



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: January 31, 2014
 TO: Board of Directors
 FROM: Dennis Allion, Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of January 29, 2014

The Finance Committee met on January 29th at 9:30 a.m., at the District administrative offices. Other Committee members in attendance were Directors Bales, Pendergrass and Laska. Rob Wellington was also present. The purpose of the meeting was to review items related to the Mid-Year Fiscal Year (FY) 2013/14 Budget, Report on Landfill Gas (LFG) Facility Operations, receive status report on the Material Recovery Facility (MRF) Improvements, and receive General Manager's comments. Discussion is summarized below and followed the attached agenda.

1. Mid-Year Review of FY 2013/14 Budget

Staff presented and the Committee discussed the District's Mid-Year Budget Review for FY 2013/14. It was noted that the Operating Revenues are in excess of budget by (\$2,910,000) due primarily to the increase in Mixed Waste being accepted (\$600,000), Contract Waste (\$2,125,000) and Sand Sales (\$220,000). Operating Expenses are in excess of budget by \$331,000 primarily due to increase landfill disposal taxes (\$140,000) and Power Project Repairs and Maintenance (\$100,000). Capital Outlay expenditures are below budget by \$1,512,000 due primarily to a delay in the installation of the Blower and Permanent Ground Flare (\$1,200,000). The Committee reviewed the changes in the key budget assumptions and provided direction to staff in presenting the Mid-Year Budget to the full Board.

2. Report on Landfill Gas (LFG) Facility Operations

An update was provided to the Committee (see attached DEI letter) on the LFG to Energy Facility operations, which noted the status of the Blower and Permanent Flare installation, PG&E interconnect study, and the LFG field improvements. Discussion followed and staff will keep the Committee updated.

3. Receive Status Report and Scope of Work from JR Miller & Associates to Prepare Final Plans and Specifications for Materials Recovery Facility Improvements

Staff reported on and the Committee discussed the Scope of Work presented by JR Miller regarding the Facility Planning/Preliminary Design and Procurement of Equipment for the MRF Improvement Project. The Committee directed staff to bring the JR Miller Scope of Work to the Board for their consideration at the February Board meeting.

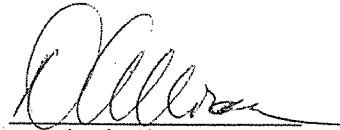
4. General Manager Comments

The General Manger noted that staff was recommending that the 1999 Roll-Off Truck be replace with a compressed natural gas (CNG) lower emission engine with an additional cost of \$30,000. The Committee discussed the benefits and recommended staff bring this matter to the Board for approval. The General Manager updated the Committee on several items, including: a request from a developer to temporarily store sand from a Sand City resort development project; the “over the fence” power sales to CalAm; a proposal for the District to host a demonstration project to convert lower grade organics to energy; and for the District to host a one-day Household Hazardous Waste (HHW) collection event at an increased budget cost of \$20,000. The Committee directed staff to prepare reports to the Board on the demonstration project and the HHW collection event for their consideration and approval.

5. Next Meeting Date: 9:30 a.m. Wednesday, March 5, 2014.

CLOSED SESSION

No closed session was held.



Dennis Allion

Attachments

BOARD OF DIRECTORS
DENNIS ALLION
CHAIR

LEO LASKA
VICE CHAIR

GARY BALES
SUE MCCLOUD
DAVID PENDERGRASS
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO



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 Hermit

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE MEETING

Wednesday
January 29, 2014
9:30 a.m.

Board Room
MRWMD Offices
14201 Del Monte Blvd., Marina CA

Attending: Committee (Board) Chair Allion; Vice Chair Laska, Directors Bales and Pendergrass
Rob Wellington, Legal Counsel
William Merry, General Manager
Tim Flanagan, Assistant General Manager
Chuck Rees, Finance Manager

OPEN SESSION AGENDA

1. Midyear Budget Review.
2. Report on Landfill Gas (LFG) Facility Operations.
3. Receive Status Report and Scope of Work from JR Miller & Associates to Prepare Final Plans and Specifications for Materials Recovery Facility (MRF) Improvements; and Direct Staff to Place Item on February Board Meeting Agenda.
4. General Manager Comments.
 - a. Purchase of Compressed Natural Gas (CNG) Vehicle
 - b. Report on Sand Storage.
 - c. Report on Power Sales to CalAm
 - d. Report on Pilot Conversion Technology Proposal
 - e. Household Hazardous Waste Event
5. Next Meeting Date: March 5, 2014; 9:30 a.m.

CLOSED SESSION AGENDA

As permitted by Government Code Section 54956 et seq., the Board may adjourn to a Closed or Executive Session to consider specific matters dealing with pending or prospective litigation, real property negotiations, certain personnel matters, or to confer with District's Meyers-Milias-Brown representative.

- 1) Conference with Property Negotiators:

Property:	Landfill Site Space/Capacity
District Negotiators:	William Merry and Tim Flanagan
Negotiating Parties:	Cities of Gilroy/Morgan Hill
Terms:	All Terms and Conditions

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D. Edwards, Incorporated

PROJECT MANAGEMENT ■ ENVIRONMENTAL SERVICES

January 23, 2014

William Merry
General Manager
Monterey Regional Waste Management District
14201 Del Monte Blvd.
P.O. Box 1670
Marina, CA 93933-1670

Subject: Landfill Gas (LFG) Status Report

Dear Mr. Merry,

Presented below is a brief status of the overall LFG program at the Marina Peninsula Landfill.

1. Blower and Permanent Ground Flare Installation – DEI was released to initiate this project at the beginning of December 2013. DEI is responsible for the overall project management, detailed design, permitting, equipment procurement process and preparation of construction plans for the installation. DEI, with the approval of the District, has retained Energyneering Services, Inc. to prepare detailed process design drawings and specifications to be used in the RFP documents for the purchase of the flare and for the installation of the equipment. Staff will be back to the board to receive approval for the purchase of equipment and for the award and execution of a construction contract according to the attached schedule and the write up below.

Presented below is a quick overview of the current status.

- Detailed process design and equipment specifications are being prepared with an RFP package being sent out to vendors by February 21, 2014
- DEI has prepared project controls including a project schedule, cost tracking and forecasting schedules, task tracking schedules and a 30 day action item tracker to ensure that the project is completed on time and on budget. Current projections show that the project estimates that support the previous board approval of \$1.8 million are accurate.
- Staff will seek board approval to move forward with the purchase of the blower and flare at the April 18, 2014 board meeting. Following board approval the equipment vendor will proceed with the engineering and fabrication of the equipment which is expected to be delivered to the site in October, 2014
- Other engineering activities for the project include flare and blower site selection and soils analysis needed for structural design
- Following equipment engineering, Energyneering will proceed with mechanical, electrical and control engineering for the preparation of construction drawings. It is anticipated that staff will be back to the board for contractor approval in September, 2014.

D. Edwards, Inc.

<http://dedwardsinc.com>

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2. PG&E Interconnection Review – Energyneering has completed and submitted the necessary applications to PG&E for the interconnection review and study to determine if the transmission line that the electrical generation facility is currently connected to has capacity to handle additional electricity from the site as additional LFG becomes available and additional engine generators are installed. PG&E is conducting their review which is not expected to be complete for several months.

3. LFG Well Field Improvements – Staff has been working with Golder to develop a scope of work for the design and installation of additional vertical wells needed to supplement existing horizontal wells in Areas 1 and 2, and for the installation of vertical wells in newly developed portions of Areas 3 and 4. Following the completion of design, staff will issue a RFP for the drilling of wells and installation of LFG collection pipeline to bring these new vertical wells on line. This effort is being coordinated with the installation of the new blower and flare to ensure that there is capacity to manage the additional LFG that is over and above those volumes being delivered to the engines.

4. Third Party Operator Selection – Staff, with the assistance of DEI, has conducted a thorough RFP process for the possible selection of a third party operator to operate and maintain the electrical generation facility. The review focused on prior vendor experience and financial capability, ability to pass on savings to the District for the purchase of parts and outside services, project/operating approach and of course, price. The evaluation was extremely complete and included the entire LFG and management team at the site. As a result of this review, it was determined that Ameresco was best qualified and positioned to support the District with the operation of the facility. Ameresco was also the lowest price for services provided.

The next steps will be to finalize an agreement with Ameresco for presentation to and consideration by the board. If the board approves, staff will work through a detailed plan for the transition of operations to the third party.

Please give me a call with questions.

Sincerely;

David Edwards