



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 6, 2015
 TO: Board of Directors
 FROM: Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of March 4, 2015

The Finance Committee met on March 4th at 9:30 a.m., at the District administrative offices. Committee members also in attendance were Directors Laska, Bales and Pendergrass. Rob Wellington was also present. The purpose of the meeting was to select the Committee Chair, review assumptions regarding the Preliminary Budget for FY 2015/2016, receive an update on Bond Schedule, HF&H Engineering report, Capital Projects, Countywide Integrated Waste Management Study, and General Management Comments. There was also a Closed Session regarding property negotiations. Discussion is summarized below and followed the attached agenda.

Selection of Committee Chair. The Committee unanimously selected Board Chair Allion as Chair of the Committee.

Preliminary Budget for Fiscal Year 2015/16. Staff presented the documentation of key assumptions to be used in the preparation of the Preliminary Budget. The Committee discussed the key assumptions and provided guidance to staff for preparation of the Preliminary Budget. It was noted that the construction of the Materials Recovery Facility (MRF) Improvements may cause operational disruptions. Staff is refining key assumptions with the MRF Improvements in order to provide the most up-to-date estimates of impacts to District Reserves. The Committee requested that staff update the landfill capacity and estimated remaining site life in light of the increased MRF diversions and current and anticipated deliveries of waste for disposal.

Bond Update and HF&H Engineering Report Status. Staff provided an oral report and the Committee asked questions regarding the timing and content for completing the Bond process. The HF&H Engineering Report has been delayed by a week to meet requirements of the Bond Finance Team. The Committee noted that the potential need for a Special Board Meeting had been tentatively added to the timeline and acknowledged that holding such a Special Meeting would provide assurance in meeting the projected Bond Issue date of April 2015.

Capital Project Updates. Staff updated the Committee on the status of the four major projects (MRF Improvements, CNG Fueling, Truck Yard Maintenance Facility and LFG/Electrical System) and discussion followed. Staff noted that the Technical Advisory Committee (TAC) is meeting monthly with project updates and is providing guidance regarding the implementation of the new Franchise Agreements.

Status Report on Countywide Integrated Solid Waste Management Study. Staff provided a verbal update on the status of the R3 Consultants work to prepare the Report resulting from the Study. All the information requested from the consultants has been provided by the County, the Salinas Valley Solid Waste Authority, and the District. A draft report is anticipated to be available by the end of March or April sometime.

General Manager Comments/Project Updates. The General Manager reported that the Local Agency Formation Commission of Monterey County (LAFCO) Municipal Services Review document for the District was unanimously approved and that the District's Sphere of Influence was not adjusted.

Closed Session. The Committee went into closed session and received information from staff and provided guidance regarding the property negotiations. No action was taken.

Next Meeting Date. Wednesday, April 1, 2015 at 9:30 a.m.



Dennis Allion

Attachment

BOARD OF DIRECTORS
DENNIS ALLION
CHAIR

IAN OGLESBY
VICE CHAIR

GARY BALES
DAVID PENDERGRASS
LEO LASKA
LIBBY DOWNEY
JANE PARKER
BRUCE DELGADO
CARRIE THEIS



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 Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE MEETING

Wednesday
March 4, 2015
9:30 a.m.

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

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

OPEN SESSION AGENDA

1. Selection of Committee Chair
2. Preliminary Budget for Fiscal Year 2015/16
3. Bond Update and Schedule
 - HF&H Engineering Report Status.
4. Capital Project Updates
 - Materials Recovery Facility Procurement
 - Compressed Natural Gas Facility
 - Truck Yard and Maintenance Facility
 - Landfill Gas/Electrical System Update
5. Status Report on Countywide Integrated Solid Waste Management Study
6. General Manager Comments
 - LAFCO Approval of the District's Municipal Services Review
7. Next Meeting Date: Wednesday, April 1, 2015, 9:30 a.m.

CLOSED SESSION AGENDA

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

- 1) Conference with Property Negotiators:
 - Property: Methane Gas in Monterey Peninsula Landfill
 - District Negotiators: William Merry and Tim Flanagan
 - Negotiating Parties: Pacific Gas & Electric, 3 Phase Energy, Marin Energy Authority, and Alameda Municipal
 - Terms: All Terms and Conditions



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by: [Signature]

General Manager

Date: 3.13.15

DATE: March 13, 2015
TO: General Manager
FROM: Assistant General Manager
SUBJECT: Electrical Supply System to Compressed Natural Gas and Truck Yard - Status Report

RECOMMENDATION: Informational Only - Electrical Supply System Project Update.

BACKGROUND

The Monterey Regional Waste Management District (MRWMD) has agreed to develop a truck parking and maintenance yard (Truck Yard) with the successful franchise waste hauler, GreenWaste Recovery (GWR), which will also include a permanent Compressed Natural Gas (CNG) Fueling Station (Station) capable of time fill and fast fill operations. The Station will be located adjacent to the Truck Yard and will be designed to time fill (typically overnight) upwards to 50 trucks and fast fill 2 trucks at a time. The Station will have the flexibility to be expanded to fuel 100 trucks in the future if needed. The Station will initially use natural gas from PG&E to produce CNG and then transition to use biogas (Landfill or digester) in the future and for the long term. This approach and transition to biogas is a part of the long term strategy for MRWMD.

The Station and the Truck Yard will both receive electrical power from the District's Landfill Gas to Energy (LFGTE) project. The power requirements are 300 KW (Station) and 384 KW (Truck Yard) initially with growth to as much as 700 KW for the Station in the next three to five years. This electrical supply will insure that the Station, a "critical facility" in California Energy Commission designation, will have very reliable electrical supply from three landfill gas (LFG) engines in parallel with the PG&E utility electrical supply.

PROJECT UPDATE

Presented below is an update of completed and planned efforts to implement this Electrical Supply System:

1. The schedule for the system includes:
 - March 9: Engineering Complete
 - March 12: Permit Submittal
 - March 17: Long Lead Equipment Ordering
 - March 27: RFP for Construction Reviewed
 - April 17: Board Approval of Construction Contractor
 - May 29: Construction Complete
2. The design concept has been reviewed by MRWMD staff and closely coordinated with Trillium on the CNG components and JR Miller and Associates (JRMA) on the Truck Yard components.

3. The design includes a trench with spare conduit for the new Materials Recovery Facility and biogas clean-up as well as LFG supply to biogas clean-up.
4. The design has been submitted to the County for permitting.

FINANCIAL IMPACT

Funds for this project were previously approved by the Board at their November 14, 2014 meeting. This project is anticipated to be self-funded through sales of CNG to GWR. The cost will be capitalized with the overall permanent Station. The CNG to be sold to GWR over the long term will be at commercial rates competitive with regional sellers of CNG. That price is anticipated to be adequate to cover all costs of delivering CNG to GWR including: natural gas, electricity for compression, operations and maintenance, and capital recovery.

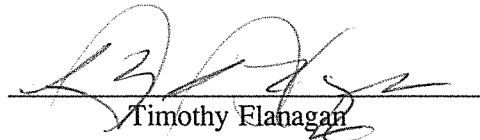
STRATEGIC PLAN

The installation of this Electrical Supply supports the overall Station project. The installation of the CNG Fueling Station is consistent with MRWMD's strategic plan for sustainability and in creating a more sustainable waste collection fleet within Monterey County and the region. The Stations will provide CNG to the GWR fleet of collection trucks that will be utilizing the proposed truck yard being developed by MRWMD. The project will anticipate and encourage additional beneficial use of LFG and/or digester gas at the site in the near future. LFG and/or digester gas will be processed to produce compressed biomethane to displace the natural gas that will initially be purchased from PG&E for vehicle fuel. The Station will also provide a net revenue source to MRWMD through on-site sale of electricity to the Truck Yard and the Station.

CONCLUSIONS

The installation of Electrical Supply for the CNG Station has been determined to be the most effective, reliable, and efficient method to power the delivery of CNG to GWR and is therefore determined to be in the best interest of the District.

Staff will return to the Board at the April meeting requesting approval of a construction contractor for the Electrical Supply System.


Timothy Flanagan