



Memorandum


MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: September 9, 2016
 TO: Board of Directors
 FROM: Dennis Allion, Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of September 7, 2016

The Finance Committee met on September 7th at 9:00 a.m., at the District administrative offices. Committee members in attendance were Directors Bales, Laska, and Pendergrass. Staff members in attendance were Tim Flanagan, Chuck Rees, Jeff Lindenthal, Peter Skinner, and Becky Aguilar. Rob Wellington was also in attendance. Kacey Christie the District's new Safety & Risk Manager was introduced to the Committee. The purpose of the meeting was to receive update on the Annual Audit for FY 2015/16, update the Anaerobic Digester (AD) Connection Agreement with Monterey Regional Water Pollution Control Agency (MRWPCA), provide updates on the Capital Project Updates, discuss proposed Easement with MRWPCA Blanco Drain Project, and General Management Comments. Discussion is summarized below and followed the attached agenda.

1. **Annual Audit for Fiscal Year 2015/2016**. Staff reported that the auditors from Bianchi, Kasavan and Pope (BKP) had completed their final field work and were performing their review process. There had been no disagreements, however, they had proposed an accounts payable accrual for the Truck Yard project that staff had agreed with. Staff has completed the GASB 68 Pension Liability entries and is working on preparation of the Audit Report and disclosures. The Committee discussed the audit process. Staff is anticipating reviewing a draft of the Audit Report at the next Finance Committee meeting.
2. **Update on AD Connection Agreement with MRWPCA**. The General Manager updated the Committee regarding the AD Project power generation. PG&E has made additional demands and mandated changes that have delayed the re-connect to the week of September 12th. The Committee discussed the issues and provided guidance to staff regarding actions that should be taken should there be any additional delays.
3. **Capital Project Updates**. Guy Petraborg updated the Committee on the progress of the Capital Projects. He noted significant progress on the Landfill Gas facility with 3 engines currently producing power onto the grid. The fast fill CNG station is operational and the Truck Yard facility is awaiting final punch list items before the occupancy permit can be issued. Staff and legal counsel continue to work on the lease with GreenWaste Recovery (GWR) for use of the Truck Yard. Staff is working to have a bridge use agreement to allow GWR to use the facility until the final lease can be completed. Discussion followed on the process and timing for the civil construction projects required to support the installation of the MRF Improvements, the change order with BHS required due to the additional handling, transportation and labor agreement increases in the next contract year and the estimated start-up date for the Improved MRF. Peter Skinner reported on the application to the California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) to waive the obligation to pay and estimated \$960,000 in sales tax. The application will be presented to the CAEATFA Board for a decision in October.

4. **Discussion to Provide Direction General Manager Regarding Proposed Easement with Monterey Regional Water Pollution Control (MRWPCA) Agency Blanco Drain Project.** District staff has been approached by MRWPCA staff regarding the need for an expedited easement for a pipeline alignment along and through our landfill property for their Pure Water Project. Both District and MRWPCA staff are working with respective legal counsel to produce the appropriate legal document and compensation for the temporary and permanent easement. Given the need for an expedited process, staff advised the Committee that a special Board meeting may be required to meet the MRWPCA's deadlines.
5. **General Manager Comments.** The General Manager updated the Committee on the actions staff has taken regarding the 65th Anniversary Event and the Community Choice Aggregation.
6. **Next Meeting Date:** Wednesday, October 5, 2016 at 9:00 a.m.



Dennis Allion

Attachment

BOARD OF DIRECTORS

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ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE MEETING

Wednesday
September 7, 2016
9:00 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
Tim Flanagan, General Manager
Chuck Rees, Finance Manager
Guy Petraborg, Director of Engineering & Compliance/District Engineer
Jeff Lindenthal, Director of Communications & Sustainability
Peter Skinner, Director of Finance & Administration
Kacey Christie, Safety & Risk Manager

OPEN SESSION AGENDA

1. Receive Update on Annual Audit for Fiscal Year 2015/16.
2. Update on Anaerobic Digester Connection Agreement with Monterey Regional Waste Pollution Control Agency.
3. Capital Project Updates.
 - Landfill Gas Update
 - Compressed Natural Gas Facility
 - Truck Yard and Maintenance Facility
 - Materials Recovery Facility
4. Discussion to Provide Direction to General Manager Regarding Proposed Easement with Monterey Regional Waste Pollution Control Agency Blanco Drain Project.
5. General Manager Comments.
6. Next Meeting Date: Wednesday, October 5, 2016, 9:00 a.m.