



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: November 6, 2014
 TO: Board of Directors
 FROM: Dennis Allion, Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of November 5, 2014

The Finance Committee met on November 5th at 9:30 a.m., at the District administrative offices. Committee members in attendance were Directors Bales, Pendergrass, and Laska. Rob Wellington was also present. Jarrod Penner and Kathy Campbell from Bianchi, Kasavan & Pope also attended. The purpose of the meeting was to review items and provide direction related to the annual Audit Report for FY 2013/14, Operations and Capital Projects and Bond financing process. Discussion is summarized below and followed the attached agenda.

Audit Report for FY 2014-2015

A Draft Audit Report and Financials for the FY ended 2013-2014 were provided by staff. Jarrod Penner and Kathy Campbell discussed their audit procedures and noted that they had not proposed any adjustments to the District prepared financial statements and at the completion of their review process would be prepared to issue an unqualified opinion on the District financial reports. It was reported that GASB Statement 65, Items Previously Reported as Assets and Liabilities was implemented but did not result in any change in financial presentations. Staff reviewed the major variances to revenues, expenditures and changes in cash reserves. Discussion followed regarding the sources and uses of funds from operating activities, capital and related financing activities and nonfinancial financing activities which resulted in an increase in cash and cash equivalents of \$2,400,646 that was favorable to prior year by \$5,854,975. The Committee agreed that the District ended the year in a sound financial condition and recommended that the Audit Report be placed on the November 21st Board Meeting Agenda.

Operations and Capital Projects Status Reports

The Committee and staff discussed the compressed natural gas CNG fueling station, Landfill Gas (LFG) Facility Improvements, truck parking and maintenance facility, materials recovery facility (MRF) improvement projects and the Ameresco LFG to energy facility operations agreement. The Committee spent significant time discussing the letter from Dave Edwards Inc. (DEI) that outlined the increased work and associated costs that will be necessary to install the new engine generator, switchgear, SCADA System and interconnection equipment necessary to provide service to the new truck maintenance, parking and fueling station and the improved MRF facility. The Committee gave direction to staff to prepare a Board report to explain how the project expanded and the impacts of this increased work on the Bond Financing, Budget and future electrical support for the adjacent facilities, including Monterey Regional Water Pollution Control Agency (MRWPCA) proposed desalinization plant, truck maintenance facility and improved MRF operations.

Bond Financing Process

- **Schedule:** Staff updated the Committee on the Preliminary Timeline. The timeline has been updated to contain the dates for presentations of the JPA amendments to the individual Cities.
- **Joint Power's Agreement (JPA):** Rob Wellington updated the Committee on the status of the amendment to the JPA regarding the flow control wording. Discussion followed and the revised wording will be presented at the November 2014 Board meeting.


General Manager Comments

The General Manager comments were reviewed with the Committee.

Closed Session

The Committee did not meet in closed session.

Next Meeting Date: 9:30 a.m. Wednesday, December 3, 2014.



Dennis Allion

Attachments