficulties dealing with or disagreements with District staff or misstatements in the financial reporting or disclosures. BKP and staff discussed the presentation of the financial statements due to the implementation of GASB 68 and 71. It was noted that the beginning of the year District's Net Position decreased by \$6.5 million due to the implementation of these accounting standards. It was noted that this adjustment had no impact on the District's cash reserves. The unspent portion of the 2015 Bond Proceeds (\$28.4 million) are shown as restricted cash reserves as they can only be used to fund the projects noted in the Bond documents. Staff pointed out that the unrestricted cash reserves as of June 30 2015 were \$6.8 million and the District remains in a strong financial position.

Capital Project Updates. General Manager Tim Flanagan updated the Committee on the Capital Projects:

Landfill Gas Update: Engine #4 is on schedule to go online in January 2016. Engine #3 is on schedule for being on line by mid-year 2016. Staff is negotiating with a buyer for the Caterpillar engine declared surplus at the November Board meeting.

Compressed Natural Gas Facility: The fueling station will be using pipeline gas and slow fill facility in January 2016.

Truck Yard and Maintenance Facility: Staff advised that the general contractor had advised of the need for a third substitute roofing contractor. Staff will seek Board approval at the December Board meeting.

Materials Recovery Facility Equipment Installation: Staff and consultants are moving forward with the design phase.

General Manager Comments. There were no additional General Manager comments.

Closed Session. No closed session was held.

Next Meeting Date: Wednesday, January 6, 2016 at 9:00 a.m.

Dennis Allion

Attachment

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