



# Memorandum

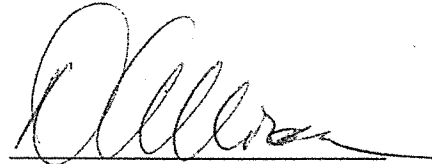
## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: August 28, 2013  
 TO: Board of Directors  
 FROM: Finance Committee Chair  
 SUBJECT: Summary of Finance Committee Meeting of August 28, 2013

The Finance Committee met on August 28<sup>th</sup> at 10 a.m., at the District administrative offices. Committee members in attendance were Vice Chair Laska, Directors Bales and Pendergrass and me. Rob Wellington was also present. The purpose of the meeting was to review items related to the District's tonnages and financials, Landfill Gas Power Project and Power Sales, the City Managers' Group Proposed County-Wide Solid Waste Study and a Closed Session item regarding Property Negotiations. Discussion is summarized below and followed the attached agenda.

1. **Status Report on Tonnages and Financials.** A Draft Statement of Revenues, Expenses, and Changes in Net Assets for the FY ended 2012-2013 and tonnage information for July 2013 were provided by staff. Staff noted that the auditors are performing their year-end procedures and are completing their fieldwork testing. Staff reviewed the major variances from Budget and Mid Year estimates. The Disposal fees are above Budget and MidYear by 4.4% and 10.9% respectively due primarily to Contract Waste tonnage increases. Power sales are below Budget and Mid Year by 15.1% and 4.9% respectively due primarily to an interruption in production due to unanticipated maintenance needs. Total Operating Expenses are below Budget and Mid Year by 1.6% and 0.8% respectfully. The Change in Net Assets (net income) is \$800,000 and without the Voluntary Early Retirement Incentive Program cost of \$1.1 million the District would have been \$725,000 above Budget. The District ended the year in a sound financial condition.
2. **Report on Landfill Gas (LFG) Power Project and Power Sales.** Staff reported on recent developments related to the LFG plant operation and sale of power. There have been no discussions with CalAm related to sale of power for a proposed desalination plant, in the last month, perhaps due to more pressing matters on CalAm's side. CalAm has been in contact with District staff related to required access and construction easements. Staff reported on the status of selling power to PG&E. Metering issues with the California Independent System Operator (CAISO) are being resolved to allow the energy to be delivered to the grid. The Power Sales Amendment with PG&E expires on August 31, for delivery of two of the Districts five megawatts of power. Beginning on September 1<sup>st</sup>, the two megawatts of power will be sold to either PG&E, or delivered to the grid on the open market until agreements are reached with the CAISO and a third party buyer to sell the power in mid-September. Staff was directed to draft a summary letter to the CPUC, for signature by the Board Chair, outlining the problems encountered recently in selling renewable power.
3. **Report on City Managers' Group Proposed Study of Countywide Solid Waste Management System.** A meeting has been set for September 11<sup>th</sup> to discuss the revisions to the Request for Proposals (RFP) for a Countywide Study of the Solid Waste Management System. Thereafter, a final version will be brought to the Board, and other entities, for consideration prior to release.
4. **General Manager Comments**
  - a. **Franchise Agreement Proposal Process.** General Manager reported that the RFP review process by the TAC has been moved back slightly, as a result of the new deadline for submittal of Proposals of September 11<sup>th</sup>.

- b. LAFCO Budget Process. The General Manager requested a Board member accompany him to a meeting to determine how LAFCO allocates expenses and collects fees, and that entities requesting annexation or similar services of LAFCO should perhaps pay fees that more closely approximate the true cost of the service. The meeting would be with LAFCO's Budget and Finance Committee in late September. There were no volunteers.
  - c. Communication Relay Towers. Staff reported that the District has been contacted by communications companies recently to inquire if the District would be willing to consider locating a communications tower on District property. Following a brief report, the Finance Committee supported that staff follow up to gain additional information related to such a proposal.
5. Closed Session: The Committee provided direction to staff on property negotiations.
  6. Next Meeting Date: Wednesday, September 25, 2013



Dennis Allion

Attachment

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 First Class Mountains*

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE MEETING

Wednesday  
August 28, 2013  
10:00 a.m.

Boardroom  
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. Status Report on Tonnages and Financials.
2. Report on Landfill Gas (LFG) Power Project and Power Sales.
3. Report on City Managers' Group Proposed Study of Countywide Solid Waste Management System.
4. General Manager Comments.
5. Next Meeting Date: September 25, 2013; 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/Monterey County/Salinas Valley Solid Waste Authority (SVSWA)  
Terms: All Terms and Conditions

o:\wmm\board\committees\finance com\2013\august\fin comm agenda 8-13.docx