



Monterey Regional Waste Management District

Service, Stewardship, and Sustainability Since 1951

June 19, 2015 Board of Directors Meeting

HIGHLIGHTS

Resolutions of Appreciation. The Board adopted Resolutions for District Site Manager Richard Petitt, retiring after 19 years of service, and to Monterey Regional Water Pollution Control Agency (MRWPCA) General Manager Keith Israel, retiring after 27 years of service to the MRWPCA.



Approval of Final Fiscal Year 2015/16 Budget. The Board adopted Resolution 2015-09 approving the Final Budget for Fiscal Year 2015/16. There were no changes from the Preliminary Budget adopted at the May 2015 Board meeting. As reported last month, the budget shows a net loss of \$824,000, projects \$20,280,000 in revenues, operating expenses of \$20,134,000, and non-operating expenses of \$970,000. Capital outlay is projected at \$6,722,000, which is in excess of the Bond funded capital expenditures for the Truck Maintenance and Parking facility and Material Recovery Facility (MRF) improvements. Unrestricted cash reserves are projected to decrease by \$5,056,000, which results in cash reserves falling below the 20% guideline established by the Board. It was noted that this deficiency is recovered by FY 2017/18 as the MRF Improvements are projected to generate positive cash flows and capital expenditures return to historic levels. Cash provided by operations for FY 2015/16 is estimated at \$2,106,000 (Net Loss, Depreciation and Amortization and Closure/Post Closure Costs). The Bond Debt Service Ratio is 1.50 which is in excess of the Bond Covenant of 1.25.

Salary Schedule Amendments. As provided for in the Memorandum (MOU) of Understanding with the Operating Engineers Local 3 (OE3) employee groups, the Board approved amended salary schedules incorporating a 3% cost of living adjustment (COLA) for FY 2015/16. The Board also approved a 2.44% (San Francisco Bay Area- Consumer Price Index) COLA for the Management Unit as provided for in their respective MOU. Accordingly, the Board approved a Salary Schedule for unrepresented at-will employees to incorporate a COLA for FY 2015/16.

Gull Abatement Program. The Gull Abatement Program, which includes the use of falcons to deter the seagulls, was revisited by the Board following the request of a local resident. After consideration of information provided in a staff report, and comments made at the meeting, and following discussion, the Board voted unanimously to continue the Program in order to be in compliance with State and Federal regulations.

1st Amendment to Trillium Agreement. This amendment to the 15-year Trillium Agreement (to design, build, own, operate and transfer compressed natural gas (CNG) fueling station) allows for natural gas procurement and renewable attribute administration services.

Bond Sale Update. John Greenlee (Caldwell Flores Winters), District Financial Advisor, provided a summary of the Revenue Bond Sale process. On May 21st, the District successfully sold \$31,150,000 in Bonds, with an average interest rate of 3.68%, based on the District's S&P rating of AA-.