



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 7, 2014
 TO: Board of Directors
 FROM: Dennis Allion, Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of March 5, 2014

The Finance Committee met on March 5th at 9:30 a.m., at the District administrative offices. Committee members in attendance were Chair Allion, Vice Chair Laska, and Directors Bales and Pendergrass. Rob Wellington was also present. The purpose of the meeting was to review items and provide direction related to the Preliminary Budget for FY 2014/15, Financing Capital Improvements, Report on Landfill Gas Facility Operations, Shared Services with the MRWPCA, and to receive General Manager comments. Discussion is summarized below and followed the attached agenda.

Preliminary Budget for FY 2014/15

Staff presented and the Committee discussed the key estimates required to prepare the Preliminary Budget for FY 2014-2015. It was noted that there would not be a tip fee increase except for contractual agreements for FY 2014-2015. The estimated tonnages are in line with the current year. The estimated contract waste tonnages are being reviewed with GreenWaste Recovery. The Committee reviewed and discussed the key budget assumptions and provided direction to staff in preparing the Preliminary Budget.

Report on Financing Capital Improvements

Staff reported on the proposed process for financing facility infrastructure improvements. The Committee discussed the steps required and noted that staff should investigate the benefit of hiring a Financial Advisor to coordinate the financing process and present the results at the next Committee meeting. The Committee provided direction to staff regarding information required for a report to the Board.

Report on Landfill Gas Facility Operations

Staff updated the Committee on the Landfill Gas to Energy Facility operations and reported on the status of the Blower and Permanent Flare installation, PG&E Interconnect Study, Third Party Plant Operator, providing electricity to CalAm for the Desalination facility and the landfill gas field improvements. Discussion followed and staff will keep the Committee updated. A copy of the DEI memo outlining the project updates, is attached.

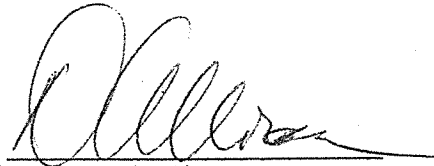
Report on Shared Services with MRWPCA

Staff presented a Draft Resolution for Shared Services among local public agencies. The proposed intent is that the MRWPCA and MRWMD Boards would adopt the resolution to serve as a guide in continuing shared services, in particular in regard to filling future vacant positions. The Committee directed staff to bring this Resolution to the Board for their consideration in conjunction with the MRWPCA doing the same.

General Manager Comments

The General Manger noted that the Technical Advisory Committee (TAC) will meet March 6th and March 27th to discuss implementation of the new franchise contract with Green Waste Recovery, for the seven member agencies involved. The TAC will be discussing the member agencies recycling rates, expanded single stream recyclable materials list, MRF improvements and the proposed Franchise Hauler new Truck Yard. The Committee discussed these items and provided direction to staff.

Next Meeting Date: 9:30 a.m. Wednesday, April 2.



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

Waste of the Past Changes Tomorrow

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE MEETING

Wednesday
March 5, 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. Preparation of Preliminary Budget for FY 2014/15.
2. Financing – Capital Improvements.
3. Landfill Gas (LFG) Operations Update.
4. Shared Services.
5. General Manager Comments.
6. Next Meeting Date: April 2, 2014; 9:30 a.m.

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D. Edwards, Incorporated

PROJECT MANAGEMENT ■ ENVIRONMENTAL SERVICES

February 27, 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 Monterey 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.

UPDATE

- The Equipment RFP package was sent out on Friday, February 21, 2014 to the following Vendors:
 - John Zink Hamworthy Combustion (Zink)
 - Chicago Bridge & Iron Company (CBI)
 - Perennial Energy (Perennial)
- All vendors listed above have given notification of receipt of the package and notice that they intend to bid on the project. All final bids are due on March 14, 2014.
- 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.
- 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.
- Weekly conference calls between DEI, Energyneering (ESI) and the District have been on-going to ensure that all tasks are being covered and all issues are being addressed.

D. Edwards, Inc.

<http://dedwardsinc.com>

Corporate Headquarters: • 500 S. Kramer Blvd. Suite 180 • Brea, CA 92821 • Main Line: 714-582-3288 • Fax: 714-653-9830 • info@dedwardsinc.com
Northern California: • 821 University St. • Healdsburg, CA 95448 • 707-395-0213 telephone • 707-395-0034 fax

- Final location of the Flare and Blower Skid has been identified.
- JRMA, through Whitson Engineers, has performed a site survey and produced a topographic map of the flare and blower skid location.
- Golder and Associates has been selected to conduct soil testing in the location of the Flare and Blower Skid. This survey has yet to be completed.
- 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.

2. PG&E Interconnection Review – Energyneering (ESI) 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.

UPDATE

ESI is waiting for PG&E review to be completed.

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 Modules 1 & 2, and for the installation of vertical wells in newly developed portions of Modules 3 & 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.

UPDATE

We are currently landfilling in the newly lined Module 5. After the first lift is in place, we will begin to install the first set of horizontal LFG collection lines, and connect them, and perhaps the leachate collection laterals, to a new header running along the south side of the Modules 4 and 5, up to the existing header feeding the temporary flare.

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.

UPDATE

DEI is coordinating with the District to make a decision and final recommendation to the board regarding moving forward with Ameresco or continuing to operate the facility as it is currently.

5. **“Over-the-Fence” Feasibility Study** - Energyneering (ESI) is in the process of preparing a report on the feasibility of selling electricity from the LFGTE facility directly "over the fence" to the proposed Cal American Water Desalination Plant. The report will include a summary and estimated cost of required/recommended upgrades to the LFGTE facility in order to enable this arrangement.

Please give me a call with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David Edwards", with a stylized flourish at the end.

David Edwards