NOTICE & AGENDA

Finance Committee Meeting
November 1, 2023, 9:00 a.m.

In-Person: Bales Board Room
Virtually: https://us02web.zoom.us/j/82871581572

Meeting ID: 828 7158 1572

Board Members will be attending this meeting In-Person: Bales Board Room (or otherwise virtually via applicable teleconferencing provisions set forth in the Brown Act). The public may attend this meeting under either option of a hybrid format: In-person, as noted above, or Virtually.

Please see the meeting information notice at the end of this agenda for more details.

Call to Order

Just Cause Notifications and Emergency Circumstance Requests (AB 2449)

Roll Call & Establishment of Quorum

Committee Chair:	Leo Laska, Pebble Beach Community Services District
Directors:	Kim Shirley, City of Del Rey Oaks
	Bill Peake, City of Pacific Grove

Public Communications

Anyone wishing to address the Board on matters not appearing on the agenda may do so now. Please limit comments to a maximum of three (3) minutes. The public may comment on any other matter listed on the agenda at the time the matter is being considered by the Board. For information about submitting public comments in writing in advance of the meeting, please see the Meeting Information section of this agenda.

Discussion/Action

1. **Presentation on FY 2022-23 Audit**

2. **Discuss Designating Certain Used Equipment as "Surplus Equipment"**

3. **Discuss Purchase of a New Caterpillar 725 Water Truck**

4. **Discuss Purchase of a New Caterpillar 966 Loader**

General Manager Communications

Discuss Future Agenda Items

Closed Session
As permitted by Government Code Section 54956 et seq., the Board may adjourn to a closed session to consider specific matters dealing with litigation, certain personnel matters, real property negotiations or to confer with the ReGen Monterey's Meyers-Milias-Brown Act representative.

Return to Open Session
Please note: A report out and announcement concerning the closed session will be provided which may include the matter of the compensation furnished to the General Manager (Govt. Code §54953(c)(3)). Anyone requesting a report out of closed session items may contact the board clerk.

Adjournment

Next Meeting Date: December 6, 2023

MEETING INFORMATION

Virtual & Regular Meeting Notice: The meeting will be held (1) as a regular in-person meeting and (2) virtually via Zoom.

To join the Zoom webinar: Click on this link: https://us02web.zoom.us/j/82871581572 copy/paste the link into your browser, or type the link into your browser. If your computer does not have audio, you will also need to join the meeting via phone. To participate via phone, please call: 1-669-900-9128; **Meeting ID: 828 7158 1572**

Public Comments: If you are unable to participate virtually or via telephone, you may also submit your comments by e-mailing the board clerk at IGonzales@ReGenMonterey.org with one of the following subject lines "Public Comment Item #" (insert the item number relevant to your comment) or "Public Comment - Non Agenda Item". Comments must be received by 4 p.m. on the day prior to the scheduled meeting. All submitted comments will be provided to the Board and may be read into the record or compiled as part of the record.

Posting Information
This agenda was posted at the ReGen Monterey administrative offices at 14201 Del Monte Blvd, Salinas, CA, 93908. The agenda, including staff reports and additional information regarding these items, are available on our website at ReGenMonterey.org and our administrative office during regular business hours (additional fee may apply for copying).

This agenda is subject to revision and may be amended prior to the scheduled meeting. If amended, a final agenda will be reposted.

Accessibility
All meetings are open to the public. ReGen Monterey does not discriminate against persons with disabilities and the boardroom is wheelchair accessible. In compliance with the Americans Disabilities Act, if you need special assistance to participate, please contact Board Clerk, Ida Gonzales at 831-384-5313 or email IGonzales@ReGenMonterey.org. Notification 48 hours prior to the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible. Recordings of meetings can be provided upon request.

Annual Financial Report
June 30, 2023 and 2022

Monterey Regional Waste Management District

Monterey Regional Waste Management District
Annual Financial Report

Table of Contents
June 30, 2023 and 2022

Board of Directors

for the Year Ended
June 30, 2023

Member	Office	Representing	Term Expires
Jason Campbell	Chair	Seaside	December 2024
Kim Shirley	Vice Chair	Del Rey Oaks	December 2024
Karen Ferlito	Director	Carmel-By-The-Sea	November 2026
Bruce Delgado	Director	Marina	December 2026
Bill Peake	Director	Pacific Grove	December 2026
Leo Laska	Director	Pebble Beach Community Services District	December 2023
Kim Barber	Director	Monterey	December 2026
Wendy Root Askew	Director	Monterey County	December 2024
Jerry Blackwelder	Director	Sand City	December 2024
Felipe Melchor	General Manager/ Secretary of the Board		

Independent Auditor's Report

To the Board of Directors
Monterey Regional Waste Management District
Marina, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Monterey Regional Waste Management District (District) as of and for the years ended June 30, 2023, and June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinions, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2023, and June 30, 2022 and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the financial statements, certain errors resulting in an overstatement of amounts previously reported for restricted cash and understatement of deferred amount on refunding as of June 30, 2022. Accordingly, a restatement has been made to the District net position as of June 30, 2022, to correct the error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of pension plan contributions, and schedule of changes in the district's total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedule of net position, the combining schedule of revenues, expenses and changes in net position, and schedule of revenues, expenses, and changes in net position actual to budget are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of net position, the combining schedule of revenues, expenses and changes in net position, and schedule of revenues, expenses, and changes in net position actual to budget are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Menlo Park, California
November 30, 2022

Monterey Regional Waste Management District

Management's Discussion and Analysis

for the Years Ended June 30, 2023 and June 30, 2022

This section of Monterey Regional Waste Management District's (District) annual financial report presents a discussion and analysis of the District's performance during the fiscal year that ended June 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

The District was formed in 1951 under the California Health and Safety Code. The primary purpose of the District is to dispose of solid waste in the Monterey Peninsula area. The District's role has expanded to include the recovery of recyclable materials in the waste stream (cardboard, newspaper, glass, wood waste, plastic, metals, concrete, asphalt, reusable building materials and resale items) and to receive non-hazardous liquid wastes. In addition, the District operates a landfill gas to electrical energy system, with capacity to generate about 5,000 kilowatts of continuous power. The District also accepts household hazardous waste.

The Monterey Regional Waste Management Authority (Authority) was formed pursuant to the provisions of the Government Code of the State of California and a Joint Powers Agreement (JPA), dated April 1, 1993, by and between the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City and Seaside. During the fiscal year ending June 30, 1996, the Pebble Beach Community Services District also became a member of the Authority. During the fiscal year ending June 30, 2015, Monterey County also became a member of the Authority. The Authority was formed to assist in the financing of public capital improvements, such as the design, acquisition and construction of additions, betterments, and improvements to the District's facilities.

Accounting principles generally accepted in the United States of America require that these financial statements present the District (the primary government) and its component units. The Authority is included in the District's financial statements because of its significant financial relationship to the District.

Financial Highlights

Fiscal Year 2022-2023

- Operating revenues increased by 8.7 percent to $49.6 million and operating expenses increased by 18.8 percent to $40.7 million.
- Capital outlay for buildings, equipment and infrastructure were $6.8 million.
- Operating revenues were above budgeted revenues by $1.3 million. Operating expenses were above budgeted amounts by $3.8 million. Non-operating revenues and expenses were above the budgeted levels by $3.0 million.

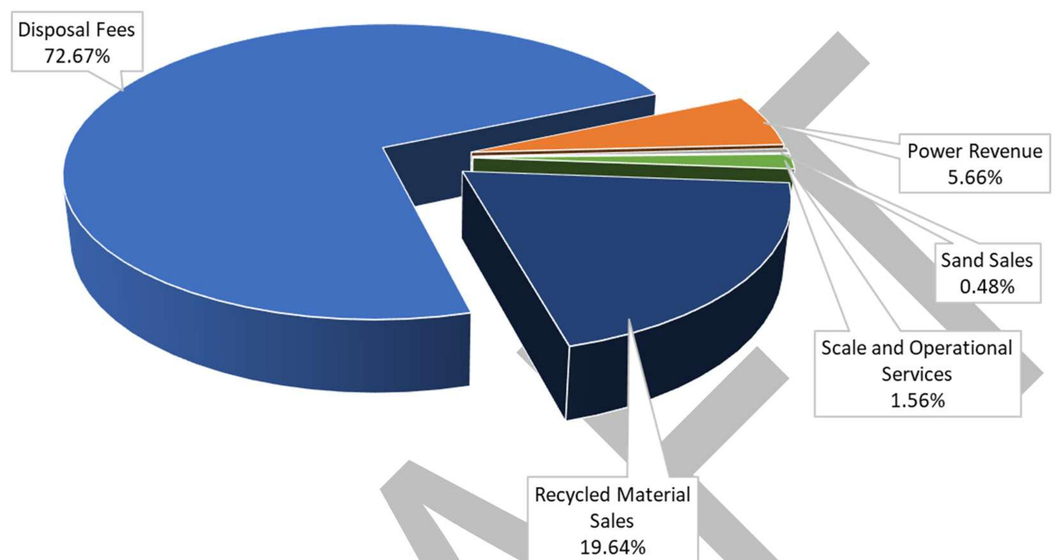
Fiscal Year 2021-2022

- Operating revenues increased by 7.5 percent to $45.7 million and operating expenses increased by 0.2 percent to $34.2 million.
- Capital outlay for buildings, equipment and infrastructure were $3.2 million.
- Operating revenues were above budgeted revenues by $7.0 million. Operating expenses were below budgeted amounts by $0.4 million. Non-operating revenues and expenses were above the budgeted levels by $0.9 million.

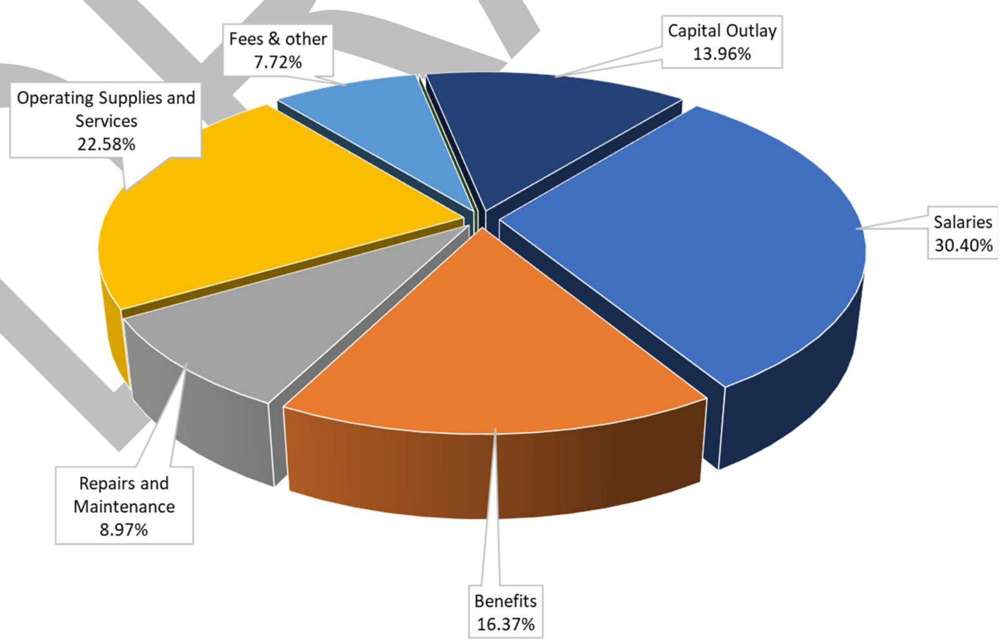
Financial Highlights (Continued)

The following figures show the District's sources of revenues and areas of expenditures for fiscal year 2023:

Sources of Revenue



Areas of Expense



Overview of the Financial Statements

This financial report consists of five parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, required supplementary information and other supplementary information.

The financial statements provide both long-term and short-term information about the District's financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of schedules of required supplementary information and a section of other supplementary information that further explains and supports the information in the financial statements.

The District's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statement of revenues, expenses, and changes in net position. All assets and liabilities associated with the operation of the District are included in the statement of net position.

Net Position

Fiscal Year 2022-2023

The statement of net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Net position is reported in three categories: Invested in capital assets – net of debt, restricted and unrestricted. Invested in capital assets – net of related debt is the cost of the District's buildings, equipment, and infrastructure after deducting accumulated depreciation and debt still owed on these assets. Restricted assets are the funds the District is required to set aside for landfill closing/cleanup reserves and the acquisition of capital assets.

The MRF and Truck yard projects are done should not be referred to any longer in regard to capital spending.

The District's total net position at June 30, 2023 was $70.2 million, a 17.4 percent increase of $10.4 million over net position at June 30, 2022 (See Table A-1). Much of the increase in total net position is attributable to a 23.0 percent or $6.7 million increase of Disposal Fees, a 33.2 percent or $0.7 million increase of Power Sales.

Total assets and deferred outflows increased by 9.2 percent to $150.7 million. Total liabilities and deferred inflows increased by 2.9 percent to $80.5 million.

Fiscal Year 2021-2022

The statement of net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Net position is reported in three categories: Invested in capital assets – net of debt, restricted and unrestricted. Invested in capital assets – net of related debt is the cost of the District's buildings, equipment, and infrastructure after deducting accumulated depreciation and debt still owed on these assets.

Restricted assets are the funds the District is required to set aside for landfill closing/cleanup reserves and revenue bond proceeds that are restricted for the acquisition of Materials Recovery Facility Improvement Project and the Franchise Hauler Truck Parking and Maintenance Facility Project.

The District's total net position at June 30, 2022 was $59.8 million, a 21.1 percent increase of $10.4 million over net position at June 30, 2021 (See Table A-1). Much of the increase in total net position is attributable to a 15.7 percent or $1.8 million increase of recycled material sales and CRV rebates, a 32.0 percent of $4.5 million decrease of net pension liability and 7.4 percent or $3.5 million decrease of revenue bonds.
Total assets and deferred outflows increased by 6.3 percent to $138.0 million. Total liabilities and deferred inflows decreased by 2.9 percent to $78.0 million.

Table A-1
Net Position
(in thousands of dollars)

	2023	2022	2021	Change 2023 to 2022	Change 2022 to 2021
Current Assets	$ 53,318	$ 45,162	$ 35,836	18.1%	26.0%
Restricted Assets	2,500	2,500	4,850	0.0%	-48.5%
Lease receivables	1,900	2,140	2,363	-11.2%	0.0%
Deposits	155	155	155	0.0%	0.0%
Capital Assets–Net	84,656	82,991	82,792	2.0%	0.2%
Intangible Assets–Net	41	57	73	-28.1%	-21.9%
Total Assets	142,570	133,005	126,069	7.2%	5.5%
Deferred Outflows	8,130	5,003	3,801	62.5%	31.6%
Total Assets and Deferred Outflows	$ 150,700	$ 138,008	$ 129,870	9.2%	6.3%
Current Liabilities	$ 8,487	$ 7,483	$ 5,376	13.4%	39.2%
Non–Current Liabilities	21,637	13,842	19,290	56.3%	-28.2%
Revenue Bonds Payable	40,537	43,328	46,814	-6.4%	-7.4%
Estimated Closure/Post Closure Costs	7,291	6,761	6,413	7.8%	5.4%
Total Liabilities	77,952	71,414	77,893	9.2%	-8.3%
Deferred Inflows	2,506	6,766	2,592	-63.0%	161.0%
Total Liabilities and Deferred Inflows	$ 80,458	$ 78,180	$ 80,485	2.9%	-2.9%
Net Position:					
Invested in Capital Assets–Net of Debt	41,115	36,491	33,338	12.7%	9.5%
Restricted	2,500	2,500	3,318	0.0%	-24.7%
Unrestricted	26,627	20,837	12,729	27.8%	63.7%
Total Net Position	70,242	59,828	49,385	17.4%	21.1%
Total Liabilities, Deferred Inflows, and Net Position	$ 150,700	$ 138,008	$ 129,870	9.2%	6.3%

Revenues, Expenses and Changes in Net Position

Fiscal Year 2022-2023

Operating revenues increased by 8.7 percent to $49.6 million (See Table A-2). Some of the major impacts on District revenues are from:

- Revenues from disposal fees increased by 23.0 percent due to due to a 7% rate increase in disposal fees and increase in material volumes originating from within and outside of Monterey County.
- Power revenue increased by 33.2 percent due to the increase of the surplus power sold in the grid.
- Recycled material sales decreased by 26.3 percent due the due to lower prices of commodities and the elimination of residual disposal fees. CRV rebates values represent 42.3 percent of total MRF revenue.

Operating expenses increased by 18.8 percent. Salaries increased by 13.2 percent. Benefits increased by 28.2 percent due to the increase in the number of employees and the cost of the benefits (pension and OPEB).

Recycling expenses increased by 80.9 percent or $1.5 million due to a higher volume of contractor services performed related to yard waste, wood waste, and food waste. Contractual services also increased by 92.0 percent or $0.6 million primarily due to the increase in the temporary staffing cost. Other costs under this category include janitorial services, alarm services, bird and other pest control, and portable toilet rental. Operating supplies increased by 55.5% or 0.5 million due to the increase in site maintenance and improvement costs and in the tools and equipment rental expenses in the current year.

Fiscal Year 2021-2022

Operating revenues increased by 7.5 percent to $45.7 million (See Table A-2). Some of the major impacts on District revenues are from:

- Revenues from disposal fees remained consistent with prior year with an increase of 3.4 percent.
- Power revenue increased by 29.8 percent due to the increase of the surplus power sold in the grid.
- Recycled material sales increased by 15.7 percent due the fast-growing activity of the Material Recovery Facility (MRF) CRV values assigned to diverted products by CalRecycle. CRV values represent 30.4 percent of total MRF revenue.
- Sand sales increased 12.5 percent compared to the prior year mainly due to the increase in demand.

Operating expenses remained consistent with prior year with a decreased of 0.2 percent. Salaries increased by 1.5 percent. Benefits decreased by 21.7 percent due to the decrease in the number of employees. Generally, the operations related expenditures remained consistent with prior year. Repairs and maintenance increased by 11.0 percent due to the repairs performed to the District site. Contracted services decreased by 14.2 percent. Recycling expenses decreased by 9.2 percent while the operating supplies decreased by 40.5% to normal level after the prior year spike due to buying COVID-19 related cleaning and disinfecting supplies. The environmental services decreased by 53.8 percent due to less costs incurred to maintain the landfill gas collection system.

Operating expenses decreased by 5.1 percent to $34.2 million. Salaries decreased by 19.5 percent, due to the prior year early retirement program which of many employees had utilized and accepted an early retirement package from the District. Benefits decreased by 12.4 percent due to the decrease in the number of employees. Generally, the operations related expenditures have decreased compared to the prior year due to the worldwide COVID-19 pandemic. Repairs and maintenance decreased by 4.0 percent due to the limited repairs performed. Contracted services decreased by 12.4 percent. Recycling expenses decreased by 10.6 percent while the operating supplies increased by 45.0% due to buying COVID-19 related cleaning and disinfecting supplies. The environmental services increased by 388.9 percent due to costs incurred to repair and maintain the landfill gas collection system.

Table A–2
Revenues, Expenses and Changes in Net Position
(in thousands of dollars)

	2023	2022	2021	Change 2023 to 2022	Change 2022 to 2021
Operating Revenues					
Disposal Fees	$ 36,077	$ 29,330	$ 28,374	23.0%	3.4%
Power Sales	2,809	2,109	1,625	33.2%	29.8%
Recycled Material Sales	9,751	13,231	11,433	-26.3%	15.7%
Landscape Product Sales	-	-	100	0.0%	-100.0%
Scale and Operational Services	775	748	711	3.6%	5.2%
Sand Sales	236	243	216	-2.9%	12.5%
Total Operating Revenues	49,648	45,661	42,459	8.7%	7.5%
Operating Expenses					
Salaries	11,323	10,001	9,857	13.2%	1.5%
Employee Benefits	6,096	4,755	6,076	28.2%	-21.7%
Depreciation and Amortization	5,199	5,310	4,116	-2.1%	29.0%
Recycling	3,412	1,886	2,076	80.9%	-9.2%
Repairs and Maintenance	3,341	3,372	3,039	-0.9%	11.0%
Operating Supplies, Services and Other Expenses	8,408	6,166	6,478	36.4%	-4.8%
Taxes, Licenses and Permits	1,303	1,408	1,322	-7.5%	6.5%
Professional services	1,043	964	836	8.2%	15.3%
Closure/Post Closure Costs	530	347	356	52.7%	-2.5%
Total Operating Expenses	40,655	34,209	34,156	18.8%	0.2%
Operating Income	8,993	11,452	8,303	-21.5%	37.9%
Non-Operating Revenues (Expenses)					
Interest Income	598	121	193	394.2%	-37.3%
Other Revenue (Expenses)	2,155	761	327	183.2%	132.7%
Interest Expense-Revenue Bonds and Financed Purchase	(1,332)	(1,891)	(904)	-29.6%	109.2%
Cost of Revenue Bonds Issuance	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	1,421	(1,009)	(384)	-240.8%	162.8%
Change in Net Position	10,414	10,443	7,919	-0.3%	31.9%
Total Net Position - Beginning of Year, as restated	59,828	49,385	41,466	21.1%	19.1%
Total Net Position - End of Year	$ 70,242	$ 59,828	$ 49,385	17.4%	21.1%

Operating Revenue and Expenses by Department

Fiscal Year 2022-2023

- Administration/organization includes senior management, administrative, accounting and engineering staff, along with organization-wide supplies and services, such as the computer network and telephone systems.
- Household hazardous waste (HHW) revenue is from charges for small quantity generators.
- Operating expenses includes all expenses related to the receipt, diversion and disposal of material from district and regional customers and the landfill gas operation. The District continues to incur expenses for air emission testing and compliance requirements for the landfill gas power operations. The District operations benefit from “free electricity” and the revenue from the sale of excess power generated by the landfill gas power operations.
- The revenue for the Materials Recovery Facility (MRF) includes the processing fees for single stream material, construction and demolition material, and green waste diverted at the facility, along with the revenues for sales of recycled materials, scrap metal and the revenue from CalRecycle CRV refund claims.
- Disposal fees are comprised of the revenue generated at the Scales.

Fiscal Year 2021-2022

- Administration/organization includes senior management, administrative, accounting and engineering staff, along with organization-wide supplies and services, such as the computer network and telephone systems.
- Household hazardous waste (HHW) revenue is from charges for small quantity generators.
- Operating expenses includes all expenses related to the receipt, diversion and disposal of material from district and regional customers and the landfill gas operation. The District continues to incur expenses for air emission testing and compliance requirements for the landfill gas power operations. The District operations benefit from “free electricity” and the revenue from the sale of excess power generated by the landfill gas power operations.
- The revenue for the Materials Recovery Facility (MRF) includes the processing fees for single stream material, construction and demolition material and green waste diverted at the facility, along with the revenues for sales of recycled materials, scrap metal and the revenue from CalRecycle CRV refund claims.
- Disposal fees are comprised of the revenue generated at the Scales.

Budget Highlights

Fiscal Year 2022-2023

The District's operating revenues of $49.6 million were $1.3 million above budget and non-operating revenue was $3.0 million above budget amounts. The revenue increase resulted primarily from 7 percent increase in disposal fees rate. Power sales were 56.0 percent above budget due to higher runtime for the power generating machinery.

Operating expenses of $40.6 million were $3.8 million above budget. Salary expenses and benefits are $1.0 million above budget due to the rise in health insurance costs and benefits costs. Recycling costs were $1.2 million above budget due to increased volume of wood waste processing. Revised closure/post closure maintenance plans have been being submitted as part of the 5-year permit review process. The plans have not been approved and the higher of the previous approved or submitted costs were used to calculate the closure/post closure costs. (see Note 6). There were several items under budget: professional services - $0.08 million; Taxes, licenses and permits - $0.1 million; repairs & maintenance – 0.1 million; public awareness - $0.4 million. Other categories over budget were; depreciation and amortization - $0.7 million; fuel costs - $0.4 million; environmental services - $0.4 million.

Fiscal Year 2021-2022

The District's operating revenues of $45.7 million were $7.0 million above budget and non-operating revenue was $0.9 million above budget amounts. The revenue increase resulted primarily from increased revenue from sales of MRF products and CalRecycle CRV claims and higher volume of material landfilled. Power sales were 29.8 percent above budget due to higher runtime for the power generating machinery.

Operating expenses of $34.2 million were $0.4 million below budget. Salary expenses and benefits are $0.4 million below budget due to lower health insurance costs offset by salaries and workers compensation costs being over budget. Recycling costs were $0.4 million above budget due to increased volume of wood waste processing. Professional services costs were $0.8 million below budget due in part to lower engineering services related costs. Revised closure/post closure maintenance plans have been being submitted as part of the 5-year permit review process. The plans have not been approved and the higher of the previous approved or submitted costs were used to calculate the closure/post closure costs. (see Note 6). There were several items under budget: professional services - $895,940; fuel - $118,505; taxes and fees - $30,440; public awareness - $237,992; education, meetings and travel - $59,364; safety equipment and supplies - $29,395; closure and post closure care costs - $27,785; operating supplies - $202,401. Other categories over budget were; depreciation and amortization - $1,010,408; fuel costs - $461,197; office expenses - $176,286; environmental services - $16,169; fuel - $461,197; recycling services - $365,910; insurance - $14,271.

Capital Assets and Debt Administration

Capital Assets

On June 30, 2023, the District's capital assets totaled $84.7 million, net of accumulated depreciation. (See Table A-3). The increase of $1.65 million is mostly due to capital acquisitions for the materials recycling facility.

				Change	
	2023	2022	2021	2023-22	2022-21
Land	$ 578	$ 578	$ 578	0.0%	0.0%
Facilities and Infrastructure	19,693	20,440	20,234	-3.7%	1.0%
Right-to-use lease, equipment	2	6	10	-66.7%	-40.0%
Equipment	36,734	35,596	33,179	3.2%	7.3%
Power Project	11,011	11,016	9,919	0.0%	11.1%
Module Development	16,638	15,355	13,550	8.4%	13.3%
Intangible Assets	41	57	73	-28.1%	-21.9%
Construction in Progress	-	-	5,322	0.0%	-100.0%
	$ 84,697	$ 83,048	$ 82,865	2.0%	0.2%

Fiscal year 2022-2023 major capital asset additions include:

- $849,273 for Ejector Truck.
- $420,225 for Wheel Loader.
- $574,996 for MRF Loader.
- $369,357 for CNG Water Truck.

Fiscal year 2021-2022 major capital asset additions include:

- $150,403 for generator for truck yard.
- $597,121 for D6 XE Dozer.
- $576,735 for compost site improvements.
- $1,904,523 for development of modules 6 and 7.

Debt Administration

On November 7, 2018, through the bond underwriter, the District issued $22,970,000 in 2018 Series A and Series B Integrated Waste Management Revenue Bonds to fund the design, acquisition, and construction of improvements to the Monterey Peninsula Landfill and paying costs of issuance related to the sale and delivery of the Series 2018 Bonds. Through the bond trustee, the District continues to make its regularly scheduled payments on the 2018 Series A and B Integrated Waste Management Revenue Bonds. During 2023, principal payments of $860,000 were made, leaving a balance of $19,500,000. The District was in compliance with the bond covenants at June 30, 2023 and 2022.

Bond Rating - In November 2021, Standard and Poor's assigned the Series 2021 Bonds the rating of AA - and view the outlook as stable.

On December 14, 2021, through the bond underwriter, the District issued $24,910,000 in 2021 Integrated Waste Management Authority Refunding Revenue Bonds to refund the Authority's Integrated Waste Management System Revenue Bonds Series 2015A (Non-AMT) and Integrated Waste Management System Revenue Bonds Series 2015B (AMT) and pay the costs of issuance related to the issuance and sales of the Series 2021 Bonds. Through the bond trustee, the District made regularly scheduled payments on the 2021 Integrated Waste Management Refunding Revenue Bonds. During 2023, principal payments of $1,785,000 were made, leaving a balance of $21,520,000. The District was in compliance with the bond covenants at June 30, 2023 and 2022.

Bond Rating – In December 2021, Standard and Poor's assigned the Series 2021 Bonds the rating of AA+ and view the outlook as stable.

Economic Factors and Next Year's Budget and Rates

Estimates of revenues are $51.15 million. This is an increase of $2.77 million (5.7%) compared to the FY2022/23 Budget and is due to the following factors:

- $6.41 million increase (19.3%) in disposal fees, due to a 7% increase in disposal fees and increase in material volumes originating from within and outside of Monterey County.
- $4.73 million decrease (38.1%) in MRF revenues, including commodities sales, processing fees and CRV revenue due to lower commodity prices.
- $1.1 million increase (60.0%) in projected power revenue resulting from a recalibration of estimates to align more accurately with recent experiences.

Operating Expenses for FY2023/24 are projected to be $42.1 million. This is an increase of $5.3 million (14.4%) from the FY2022/23 Budget. Personnel expenses increase by $2.5M (15.5%). Non-personnel expenses are projected to increase $2.75 million or 13.5% compared to the FY2022/23 Budget.

Non-Operating Revenues/Expenses for FY2023/24 equals $0.46 million, which includes interest expense on the 2018 and 2021 Revenue Bonds at $1.27 million, and income from leases, investments, and other charges equal to $0.8 million.

Capital Spend requests for FY2023/24 equals $22.14 million, an increase of over $0.55 million from the FY2022/23 Budget. Mobile Equipment investments for the year include the replacement of a 2001 Cat 627G T2 scraper ($1.2 million), replacement of a 2002 John Deere T3 loader ($0.35 million). Capital Improvement projects include M1W-AWPF power connection ($3.5 million), development work on landfill Module 7 ($4.2 million) and roadway paving and improvements ($2.25 million), Scale house additions including modifications to meet ADA standards ($1.0 million), MRWMD-M1W joint agency microgrid ($0.9 million), improvements to the compost site ($1.0 million), equipment additions at the MRF ($0.85 million), improvements to the LFG management system ($0.75 million).

Net Income is projected at $8.56 million.

Cash provided by operations for FY2023/24 is estimated at $14.08 million (Net Income less Depreciation and Amortization and Closure/Post Closure Costs). Unrestricted Cash Reserves are projected to total $15.28 million, which is made up a Cash Operating Expense Reserve of $7.32 million, and an additional, undesignated balance of $8.0 million. The District will meet the 20% operating expense reserve in FY2023/24 that has been established by the District.

The Bond Debt Service

The debt service Ratio calculated for FY2023/24 is 3.46, which is above the Bond Covenant of 1.25.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, bondholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Helen Rodriguez, Director of Finance and Administration, at (831) 264–6906.

Basic Financial Statements

Monterey Regional Waste Management District

Statement of Net Position
June 30, 2023 and June 30, 2022

	2023	2022
ASSETS AND DEFERRED OUTFLOWS		
Current assets		
Cash and investments (Note 3)	$ 45,998,419	$ 37,560,405
Accounts receivable, net	4,698,959	5,266,627
Accrued interest receivable	150,813	17,436
Other receivables	273,023	362,827
Lease receivables	239,847	223,440
Prepaid expenses	1,956,732	1,730,957
Total current assets	53,317,793	45,161,692
Non-current assets		
Restricted cash and investments (Note 3)	2,500,000	2,500,000
Lease receivables	1,899,648	2,139,496
Deposits	155,000	155,000
Capital assets, net (Note 4)	84,697,265	83,047,912
Total noncurrent assets	89,251,913	87,842,408
Total assets	142,569,706	133,004,100
Deferred outflows of resources		
Unamortized loss on refunding of debt	1,270,725	1,386,245
Pension related amounts (Note 6)	6,209,098	2,898,942
OPEB related amounts (Note 7)	650,558	717,782
Total deferred outflows of resources	8,130,381	5,002,969
Total assets and deferred outflows of resources	$ 150,700,087	$ 138,007,069

The accompanying notes are an integral part of these financial statements.

Monterey Regional Waste Management District

Statement of Net Position (Continued)
June 30, 2023 and June 30, 2022

	2023	2022
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
Current liabilities		
Accounts payable	$ 4,008,067	$ 3,032,341
Security deposits	50,564	52,172
Lease payable	2,885	3,842
Compensated absences	335,644	231,739
Accrued State/County waste management fees	298,278	273,455
Payroll and payroll liabilities	400,160	335,549
Revenue bonds and lease interest payable	348,888	369,954
Current portion of revenue bonds payable (Note 8)	2,789,773	2,724,773
Current portion of installment sale obligation (Note 9)	252,342	458,783
Total current liabilities	8,486,601	7,482,608
Non-current liabilities		
Compensated absences	655,582	655,582
Lease payable	-	2,885
Long-term portion of installment sale obligation (Note 9)	-	37,840
Net pension liability (Note 6)	17,413,477	9,690,029
Total OPEB liability (Note 7)	3,568,198	3,455,636
Revenue bonds payable, net (Note 8)	40,537,116	43,328,549
Landfill closure and post closure care (Note 5)	7,291,209	6,760,793
Total noncurrent liabilities	69,465,582	63,931,314
Total liabilities	77,952,183	71,413,922
Deferred inflows of resources		
Pension related amounts (Note 6)	102,328	4,071,747
OPEB related amounts (Note 7)	450,612	468,806
Leases related amounts	1,952,662	2,225,127
Total deferred inflows of resources	2,505,602	6,765,680
Total liabilities and deferred inflows of resources	80,457,785	78,179,602
Net position		
Net investment in capital assets	41,115,149	36,491,240
Restricted for		
Landfill closure	2,500,000	2,500,000
Unrestricted net position	26,627,153	20,836,227
Total net position	$ 70,242,302	$ 59,827,467

The accompanying notes are an integral part of these financial statements.

Monterey Regional Waste Management District

Statement of Revenues, Expenses and Changes in Net Position
for the Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Operating revenues		
Disposal fees	$ 36,076,916	$ 29,329,785
Power sales	2,808,825	2,109,481
Recycled material sales	9,751,080	13,231,287
Scale and operational services	775,222	748,112
Sand sales	236,059	242,560
Landscape product sales	56	91
Total operating revenues	49,648,158	45,661,316
Operating expenses		
Salaries	11,322,501	10,001,343
Employee benefits	6,096,471	4,754,790
Depreciation and amortization	5,199,161	5,310,408
Recycling	3,411,848	1,885,910
Taxes, licenses and permits	1,303,370	1,408,060
Repairs & Maintenance	3,340,832	3,371,803
Professional services	1,042,955	963,760
Fuel	1,598,759	1,465,197
Contractual services	1,392,451	725,132
Operating supplies	1,441,305	927,019
Landfill closure and post closure care costs	530,415	347,215
Insurance	1,133,886	915,271
Public awareness	69,455	82,508
Office	498,226	457,686
Safety equipment and supplies	248,070	224,175
Education, meetings and travel	201,907	86,086
Hazardous waste program	300,719	334,090
Environmental services	1,301,033	748,669
Utilities	173,528	168,316
Miscellaneous	48,590	32,132
Total operating expenses	40,655,482	34,209,570
Operating income	$ 8,992,676	$ 11,451,746

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses and Changes in Net Position (Continued) for the Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Operating income	8,992,676	11,451,746
Non–operating revenues (expenses):		
Interest income	$ 598,282	$ 121,222
Rents and leases	324,059	323,773
Gain on sale of capital assets – net	-	160,700
Interest expense – revenue bonds and financed purchase	(1,332,164)	(1,891,325)
Other income (expense)	1,831,982	276,479
Total non-operating revenues (expenses)	1,422,159	(1,009,151)
Change in net position	10,414,835	10,442,595
Net position, beginning of year, as restated	59,827,467	49,384,872
Net position, end of year	$ 70,242,302	$ 59,827,467

The accompanying notes are an integral part of these financial statements.

Monterey Regional Waste Management District

Statement of Cash Flows
for the Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Cash flows from operating activities		
Cash received from customers	$ 50,305,630	$ 44,757,946
Cash payments to employees for services	(16,644,991)	(15,018,997)
Cash payments to suppliers of goods or services	(16,783,748)	(12,355,055)
Cash received from rents and leases	324,059	323,773
Other operaing cash inflows	1,831,982	303,479
Net cash provided by operating activities	19,032,932	18,011,146
Cash flows from capital and related financing activities		
Payments for capital acquisitions	(6,735,879)	(5,496,722)
Principal payments for financed purchase of capital assets	(244,281)	(477,974)
Proceeds from disposition of capital assets	-	160,700
Principal paid on revenue bonds	(2,726,433)	(28,035,568)
Proceeds from revenue bonds	-	24,910,000
Other financing charges or refunds	-	(27,000)
Interest and other fees paid on revenue bonds and financed purchase	(1,353,230)	(3,362,780)
Net cash used for capital and related financing activities	(11,059,823)	(12,329,344)
Cash flows from investing activities		
Investment income	464,905	127,883
Net cash provided by investing activities	464,905	127,883
Net change in cash and cash equivalents	8,438,014	5,809,685
Cash and cash equivalents, beginning of year	40,060,405	34,250,720
Cash and cash equivalents, end of year	$ 48,498,419	$ 40,060,405

The accompanying notes are an integral part of these financial statements.

Monterey Regional Waste Management District

Statement of Cash Flows (Continued)
for the Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 8,992,676	$ 11,451,746
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	5,199,161	5,310,408
Differences between operating income	2,156,041	627,252
Landfill closure and post closure care	530,415	347,215
Changes in assets, liabilities, deferred inflows and outflows		
Accounts payable	975,727	1,743,321
Accounts receivable	567,668	(889,146)
Lease receivables	223,441	207,663
Accrued compensated absences	103,905	13,212
Accrued payroll and payroll liabilities	64,611	59,593
Accrued State/County waste management fees	24,823	15,539
Deferred outflows - OPEB	67,224	67,224
Deferred outflows - pension	(3,310,156)	117,168
Net pension liability	7,723,448	(4,541,818)
Other receivables	89,804	(14,224)
Prepaid expenses	(225,775)	(253,598)
Security deposits	(1,608)	60
Lease payable	(957)	239
Deferred inflow-Pension	(3,969,419)	3,977,796
Deferred inflow-OPEB	(18,194)	468,806
Deferred inflow-Leases	(272,465)	(272,465)
Total other postemployment benefits liability	112,562	(424,845)
Total reconciling adjustments	10,040,256	6,559,400
Net cash provided by operating activities	$ 19,032,932	$ 18,011,146
Reconciliation of cash and cash equivalents to the statement of net position		
Demand deposits with financial institutions	$ 25,971,237	$ 17,917,265
Investments treated like demand deposits	22,527,182	22,143,140
Total cash and cash equivalents, end of year	48,498,419	40,060,405
Total cash and investments on the statement of net position	$ 48,498,419	$ 40,060,405
Cash and investments - classified as unrestricted	$ 45,998,419	$ 37,560,405
Cash and investments - classified as restricted	2,500,000	2,500,000
Total deposits and investments	$ 48,498,419	$ 40,060,405
Supplemental Disclosures		
Noncash investing and financing activities		
Change in fair market value of investments	(341,771)	(285,084)

The accompanying notes are an integral part of these financial statements.

Note 1. Description of Entity

Reporting Entity – The Monterey Regional Waste Management District (District), was formed in 1951 under the California Health and Safety Code. The primary purpose of the District is to dispose of solid waste in the Monterey Peninsula area. The District's role has expanded to include the recovery of recyclable materials in the waste stream (cardboard, newspaper, glass, wood waste, plastic, metals, concrete, asphalt, reusable building materials and resale items) and to receive nonhazardous liquid wastes. In addition, the District operates a landfill gas to electrical energy system which generates more than 5,000 kilowatts of continuous power. The accompanying financial statements conform to generally accepted accounting principles as applicable to governments.

The District is governed by a nine-member board made up of representatives from the following entities: City of Carmel-by-the-Sea, City of Del Rey Oaks, City of Marina, City of Monterey, City of Pacific Grove, City of Sand City, City of Seaside, Pebble Beach Community Services District, and the unincorporated area representing the western portion of Monterey County.

The Monterey Regional Waste Management Authority (component unit of the District) was formed pursuant to the provisions of the Government Code of the State of California and a Joint Powers Agreement, dated April 1, 1993, by and between the City of Carmel-by-the-Sea, City of Del Rey Oaks, City of Marina, City of Monterey, City of Pacific Grove, City of Sand City and City of Seaside. During the fiscal year ended June 30, 1996, the Pebble Beach Community Services District also became a member of the Authority. The Authority was formed to assist in the financing and public capital improvements, such as the design, acquisition and construction of additions, betterments, and improvements to the District's facilities.

The Authority has issued revenue bonds to finance the capital improvements and will maintain the debt from the revenue bonds on its books. The District has received ownership of the constructed assets and will maintain these assets on its books. In consideration for these assets, the District has pledged its revenue to the Authority, in sufficient amounts to pay the principal and interest payments of the revenue bonds. The Bank of New York Mellon Trust Company (Trustee) is described in the Integrated Waste Management Improvement Agreement and the Trust Agreement by and between the Authority, the District, and the Trustee.

The accompanying financial statements present the activities of the District and its component unit, the Authority, a legally separate organization for which the District is financially accountable. The governing board of the District serves as the governing board of the Authority. The Authority exists solely to finance the acquisition and construction of equipment and facilities for the District. The Authority is so intertwined with the District that it is, in substance, the same as the District and, therefore, is reported as a blended component unit of the District.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Accounting – Enterprise funds are financed in whole or in part by fees charged to external parties and are accounted for in an enterprise fund. Enterprise funds maintain their records using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows.

The statement of net position and the statement of revenues, expenses, and changes in net position displays information about the primary government (District) and its component unit (Authority). Eliminations have been made to minimize the double counting of activities between the entities.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values.

Net Position – The District's net position is required to be classified for accounting and reporting purposes into the following categories:

Net Investment in Capital Assets – This component of net position, includes capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restrict the use of net position.

Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted” or “net investment in capital assets.”

Cash and Cash Equivalents – The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and the Local Agency Investment Fund (LAIF).

Investments – The District records its investments at fair market value. Changes in fair market value are reported as revenue in the statement of revenues, expenses, and changes in net position. Fair market value of the LAIF is determined by the sponsoring government based on quoted market prices. The District’s investments in LAIF are valued based on the relative fair value of the entire pool to the pool’s amortized cost.

Accounts Receivable – Accounts receivable are composed of amounts due from customers for tipping fees. At June 30, 2023 and 2022, the balances are shown net of the allowance for uncollectible accounts of $10,892 and $10,892, respectively. The District used the allowance method to account for uncollectible accounts receivable. The allowance is based on prior experience and management's analysis of bad debts.

Capital Assets – Purchased capital assets are accounted for at cost, or contributed assets are recorded at estimated acquisition value on the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives used to depreciate assets, by asset class, are as follows:

Administrative and scale	5–40 Years
Disposal and recycling	3–60 Years
Power project	5–40 Years
Module development	5–80 Years

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Compensated Absences – The District allows employees to accrue vacation and compensation time. The accrued liability is based on the employee's hourly rate at year end. All accumulated vacation and compensation time is recorded as an expense and a liability in the proprietary fund at the time the liability is incurred and depending on classification, as a current or long-term liability. Upon termination of an employee, the District is required to pay accrued vacation and compensation time. Sick leave is recorded as an expense when it is paid, and it is not required to be paid upon termination of an employee.

The changes of the compensated absences were as follows during the years ending June 30, 2023 and 2022:

	July 1,	Additions	Reductions	June 30,	Due Within One Year
2023	$ 874,109	$ 343,042	$ 225,925	$ 991,226	$ 335,644
2022	$ 1,080,558	$ 76,293	$ 282,742	$ 874,109	$ 231,739

Bond Premiums – Bond premiums are amortized over the life of the bond as a component of interest expense.

Pension Plan – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. The following timeframes are used:

Year Ended June 30, 2022

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

Year Ended June 30, 2021

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

Postemployment Benefits Other Than Pensions (OPEB) – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense and additions to/deductions from the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Deferred Outflows and Inflows of Resources – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Leases – The District is a lessee for a noncancellable equipment leases. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statement.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses its estimated bond borrowing rate as the discount rate for leases with adjustment for the applicable lease terms.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with noncurrent capital assets and lease liabilities are reported with long-term debt as current and noncurrent liabilities on the statement of net position.

The District is a lessor of an parking facility. Accordingly, the District recognizes a lease receivable and a deferred inflow of resources.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses the U.S. Treasury state and local government securities (SLGS) rates as the discount rate for leases with adjustment for applicable lease terms.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Revenues and Expenses – Revenue is recognized when earned. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of user charges for disposal fees. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions.

Concentration in Sales to Customers – In 2023, the District's three largest customers accounted for approximately 26 percent, 12 percent, and 10 percent of sales. In 2022, the largest customers accounted for 36 percent, 17 percent and 13 percent of sales.

Spending Order Policy – When an expense is incurred for which there are both restricted and unrestricted net position is available, it is the District's policy to apply these expenses to restricted net position to the extent that such are available and then to unrestricted net position.

Budget Policy – The District's Board of Directors annually adopts the budget for the District. Board of Directors' actions are required for the approval of budget revisions.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts at the date of the financial statements. Actual results could differ from those estimates.

New Accounting Principles from the Governmental Accounting Standards Board (GASB)

GASB Statement No. 91 – As of July 1, 2022, the District adopted GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The implementation of this standard eliminates the option for issuers of conduit debt to recognize a liability for this debt on their financial statements. In addition, it requires issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations. As a result, there is no material effect of the implementation of this standard on the beginning net position.

GASB Statement No. 96 – As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. There was not a significant effect on the District’s financial statements as a result of the implementation of the standard.

Note 3. Deposits and Investments

Deposits and investments are classified in the financial statements as of June 30 as follows:

	2023	2022
Unrestricted	$ 45,998,419	$ 37,560,405
Restricted		
For landfill closure and post closure care costs	1,500,000	1,500,000
For environmental impairment fund	1,000,000	1,000,000
Total restricted	2,500,000	2,500,000
Total cash and investments	$ 48,498,419	$ 40,060,405

At June 30, deposits and investments are comprised of the following:

	2023	2022
Deposits with financial institutions	$ 25,971,237	$ 17,917,265
Investments		
Local Agency Investment Fund (LAIF)	22,527,182	22,143,140
Total investments	22,527,182	22,143,140
Total deposits and investments	$ 48,498,419	$ 40,060,405

Authorized Investments

The District participates in the Local Agency Investment Fund (LAIF) which, under the oversight of the Treasury of the State of California, is regulated by California Government Code Section 16429. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk and concentration of credit risk, other than as contained in California Government Code.

The District is authorized under California Government Code to make direct investments in the following:

Investment Type	Maximum Remaining Maturity	Maximum Specified % Of Portfolio	Minimum Quality Requirements	Government Code Sections
Local Agency Bonds	5 Years	None	None	53601(a)
U.S. Treasury Obligations	5 Years	None	None	53601(b)
State Obligations: CA and Others	5 Years	None	None	53601(d)
CA Local Agency Obligations	5 Years	None	None	53601(e)
U.S. Agency Obligations	5 Years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper: Non-pooled Funds	270 days or less	25% of the agency's money	[1]	53601(h)(2)(C)
Commercial Paper: Pooled Funds	270 days or less	40% of the agency's money	[1]	53635(a)(1)
Negotiable Certificates of Deposit	5 Years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 Years	None	None	53630 et seq.
Placement Service Deposits	5 Years	30%	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 Years	30%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days [L]	20% of the base value of the portfolio	None	53601(j)
Medium-term Notes	5 years or less	30%	[2]	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass–through and Asset Backed Securities	5 years or less	20%	[2]	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	[2]	53601(q)

[1] Highest letter and number rating by a NRSRO
[2] "A" rating category or its equivalent or better

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2023 and June 30, 2022, the District's bank balance of $27,254,420 and $19,827,244, respectively, was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Local Agency Investment Fund does not have a rating provided by a nationally recognized statistical rating organization as of June 30, 2023 and June 30, 2022.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Local Agency Investment Fund. The sensitivity of the fair values of the District's investments to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was 260 days on June 30, 2023, and 247 days on June 30, 2022.

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value.

The following provides a summary of the hierarchy used to measure fair value:

> Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
>
> Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
>
> Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data.

Deposits and withdrawals in the Local Agency Investment Fund are made on the basis of $1 and not fair value. Accordingly, the District's proportionate share of investments on June 30, 2023 and June 30, 2022 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Capital Assets at June 30, 2022	Additions and Transfers	Dispositions and Transfers	Capital Assets at June 30, 2023
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and improvements	$ 578,210	$ -	$ -	$ 578,210
Construction in progress	-	-	-	-
Total capital assets not being depreciated	578,210	-	-	578,210
Other capital assets				
Administrative and scale:				
Right-to-use lease, equipment	13,749	-	-	13,749
Equipment	1,328,600	42,885	-	1,371,485
Facilities	17,453,485	141,078	(38,262)	17,556,301
Disposal and recycling:				
Equipment	54,428,389	3,776,593	-	58,204,982
Facilities	19,666,804	315,210	-	19,982,014
Power project	23,745,064	1,114,545	-	24,859,609
Module development	19,878,770	1,380,945	-	21,259,715
Intangible site master plan	738,557	-	-	738,557
Total other capital assets at historical cost	137,253,418	6,771,256	(38,262)	143,986,412
Less accumulated depreciation and amortization for				
Right-to-use lease, equipment	(7,589)	(3,795)	-	(11,384)
Administrative and scale	(5,029,451)	(704,931)	-	(5,734,382)
Disposal and recycling	(49,065,541)	(4,358,890)	-	(53,424,431)
Intangible site master plan	(681,135)	(16,025)	-	(697,160)
Total accumulated depreciation	(54,783,716)	(5,083,641)	-	(59,867,357)
Other capital assets, net	82,469,702	1,687,615	(38,262)	84,119,055
Business-type activities capital assets, net	$ 83,047,912	$ 1,687,615	$ (38,262)	$ 84,697,265

Capital asset activity for the year ended June 30, 2022 was as follows:

	Restated Capital Assets at June 30, 2021	Additions and Transfers	Dispositions and Transfers	Capital Assets at June 30, 2022
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and improvements	$ 578,210	$ -	$ -	$ 578,210
Construction in progress	5,321,469	-	(5,321,469)	-
Total capital assets not being depreciated	5,899,679	-	(5,321,469)	578,210
Other capital assets				
Administrative and scale:				
Right-to-use lease, equipment	13,749	-	-	13,749
Equipment	1,226,903	101,697	-	1,328,600
Facilities	17,181,028	272,457	-	17,453,485
Disposal and recycling:				
Equipment	51,401,521	5,374,406	(2,347,538)	54,428,389
Facilities	18,626,951	1,039,853	-	19,666,804
Power project	21,621,550	2,123,514	-	23,745,064
Module development	17,976,348	1,902,422	-	19,878,770
Intangible site master plan	738,557	-	-	738,557
Total other capital assets at historical cost	128,786,607	10,814,349	(2,347,538)	137,253,418
Less accumulated depreciation and amortization for				
Right-to-use lease, equipment	(3,794)	(3,795)	-	(7,589)
Administrative and scale	(4,344,277)	(685,174)	-	(5,029,451)
Disposal and recycling	(46,807,666)	(4,605,413)	2,347,538	(49,065,541)
Intangible site master plan	(665,109)	(16,026)	-	(681,135)
Total accumulated depreciation	(51,820,846)	(5,310,408)	2,347,538	(54,783,716)
Other capital assets, net	76,965,761	5,503,941	-	82,469,702
Business-type activities capital assets, net	$ 82,865,440	$ 5,503,941	$ (5,321,469)	$ 83,047,912

Note 5. Landfill Closure and Post Closure Care Costs

State and federal laws and regulations require that the Monterey Regional Waste Management District place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the estimated future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The District's updated Site Master Plan and Closure and Post Closure Plan were approved by state regulatory agencies during the fiscal year ended June 30, 2006. The District completed an Updated Preliminary Closure and Post Closure Maintenance Plan and a Joint Technical Document for Landfill Development in April 2010. In December 2016, revised Closure and Post Closure Maintenance Plans were submitted as part of the 5-Year Permit Review. These plans have not received official approval.

The liability recognized for the estimated landfill closure and post closure care cost used the greater cost estimates and are $7,291,209 and $6,760,793 as of June 30, 2023 and 2022, respectively which was based on 23.3 percent and 23.3 percent usage (filled) of the landfill at that date. It is estimated that an additional $20,803,000 will be recognized as landfill closure and post closure care expenses between June 30, 2023, and the date the landfill is expected to be filled to capacity (in the year 2176). The current estimated total cost of the landfill closure and post closure care of $29,387,951 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were required as of June 30, 2023.

However, the actual cost of the landfill closure and post closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

The Monterey Regional Waste Management District is required by state and federal laws and regulations to make annual contributions to finance closure and post closure care. The District is in compliance with these requirements. At June 30, 2023 and 2022, investments of $1,500,000 were held to meet the state requirements. These investments are presented on the District's statements of net position as restricted assets. It is anticipated that future inflation costs will be financed in part from earnings on investments. The District meets the financial assurance test for federal purposes. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users.

Note 6. Net Pension Liabilities

Plan Description

The District participates in an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2021, Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

All permanent District employees are eligible to participate in the Public Employees' Retirement (Fund) of California's Public Employees' Retirement System (CalPERS). The Fund is an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for various local and state government agencies with the State of California. The Fund provides retirement, disability, and death benefits based on employees' age, years of service, and the highest year's compensation. Employees vest after five years of service and may receive retirement benefits commencing at age 50. These benefit provisions and all other requirements are established be state statute. CalPERS' annual financial report can be found on their website: www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on yeas of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non–duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefits, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are as specified by the California Public Employees' Retirement law.

The Plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after to January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefits payments	monthly for life	monthly for life
Retirement age	50 – 63	52 – 67
Monthly benefits, as a percent of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	9.05%	9.05%

Employees Covered

At June 30, 2021 and June 30, 2020 valuation dates, the following employees were covered by the benefit terms for each Plan:

	2022	**2021**
Inactive employees or beneficiaries currently receiving benefits	89	79
Inactive employees entitled to but not receiving benefits	84	67
Active employees	112	133
Total	**285**	**279**

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2023 and 2022, the District paid the employer's share and the employee' paid the employees' share of the contributions. The contributions were as follows:

	2023	2022
Employer normal contributions	$ 854,752	$ 805,630
Annual UAL prepayment	1,236,468	1,038,116
Total employer contributions	2,091,220	1,843,746
Employee contributions	690,384	589,682
Total contributions	$ 2,781,604	$ 2,433,428

Net Pension Liability

The District's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability as of June 30, 2023, for the Plan is measured as of June 30, 2022, using an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, actuarial valuation rolled forward to June 30, 2022, using standard update procedures, were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.00%
Mortality	Based on CalPERS Experience Study using Scale BB

The total pension liabilities in the June 30, 2020, actuarial valuation rolled forward to June 30, 2021, using standard update procedures, were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.15%
Mortality	Based on CalPERS Experience Study using Scale BB

The mortality table used for Miscellaneous Plan was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website under Forms and Publications.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2023 and 2022, the District recognized pension expense of $2,535,091 and $3,240,535, respectively. On June 30, 2023 and 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	$ 2,091,220	$ -	$ 1,843,746	$ -
Difference between actual and expected experience	653,154	(102,328)	1,055,196	-
Changes in assumptions	1,534,515	-	-	(41,756)
Net differences between projected and actual earnings on plan investments	1,930,209	-	-	(4,029,991)
Total	$ 6,209,098	$ (102,328)	$ 2,898,942	$ (4,071,747)

$2,091,220 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	$ 1,022,027
2025	872,877
2026	680,804
2027	1,439,842
	$ 4,015,550

Discount Rate

The discount rate used to measure the total pension liability was 6.9 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 6.9 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.9 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expense.

The expected real rates of return by asset class are as follows:

Asset Class[1]	Assumed Asset Allocation	Real Return[1,2]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed Securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	2023	2022
1% Decrease	5.90%	6.15%
Net Pension Liability	$ 25,154,383	$ 16,686,426
Current Discount Rate	6.90%	7.15%
Net Pension Liability	$ 17,413,477	$ 9,690,029
1% Increase	7.90%	8.15%
Net Pension Liability	$ 11,030,573	$ 3,893,280

Changes in the Net Pension Liability

The changes in the net pension liability for the plan during the year ended June 30, 2023 are as follows:

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2020 measurement date	$ 52,179,528	$ 42,489,499	$ 9,690,029
Changes Recognized for the Measurement Period:			
Service Cost	1,353,470	-	1,353,470
Interest on the Total Pension Liability	3,685,960	-	3,685,960
Differences between Expected and Actual Experience	(131,564)	-	(131,564)
Changes of Assumptions	1,972,948	-	1,972,948
Contributions from the Employer	-	1,843,746	(1,843,746)
Contributions from Employees	-	589,682	(589,682)
Net Investment Income	-	(3,249,594)	3,249,594
Benefit Payments, Including Refunds of Employee Contributions	(2,555,845)	(2,555,845)	-
Administrative Expense	-	(26,468)	26,468
Net Changes	4,324,969	(3,398,479)	7,723,448
Balance at: June 30, 2021 measurement date	$ 56,504,497	$ 39,091,020	$ 17,413,477

The changes in the net pension liability for the plan during the year ended June 30, 2022 follows:

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2019 measurement date	$ 49,021,363	$ 34,789,516	$ 14,231,847
Changes Recognized for the Measurement Period:			
Service Cost	1,427,982	-	1,427,982
Interest on the Total Pension Liability	3,515,696	-	3,515,696
Differences between Expected and Actual Experience	655,977	-	655,977
Contributions from the Employer	-	1,657,511	(1,657,511)
Contributions from Employees	-	566,164	(566,164)
Net Investment Income	-	7,952,551	(7,952,551)
Benefit Payments, Including Refunds of Employee Contributions	(2,441,490)	(2,441,490)	-
Administrative Expense	-	(34,753)	34,753
Net Changes	3,158,165	7,699,983	(4,541,818)
Balance at: June 30, 2020 measurement date	$ 52,179,528	$ 42,489,499	$ 9,690,029

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 7. Postemployment Benefits Other Than Pensions (OPEB)

As of June 30, 2023, the District reported the following amounts for total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense:

Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
$ 3,568,198	$ 650,558	$ 450,612	$ 348,154

As of June 30, 2022, the District reported the following amounts for total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense:

Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
$ 3,455,636	$ 717,782	$ 468,806	$ 336,699

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District maintains a single-employer, defined benefit healthcare plan (administered by the District). The District is obligated by a memorandum of understanding to contribute toward health insurance premiums for certain employees retired from the District at the age of 55 or older with at least five years of continuous employment with the District. Payments are made until the retiree reaches the age of 65. Retirees that accepted an early retirement offer from the District are currently reimbursed at the rate of $58.37 for each year of District service. Other retirees are currently reimbursed at the rate of $29.36 a month for each year of District service. Beginning in 2006, the monthly rate is increased by 2 percent each calendar year. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Plan terms may be amended by the District and its bargaining units.

Employees Covered by Benefit Terms

As of the June 30 measurement dates, the following employees were covered by the benefit terms:

	2023	2022
Participating Active Employees	113	113
Inactive Employees Currently Receiving Benefit Payments	11	11
Total	124	124

Total OPEB Liability

The District's total OPEB liability of $3,568,198 for the fiscal year ended June 30, 2023 was measured as of June 30, 2023. The District's total OPEB liability of $3,455,636 for the fiscal year ended June 30, 2022 was measured as of June 30, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50	percent
Salary increases	2.75	percent, average, including inflation
Discount rate	3.65	percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00	percent per year

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The discount rate used for an unfunded plan is based on an index of 20-year general obligation municipal bonds. A discount rate of 3.65% was used in the June 30, 2023 actuarial valuation. The interest rate used in the prior valuation was 3.54%.

The mortality assumptions are based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Changes in the Total OPEB Liability
For the year ended June 30, 2023:

	Total OPEB Liability
Balance at July 1, 2022	$ 3,455,636
Changes for the year:	
Service cost	205,921
Interest on the TPL	122,672
Assumption changes	(29,469)
Benefit payments	(186,562)
Net changes	112,562
Balance at June 30, 2023	$ 3,568,198

For the year ended June 30, 2022:

	Total OPEB Liability
Balance at July 1, 2021	$ 3,880,481
Changes for the year:	
Service cost	230,679
Interest on the TPL	83,874
Differences between Expected and Actual Experience	(175,877)
Assumption changes	(338,007)
Benefit payments	(225,514)
Net changes	(424,845)
Balance at June 30, 2022	$ 3,455,636

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	2023 Total OPEB Liability	2022 Total OPEB Liability
1% decrease	$ 3,820,111	$ 3,698,095
Current discount rate (3.65% for 2023 and 3.54% for 2022)	3,568,198	3,455,636
1% increase	3,337,224	3,227,482

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rate	2023 Total OPEB Liability	2022 Total OPEB Liability
1% decrease (3%)	$ 3,182,407	$ 3,110,437
Current healthcare cost trend rate (4%)	3,568,198	3,455,636
1% increase (5%)	4,020,824	3,860,811

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2023 and 2022, the District recognized OPEB expense of $348,154 and $336,699 respectively. On June 30 the District reported deferred outflows of resources related to OPEB for the following items:

	2023		2022	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between actual and expected experience	$ 272,770	$ (145,021)	$ 300,604	$ (160,449)
Changes in assumptions	377,788	(305,591)	417,178	(308,357)
Total	$ 650,558	$ (450,612)	$ 717,782	$ (468,806)

Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Measurement Period Ended June 30:	**Deferred Outflows/(Inflows) of Resources**
2024	$ 19,561
2025	19,561
2026	19,561
2027	19,561
2028	19,561
Thereafter	102,141
	$ 199,946

Note 8. Long Term Debt

On December 14, 2021, the District issued $24,910,000 in revenue bonds with an interest rate range of 0.65 percent to 2.61 percent to advance refund $24,450,000 of Series 2015 A and Series 2015 B revenue bonds with an interest rate range of 2.00 percent to 5.00 percent. The net proceeds of $26,670,287 (including costs of issuance $295 thousand) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the 2015 series bonds are considered to be defeased and the liability for the defeased bonds is not reported on the statement of net position.

The advance refunding resulted in a difference between the reacquisition price of the new debt ($26,965,106 placed with the escrow agent) and the net carrying amount of the old debt ($25,375,342 of bond principal and unamortized bond premiums) in the amount of $1,589,746. The advance refunding decreases the total debt service payments, inclusive of principal and interest, over the next 12 years by $4,519,130 and results in an economic gain (difference between the present values of the old and new debt service payments) of $1.7 million.

The 2018 Series A and B Revenue Bonds (revenue bonds) were sold, executed, and delivered in the aggregate principal amount of $22,970,000 only as fully registered bonds in the denomination of $5,000 or any integral multiples thereof. The revenue bonds are dated and bear interest from November 21, 2018, at the rates per annum set forth below, payable semiannually on October 1 and April 1, commencing April 1, 2019, and will mature April 1 in the years and in the principal amounts set forth below. The Bank of New York Mellon Trust Company, Los Angeles, California, acts as trustee and Cede & Co, as the nominee of The Depository Trust Company, New York, New York, as registrar and paying agent for the 2018 Series A and Series B Revenue Bonds.

The 2021 Series Revenue Bonds (refunding revenue bonds) were sold, executed, and delivered in the aggregate principal amount of $24,910,000 as fully registered bonds in the denomination of $5,000 or any integral multiples thereof. The revenue bonds are dated and bear interest from December 14, 2021, at the rates per annum set forth below, payable semiannually on October 1 and April 1, commencing April 1, 2022, and will mature April 1 in the years and in the principal amounts set forth below. The Bank of New York Mellon Trust Company, Los Angeles, California, acts as trustee and Cede & Co, as the nominee of The Depository Trust Company, New York, New York, as registrar and paying agent for the 2021 Series Refunding Revenue Bonds.

	June 30, 2022	Additions	Reductions	June 30, 2023	Amounts Due within One Year
Revenue Bonds:					
Series 2018A	$ 11,555,000	$ -	$ -	$ 11,555,000	$ -
Series 2018B	8,805,000	-	860,000	7,945,000	905,000
Series 2021	23,305,000	-	1,785,000	21,520,000	1,805,000
Total Revenue Bonds	43,665,000	-	2,645,000	41,020,000	2,710,000
Bond premiums	2,388,322	-	81,433	2,306,889	79,773
	$ 46,053,322	$ -	$ 2,726,433	$ 43,326,889	$ 2,789,773

	June 30, 2021	Additions	Reductions	June 30, 2022	Amounts Due within One Year
Revenue Bonds:					
Series 2015A	$ 14,440,000	$ -	$ 14,440,000	$ -	$ -
Series 2015B	10,010,000	-	10,010,000	-	-
Series 2018A	$ 11,555,000	$ -	$ -	$ 11,555,000	$ -
Series 2018B	9,625,000	-	820,000	8,805,000	860,000
Series 2021	-	24,910,000	1,605,000	23,305,000	1,785,000
Total Revenue Bonds	45,630,000	24,910,000	26,875,000	43,665,000	2,645,000
Bond premiums	3,548,890	-	1,160,568	2,388,322	79,773
	$ 49,178,890	$ 24,910,000	$ 28,035,568	$ 46,053,322	$ 2,724,773

The Trust Agreement provides that the 2018 Series A and Series B and 2021 Revenue Bonds and the interest thereon are payable from, and are secured by a first pledge of and charge and lien upon the revenues derived by the Authority from the District under the Improvement Agreement, the Reserve Fund held under the Trust Agreement, and certain interest, profit and other income derived from certain funds held under the Trust Agreement, all under the terms and conditions set forth in the Trust Agreement.

The debt service requirements of the bonds for the remaining term are as follows:

Fiscal Year	Principal	Interest
2024	$ 2,710,000	1,362,245
2025	2,770,000	1,297,681
2026	2,845,000	1,225,429
2027	2,920,000	1,147,570
2028	3,005,000	1,064,007
2029-33	16,500,000	3,858,972
2034-38	10,270,000	1,201,876
	$ 41,020,000	$ 11,157,780

Note 9. Financed Purchase

In August 2018, the District entered into an installment sale agreement for the purchase of disposal and recycling equipment. The installment sale agreement expires in 2023. The assets and liabilities under these agreements are recorded at the present value of the installment payments. The assets are depreciated over its estimated productive lives as title transfers at the end of the agreements. Depreciation of assets under the installment agreements are included in depreciation expense.

Following is a summary of property held under financed purchase agreements on June 30, 2023:

	Beginning Balance	Additions	Payments	Ending Balance
Disposal/recycling equipment	$ 496,623	$ -	$ (244,281)	$ 252,342

The following is a summary of the property held under financed purchase agreements with related accumulated depreciation on June 30, 2023:

Minimum future payments under agreement as of June 30, 2023 for each of the next four years are:

Fiscal Year	Principal	Interest
2024	$ 252,342	$ 16,389

Note 10. Leases

Leases receivable – The District has accrued a receivable on a parking facility on District owned property. The remaining receivable for these leases was $2,139,495 on June 30, 2023 and $2,362,936 on June 30, 2022 and was calculated with a discount rate of 3%. Deferred inflows related to these leases were $1,952,662 on June 30, 2023 and $2,225,127 on June 30, 2022. Interest revenue recognized on these leases was $67,307 for the year ended June 30, 2023 and $73,790 for the year ended June 30, 2022. Principal receipts of $223,441, and $207,663 were recognized as revenue during the fiscal years ended June 30, 2023 and June 30, 2022. Final receipt is expected in fiscal year 2031.

Leases payable – The District has accrued liabilities for equipment leases. The discount rate used in the calculation of the lease liability was 3%. The remaining liability for the leases are $2,885 as of June 30, 2023, and $6,727 as of June 30, 2022. Right to-use-assets, net of amortization, for the leases are $2,365 as of June 30, 2023, and $6,159 as of June 30, 2022. The District is required to make monthly principal and interest payments of $430. Interest expense recognized on these leases was $139 for the fiscal year ended June 30, 2023 and $251 for the year ended June 30, 2022. Principal payments of $3,842, and $3,603 were recognized in the years ended June 30, 2023 and 2022. Final payment on these leases are expected in fiscal year 2024.

	Balance July 1, 2022	Additions	Retirements/ Adjustments	Balance June 30, 2023	Due in One Year
Leases payable	$ 6,727	$ -	$ (3,842)	$ 2,885	$ 2,885

	Balance July 1, 2021	Additions	Retirements/ Adjustments	Balance June 30, 2022	Due in One Year
Leases payable	$ 10,330	$ -	$ (3,603)	$ 6,727	$ 3,842

The schedule principal and interest are as follows:

Fiscal Year Ending June 30,	**Principal**	**Interest**	**Total**
2024	$ 2,885	$ 27	$ 2,912

Note 11. Related Party Transaction

Joint Powers Agreement

The District participates in a joint powers agreement (JPA) with the Special District Risk Management Authority (SDRMA). The relationship between the District and the SDRMA is such that the JPA is not a component unit of the District for financial reporting purposes.

SDRMA was formed under a joint powers agreement pursuant to California Government Code Section 6500 et seq. effective August 1, 1986, to provide general liability, comprehensive/collision liability, property damage and errors and omissions risk financing for the member districts. SDRMA merged with Special District Workers' Compensation Authority (SWCA) on July 1, 2003, and now provides its members with workers' compensation coverage. SDRMA is administered by a board of directors, consisting of one member appointed by the California Special Districts Association and five members elected by the participating districts.

The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. The District's share of year-end assets, liabilities and risk margin has not been calculated by the SDRMA. For the year ended June 30, 2023, The District made payments of $1,621,643 to SDRMA for 2022-23 Insurance premiums.

Note 12. Contingencies

Litigation - The District is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material effect on the overall financial position of the District at June 30, 2023.

Note 13. Restatement

Prior period adjustments were made to decrease the District beginning net position. This adjustment was made to adjust the overstatement in the restricted cash related to 2015 refunded revenue bond and to record the deferred amount on refunding resulted from the issuance of the 2021 refunding revenue bond. The restatement of beginning net position is summarized as follows:

Net position, previously reported as of June 30, 2022	$ 60,804,059
Remove 2015 revenue bond reserve	(2,362,837)
Recognition of deferred amount on refunding	1,386,245
Net position, restated as of June 30, 2022	$ 59,827,467

Required Supplementary Information

Monterey Regional Waste Management District

Schedule of Changes in Pension Liability and Related Ratios for the Last Ten Fiscal Years

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
Total Pension Liability									
Service Cost	$ 1,353,470	$ 1,427,982	$ 1,448,004	$ 1,343,425	$ 1,203,629	$ 1,095,795	$ 961,817	$ 911,692	$ 911,220
Interest	3,685,960	3,515,696	3,288,683	3,069,788	2,840,989	2,649,437	2,472,105	2,229,562	2,042,432
Changes of Benefit Terms						-	-	-	-
Difference Between Expected and Actual Experience	(131,564)	655,977	357,277	583,289	496,410	151,713	1,022,612	417,131	-
Changes of Assumptions	1,972,948	-	-	-	(250,536)	2,296,067	-	(567,504)	-
Benefit Payments, Including Refunds of Employee Contributions	(2,555,845)	(2,441,490)	(1,973,785)	(1,548,836)	(1,446,773)	(1,285,185)	(1,132,272)	(904,586)	(878,085)
Net Change in Total Pension Liability	4,324,969	3,158,165	3,120,179	3,447,666	2,843,719	4,907,827	3,324,262	2,086,295	2,075,567
Total Pension Liability – Beginning	52,179,528	49,021,363	45,901,184	42,453,518	39,609,799	34,701,972	31,377,710	29,291,415	27,215,848
Total Pension Liability – Ending (a)	56,504,497	52,179,528	49,021,363	45,901,184	42,453,518	39,609,799	34,701,972	31,377,710	29,291,415
Plan Fiduciary Net Position:									
Contributions – Employer	$ 1,843,746	$ 1,657,511	$ 1,564,484	$ 1,331,131	$ 1,106,722	$ 1,029,394	$ 882,891	$ 800,476	$ 722,039
Contributions – Employee	589,682	566,164	633,184	595,223	538,059	492,056	454,237	458,764	411,403
Net Investment Income	(3,249,594)	7,952,551	1,752,083	2,028,008	2,391,198	2,829,731	154,052	557,377	3,522,944
Benefit Payments, Including Refunds of Employee Contributions	(2,555,845)	(2,441,490)	(1,973,785)	(1,548,836)	(1,446,773)	(1,285,185)	(1,132,272)	(904,586)	(878,085)
Plan to Plan Resource Movement	-	-	-	-	(71)	-	-	181	-
Administrative Expense	(26,468)	(34,753)	(46,324)	(21,748)	(43,653)	(36,888)	(15,017)	(34,233)	-
Other Miscellaneous Income(Expense)	-	-	-	71	(82,897)	-	-	-	-
Net Change in Fiduciary Net Position	(3,398,479)	7,699,983	1,929,642	2,383,849	2,462,585	3,029,108	343,891	877,979	3,778,301
Plan Fiduciary Net Position – Beginning	42,489,499	34,789,516	32,859,874	30,476,025	28,013,440	24,984,332	24,640,441	23,762,462	19,984,161
Plan Fiduciary Net Position – Ending (b)	39,091,020	42,489,499	34,789,516	32,859,874	30,476,025	28,013,440	24,984,332	24,640,441	23,762,462
Plan Net Pension Liability – Ending (a) – (b)	$ 17,413,477	$ 9,690,029	$ 14,231,847	$ 13,041,310	$ 11,977,493	$ 11,596,359	$ 9,717,640	$ 6,737,269	$ 5,528,953
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.18%	81.43%	70.97%	71.59%	71.79%	70.72%	72.00%	78.53%	81.12%
Covered Payroll	$ 8,607,164	$ 8,256,744	$ 10,837,304	$ 8,568,241	$ 9,707,403	$ 9,234,169	$ 6,527,433	$ 6,066,619	$ 5,829,943
Plan Net Pension Liability as a Percentage of Covered Payroll	202.31%	117.36%	131.32%	152.21%	123.39%	125.58%	148.87%	111.05%	94.84%

Note to schedule:

Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

Change of Assumptions

The discount rate changed from 7.50 percent used for the June 30, 2014 measurement date to 7.65 percent used for the June 30, 2015 measurement date. The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date. The discount rate changed from 7.15 percent used for the June 30, 2021 measurement date to 6.90 percent used for the June 30, 2022 measurement date.

Monterey Regional Waste Management District

Schedule of Pension Plan Contributions for the Last Ten Fiscal Years

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 2,091,220	$ 1,843,746	$ 1,657,580	$ 1,564,416	$ 1,331,520	$ 1,106,332	$ 1,029,394	$ 882,891	$ 800,476
Contributions in Relation to the Actuarially Determined Contribution	(2,091,220)	(1,843,746)	(1,657,580)	(1,564,416)	(1,331,520)	(1,106,332)	(1,029,394)	(882,891)	(800,476)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,444,773	$ 8,607,164	$ 8,256,744	$ 10,837,304	$ 8,568,241	$ 9,707,403	$ 9,234,169	$ 6,527,433	$ 6,066,619
Contributions as a Percentage of Covered Payroll[(2)]	22.14%	21.42%	20.08%	14.44%	15.54%	11.40%	11.15%	13.53%	13.19%

Note to schedule:

Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to ten years as information becomes available.

[2] Includes one year’s pay roll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

Monterey Regional Waste Management District

Schedule of Changes in the District's Total OPEB Liability and Related Ratios for the Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 205,921	$ 230,679	$ 223,074	$ 176,317	$ 164,304	$ 159,907
Interest	122,672	83,874	83,545	90,379	81,606	81,366
Changes of benefit terms	-		-	240,242	-	-
Difference between expected and actual experience	-	(175,877)	-	384,106	-	-
Changes of assumptions	(29,469)	(338,007)	11,478	462,772	65,289	-
Benefit payments	(186,562)	(225,514)	(247,162)	(76,742)	(56,366)	(54,198)
Net change in total OPEB liability	112,562	(424,845)	70,935	1,277,074	254,833	187,075
Total OPEB liability - beginning	3,455,636	3,880,481	3,809,546	2,532,472	2,277,639	2,090,564
Total OPEB liability - ending	$ 3,568,198	$ 3,455,636	$ 3,880,481	$ 3,809,546	$ 2,532,472	$ 2,277,639
Covered-employee payroll	$ 9,444,773	$ 8,607,164	$ 8,256,744	$ 10,837,304	$ 8,568,241	$ 9,707,403
Total OPEB liability as a percentage of covered-employee payroll	38%	40%	47%	35%	30%	23%

Note to schedule:

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to ten years as information becomes available.

* The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Supplementary Information

Monterey Regional Waste Management District

Combining Schedule of Net Position
June 30, 2023

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT ASSETS:					
Cash and investments	$ 45,998,419	$ -	$ 45,998,419	$ -	$ 45,998,419
Accounts receivable, net	4,698,959	-	4,698,959	-	4,698,959
Accrued interest receivable	150,813	-	150,813	-	150,813
Other receivables	273,023	-	273,023	-	273,023
Lease receivables	239,847		239,847	-	239,847
Prepaid expenses	1,956,732	-	1,956,732	-	1,956,732
Total current assets	53,317,793	-	53,317,793	-	53,317,793
RESTRICTED CASH AND CASH EQUIVALENTS:					
Cash and cash equivalents held by Trustee for reserve account	-	-	-	-	-
Investments held by LAIF – reserved for landfill closure and post closure care costs	2,500,000	-	2,500,000	-	2,500,000
Total restricted cash and investments	2,500,000	-	2,500,000	-	2,500,000
LEASE RECEIVABLE, long term	1,899,648	-	1,899,648	-	1,899,648
DEPOSIT	155,000	-	155,000	-	155,000
DUE FROM DISTRICT	-	43,667,450	43,667,450	(43,667,450)	-
CAPITAL ASSETS, NET	84,697,265	-	84,697,265	-	84,697,265
Total Assets	142,569,706	43,667,450	186,237,156	(43,667,450)	142,569,706
DEFERRED OUTFLOWS	8,130,381	-	8,130,381	-	8,130,381
TOTAL ASSETS AND DEFERRED OUTFLOWS	$150,700,087	$ 43,667,450	$194,367,537	$ (43,667,450)	$ 150,700,087

Monterey Regional Waste Management District

Combining Schedule of Net Position (Continued)
June 30, 2023

	DISTRICT	AUTHORITY	TOTALS	CONSOLIDATING ENTRIES	TOTALS
CURRENT LIABILITIES:					
Accounts payable	$ 4,008,067	$ -	$ 4,008,067	$ -	$ 4,008,067
Security deposits	50,564	-	50,564	-	50,564
Lease payable	2,885	-	2,885	-	2,885
Accrued liabilities:					
Compensated absences	335,644	-	335,644	-	335,644
State/County waste management fees	298,278	-	298,278	-	298,278
Payroll and payroll liabilities	400,160	-	400,160	-	400,160
Revenue bonds and equipment lease interest	8,327	340,561	348,888	-	348,888
Current portion of capital lease payable	252,342	-	252,342	-	252,342
Current portion of revenue bonds payable	-	2,789,773	2,789,773	-	2,789,773
Total current liabilities	5,356,267	3,130,334	8,486,601	-	8,486,601
NONCURRENT LIABILITES:					
Compensated absences	655,582	-	655,582	-	655,582
Lease payable	-	-	-	-	-
Financed purchase payable	-	-	-	-	-
Total OPEB liability	3,568,198	-	3,568,198	-	3,568,198
Net pension liability	17,413,477	-	17,413,477	-	17,413,477
Due to Authority	43,667,450	-	43,667,450	(43,667,450)	-
Revenue bonds payable - net	-	40,537,116	40,537,116	-	40,537,116
Landfill closure and post closure care	7,291,209	-	7,291,209	-	7,291,209
Total liabilities	77,952,183	43,667,450	121,619,633	(43,667,450)	77,952,183
DEFERRED INFLOWS	2,505,602	-	2,505,602	-	2,505,602
TOTAL LIABILITIES AND DEFERRED INFLOWS	80,457,785	43,667,450	124,125,235	(43,667,450)	80,457,785
NET POSITION:					
Net investment in capital assets	41,115,149	-	41,115,149	-	41,115,149
Restricted	2,500,000	-	2,500,000	-	2,500,000
Unrestricted	26,627,153	-	26,627,153	-	26,627,153
Total net position	70,242,302	-	70,242,302	-	70,242,302
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 150,700,087	$ 43,667,450	$ 194,367,537	$ (43,667,450)	$ 150,700,087

Monterey Regional Waste Management District

Combining Schedule of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2023

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING REVENUES:					
Disposal fees	$ 36,076,916	$ -	$ 36,076,916	$ -	$ 36,076,916
Power sales	2,808,825	-	2,808,825	-	2,808,825
Recycled material sales	9,751,080	-	9,751,080	-	9,751,080
Last chance mercantile sales	-	-	-	-	-
Scale and operational services	775,222	-	775,222	-	775,222
Sand sales	236,059	-	236,059	-	236,059
Landscape product sales	56	-	56	-	56
Total operating revenues	49,648,158	-	49,648,158	-	49,648,158
OPERATING EXPENSES:			-		
Salaries	11,322,501	-	11,322,501	-	11,322,501
Employee benefits	6,096,471	-	6,096,471	-	6,096,471
Depreciation and amortization	5,199,161	-	5,199,161	-	5,199,161
Recycling	3,411,848	-	3,411,848	-	3,411,848
Taxes, licenses and permits	1,303,370	-	1,303,370	-	1,303,370
Repairs & Maintenance	3,340,832	-	3,340,832	-	3,340,832
Professional services	1,042,955	-	1,042,955	-	1,042,955
Fuel	1,598,759	-	1,598,759	-	1,598,759
Contractual services	1,392,451	-	1,392,451	-	1,392,451
Operating supplies	1,441,305	-	1,441,305	-	1,441,305
Landfill closure and post closure ca	530,415	-	530,415	-	530,415
Insurance	1,133,886	-	1,133,886	-	1,133,886
Public awareness	69,455	-	69,455	-	69,455
Office	498,226	-	498,226	-	498,226
Safety equipment and supplies	248,070	-	248,070	-	248,070
Education, meetings and travel	201,907	-	201,907	-	201,907
Hazardous waste program	300,719	-	300,719	-	300,719
Environmental services	1,301,033	-	1,301,033	-	1,301,033
Utilities	173,528	-	173,528	-	173,528
Miscellaneous	48,590	-	48,590	-	48,590
Total operating expenses	40,655,482	-	40,655,482	-	40,655,482
OPERATING INCOME	$ 8,992,676	$ -	$ 8,992,676	$ -	$ 8,992,676

Monterey Regional Waste Management District

Combining Schedule of Revenues, Expenses and Changes in Net Position (Continued) for the Year Ended June 30, 2023

	DISTRICT	AUTHORITY	TOTALS	ELIMINATING ENTRIES	TOTALS
OPERATING INCOME	$ 8,992,676	$ -	$ 8,992,676	$ -	$ 8,992,676
NON–OPERATING REVENUES (EXPENSES):					
Interest income	598,282	-	598,282	-	598,282
Rents and leases	324,059	-	324,059	-	324,059
Gain on sale of capital assets – net	-	-	-	-	-
Interest expense – revenue bonds and financed purchase	(9,330)	(1,322,834)	(1,332,164)	-	(1,332,164)
Cost of revenue bonds issuance	-	-	-	-	-
Interagency reimbursement	(1,322,834)	1,322,834	-	-	-
Other income (expense)	1,831,982	-	1,831,982	-	1,831,982
Total non–operating revenues (expenses)	1,422,159	-	1,422,159	-	1,422,159
CHANGE IN NET POSITION	10,414,835	-	10,414,835	-	10,414,835
NET POSITION, BEGINNING OF YEAR	59,827,467	-	59,827,467	-	59,827,467
NET POSITION, END OF YEAR	$ 70,242,302	$ -	$ 70,242,302	$ -	$ 70,242,302

Monterey Regional Waste Management District

Schedule of Revenues, Expenses and Changes in Net Position
Actual to Budget (Unaudited)
for the Year Ended June 30, 2023

	ACTUAL	DISTRICT BUDGET	VARIANCE - POSITIVE (NEGATIVE)
OPERATING REVENUES:			
Disposal fees	$ 36,076,916	$ 33,192,000	$ 2,884,916
Power sales	2,808,825	1,800,000	1,008,825
Recycled material sales	9,751,080	12,434,000	(2,682,920)
Other sales	1,011,337	955,000	56,337
Total operating revenues	49,648,158	48,381,000	1,267,158
OPERATING EXPENSES:			
Salaries	11,322,501	10,826,000	(496,501)
Employee benefits	6,096,471	5,628,000	(468,471)
Depreciation and amortization	5,199,161	4,400,000	(799,161)
Recycling	3,411,848	2,225,000	(1,186,848)
Taxes, licenses and permits	1,303,370	1,412,000	108,630
Repairs & Maintenance	3,340,832	3,483,000	142,168
Professional services	1,042,955	1,131,000	88,045
Fuel	1,598,759	1,198,000	(400,759)
Contractual services	1,392,451	735,000	(657,451)
Operating supplies	1,441,305	1,367,000	(74,305)
Landfill closure and post closure care costs	530,415	400,000	(130,415)
Insurance	1,133,886	1,050,000	(83,886)
Public awareness	69,455	442,000	372,545
Office	498,226	403,000	(95,226)
Safety equipment and supplies	248,070	355,000	106,930
Education, meetings and travel	201,907	244,000	42,093
Hazardous waste program	300,719	405,000	104,281
Environmental services	1,301,033	900,000	(401,033)
Utilities	173,528	192,000	18,472
Miscellaneous	48,590	40,000	(8,590)
Total operating expenses	40,655,482	36,836,000	(3,819,482)
INCOME FROM OPERATIONS	8,992,676	11,545,000	(2,552,324)

Monterey Regional Waste Management District

Schedule of Revenues, Expenses and Changes in Net Position
Actual to Budget (Unaudited) (Continued)
for the Year Ended June 30, 2023

	ACTUAL	DISTRICT BUDGET	VARIANCE
INCOME FROM OPERATIONS	$ 8,992,676	$ 11,545,000	$ (2,552,324)
NON–OPERATING REVENUES (EXPENSES)			
Interest income	598,282	50,000	548,282
Rents and leases	324,059	340,000	(15,941)
Finance charges	-	(16,389)	16,389
Interest expense – revenue bonds and financed purchase	(1,332,164)	(1,967,081)	634,917
Cost of revenue bonds issuance	-	-	-
Other income (expense)	1,831,982	5,000	1,826,982
Total non-operating revenues (expenses)	1,422,159	(1,588,470)	3,010,629
INCREASE (DECREASE) IN NET POSITION	$ 10,414,835	$ 9,956,530	$ 458,305

MEMO

Discussion / Action
Item #: 2

Meeting Date:

To: Finance Committee
From: Director of Operations, Jay Ramos
Approved by: General Manager, Felipe Melchor

Subject: Declaration of Surplus Equipment: SI54 2002 Ford F150, MR37 & MR38 2009 Volvo Roll Off Trucks

RECCOMENDATION

That the Board declare SI54 - 2002 Ford F150, MR37 - 2009 Volvo Roll Off Truck, and MR38 - 2009 Volvo Roll Off Trucks assets surplus and authorize the disposition of multiple ReGen Monterey assets by selling them for scrap, seal bid solicitation or third-party auction.

BACKGROUND

As in past practice, the request to declare certain ReGen Monterey assets as surplus generally consists of identifying those assets that have reached the end of their useful life cycle service to the district operations. The assets defined below have been determined to meet the criteria (see pictures of the assets below).

FINANCIAL IMPACT

ASSET NUM	Unit #	DESC	Purchase Date	Purchase Cost	Accumulated Depreciation	Net Book Value	Est. Market Value
00949	SI54	2002 FORD F150 PICKUP USED	1/7/2010	7,694.00	-	-	Scrap Value
00935	MR37	2009 VOLVO ROLLOFF TRUCK MR37	1/1/2010	166,709.74	-	-	5,000.00
00936	MR38	2009 VOLVO ROLLOFF TRUCK MR38	1/1/2010	166,709.74	-	-	5,000.00

CONCLUSION

It is therefore recommended that the Board declare the above listed assets as surplus and authorize the disposition of ReGen Monterey's surplus equipment by selling them for scrap, seal bid solicitation or third-party auction.


MR 38


MR37


FX4
2002 Ford F150

MEMO

Discussion / Action
Item #: 3

Meeting Date: November 1, 2023

To: Finance Committee
From: Director of Operations, Jay Ramos
Approved by: General Manager, Felipe Melchor

Subject: Purchase One (1) New Caterpillar 725 Water Truck

Recommendation

That the Board of Directors 1) Adopt Resolution 2023-XX (attached) authorizing the purchase of One (1) New Caterpillar Model 725 Water Truck, using the cooperative purchasing process for public entities and preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); 2) Accept the proposal (attached) by Quinn Company of Salinas, CA, dated October 20, 2023, to provide One (1) New Caterpillar 725 Water Truck for the total price of $ 732,918.80 including sales tax, freight. Purchase price is protected once the attached sales quote is signed and the equipment order is completed.

Background

ReGen Monterey operates a small fleet of Off-Road equipment utilized for various activities throughout the site. Phasing out all the Off-Road Equipment not powered by a Tier 4 Final diesel engine is required to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. ReGen Monterey is a participating member in the diesel engine phase-out program for more than a decade and coordinates with the local Air District, Monterey Bay Air Resources District, as equipment is retired.

Unit SI64 is a 2008 Caterpillar 725 Water Truck with a Tier 3 diesel engine (refer to photo below). This water truck has 10,554 hours of operation in its 15 years of operation. The Water Truck is an operationally critical piece of equipment utilized for managing water, leachate, and dust control at the landfill.

The manufacturer, Caterpillar, is currently forecasting 12-24-month delivery on all equipment orders.

Discussion

Off-Road Equipment not powered by Tier 4 Final diesel engine should be phased out to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. Staff recommend replacing Unit SI64, 2008 Caterpillar 725 Water Truck (Tier 3 engine) with New Caterpillar 425 Water Truck (Tier 4 final engine) and take advantage of the cost saving of future price increase and stay on track to meet 2026 California Air Resources Board (CARB) emissions deadline.

Financial Impact

Funds totaling $ 1.2M are included in the preliminary FY 2024/25 Capital outlay portion of the budget for the purchase of the water truck. By placing the order at this time (FY 2023/2024), ReGen will a) receive a fixed-price order with future price increases protection (invoiced upon delivery in FY 2024/2025), b) receive the new water truck prior to major maintenance events occurring with the existing water truck, and c) accomplish one more 'phase-in' of a cleaner, lower emission vehicle.

Strategic Plan

The purchase of this new Caterpillar 725 Water Truck Equipment is not a significant element of the District's Strategic Plan, although it facilitates compliance with Federal and State mandated emission regulations and provides the District with effective tools for support of efficient operations.

Conclusion

It is therefore recommended that the Board of Directors authorize the purchase of a New Caterpillar 725 Water Truck without competitive bidding using the Sourcewell public entity cooperative purchasing program as presented in the attached proposal by Quinn Company of Salinas, CA.

171206-01

Oct 20, 2023

MONTEREY REGIONAL WASTE MGMT DIST
ATTN ACCOUNTS PAYABLE
PO BOX 1670
MARINA, California 93933-1670

Attention: JAY RAMOS

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

One (1) New Caterpillar Inc. Model: 725 Truck including standard and optional equipment as listed below.

STOCK NUMBER: **SERIAL NUMBER:** **YEAR: 2024** **SMU:**

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Justin Brown
Machine Sales Representative

One (1) New Caterpillar Inc. Model: 725 Truck including standard and optional equipment as listed below.

Standard Equipment

POWERTRAIN

Auto shift six-speed forward and single speed reverse transmission
Cat C9.3 engine
Engine will be certified and labelled for emissions compliance as required for the region of sale.
Differentials: standard with automatic clutched inter and cross-axle differential locks
Dual circuit enclosed multiple disc brakes
Retarder: Hydraulic
S.O.Ssm sampling valves
Three axle, six-wheel drive

ELECTRICAL

Electrical system: 24 volt, 5A 24 to 12 volt converter
Lights: cab interior, front, side, rear, two reversing, work light, two stop/tail lights, front and rear direction indicators

OPERATOR ENVIRONMENT

Air conditioning with R134A refrigerant
Adjustable air vents
CAT rear view camera
Color Multi-Purpose Display (CMPD) incorporating the rear view camera feed
Electro hydraulic hoist control
Glass windows: laminated front, toughened rear and toughened opening side
Heater and defroster with four-speed fan
Horn, electric
Radio ready
ROPS/FOPS cab
Seat, fully adjustable, air suspension
Seat, padded companion/trainer
Seat belts: two retractable
Secondary steering - electro hydraulic
Storage: cup holder, under seat storage, door pocket and behind seat storage
Sun visor
Tilt and telescopic steering wheel
Windshield wiper and washer, two speed, intermittent (front)

OTHER STANDARD EQUIPMENT

Reverse/back-up alarm
Body, adapted for exhaust heat
Guards: rear window and radiator, crankcase and axle
Mirrors: extensive arrangement for improved visibility
Mud flaps: wheel arch and body mounted with transportation tiebacks
Spill guard, front, integral part of fabricated body
Starting receptacle, electric, remote
Vandalism protection: lockable caps for fuel tank, DEF tank and hydraulic oil tank
Tires, six 23.5R25, radial

MACHINE SPECIFICATIONS

725 04A ARTICULATED TRUCK	555-6401
LANE 3 ORDER	0P-9003
LIGHTS, ROOF MOUNTED WORK	480-2054
NO MACHINE SECURITY SYSTEM	480-1971
AM/FM RADIO (BLUETOOTH READY)	480-1980
MIRROR, STANDARD	500-5946
SEAT, DELUXE	485-0331
SEAT BELT, W/ INDICATION	566-5659
CAB, STANDARD	462-5037
PRODUCT LINK, CELLULAR PLE641	481-8888
NO PAYLOAD	485-0336
TANK, STANDARD FUEL	503-2045
TIRES, 23.5R25 MX ** XADN+ E-3	443-7475
ROW ENGINE ARRANGEMENT	583-9949
AID, STARTING, STANDARD	396-1948
FILM GROUP, ANSI	555-6420
CHASSIS, STANDARD (NO BODY)	555-6413
EXHAUST, STANDARD	555-6416
NO TAILGATE	455-3502
ANTIFREEZE, -36C (-33F)	381-0092
SERIALIZED TECHNICAL MEDIA KIT	421-8926
DOMESTIC	0P-9901
ROLL ON-ROLL OFF	0P-9902
PACK, MISCELLANEOUS MATERIAL	0P-6684
BEACON, LED	363-7685
DIRECT SHIP TO CUSTOMER - WASH	0P-2047

WARRANTY & COVERAGE

Standard Warranty:	12 MONTHS FULL MACHINE
Extended Coverage:	60 MO/8000 HR POWERTRAIN + HYDRAULICS + TECH (Tier 4)
CSA	36 MO / 1,500 HOURS PARTS ONLY (INCLUDES SOS) (QUINN CVA) – FREE DRY PARTS

MACHINE LIST PRICE	$584,582.00
SOURCEWELL MEMBER DISCOUNT - 17 %	**($99,378.94)**
FREIGHT, PREP & DELIVERY	$20,000.00
KLEIN K500 WATER TANK W/ LISTED OPTIONS	$175,000.00
NET BALANCE DUE	**$680,203.06**
SALES TAX (7.75%)	$52,715.74
AFTER TAX BALANCE	**$732,918.80**

PAYMENT TERMS

Cash Invoice Terms

CASH WITH ORDER
$0.00

ADDITIONAL CONSIDERATIONS

- Delivery is 10-12 months from date of order
- The quoted price has all 2024 price increases included. This quote is good for 45 days. Once the quote is signed the price is protected from any new price increase that may occur while the truck is being built.

KLEIN WATER TANK OPTIONS:

1. Model KPRO-H Remote controlled turret monitor. Hyd actuated tank bulkhead mntd. Control panel included joystick operator.
2. Full width gravity "bar" with in cab control
3. Access ladder to top of tank @ rear with folding lower section.
4. Water level gauge in operator compartment. Electric.
5. Sight gauge, bottom valve included, visual at rear.
6. Work Light Package: Set of two (2) LED work lights, 12v or 24v. Single Switch.
7. "KleinView" Safety operations rear view camera includes in cab display screen. Allows operator clear safe view while backing. unit.
8. Interior of tank coated w/ KleinFlex in lieu of KPCCoat.
9. Fender undercoating treatment. Kleinflex.
10. Installation and testing of unit @ Klein factory.

Accepted by_____________________________________ **on** _____________________

____
Signature

MEMO

Discussion / Action
Item #: 4

Meeting Date: November 1, 2023

To: Board of Directors
From: Director of Operations, Jay Ramos
Approved by: General Manager, Felipe Melchor

Subject: Purchase One (1) New Caterpillar 966 Loader

Recommendation

That the Board of Directors 1) Adopt Resolution 2023-XX (attached) authorizing the purchase of One (1) New Caterpillar 966 Loader, using the cooperative purchasing process for public entities and preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); and 2) Accept the proposal (attached) by Quinn Company of Salinas, CA, dated October 19, 2023, to provide One New Caterpillar 966 Loader for the total price of $ 588,347.65 including sales tax, freight. Purchase price is protected once the attached sales quote is signed and the equipment order is completed.

Background

ReGen Monterey operates a small fleet of Off-Road equipment utilized for various activities throughout the Site. Phasing out all the Off-Road Equipment not powered by a Tier 4 Final diesel engine is required to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. ReGen Monterey is a participating member in the diesel engine phase-out program for more than a decade and coordinates with the local Air District, Monterey Bay Air Resources District, as equipment is retired.

Unit SI26 is a 2002 John Deere 744H Loader with a Tier 3 engine (see picture below). This 21 year old loader has 23,842 hours of operation. The loader is an operationally critical piece of equipment utilized by Landfill operations to load two of the ejector trucks, moving material on the 'active face' during the wet weather season, and other various tasks in the operation of the landfill. Funds in the amount $600,000 are included in the FY 2023/24 Capital Outlay Budget for this purchase.

Discussion

Off-Road Equipment not powered by Tier 4 Final diesel engine should be phased out to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. Staff recommends replacing unit SI26, a 2002 John Deere Loader (Tier 3 engine) with a New 966 Caterpillar Loader (Tier 4 final engine) and stay on track to meet 2026 California Air Resources Board (CARB) emissions deadline.

Financial Impact
Funds totaling $ 600,000 are included in the FY 2023/24 Capital outlay portion of the budget for this purchase.

Strategic Plan

The purchase of this new Caterpillar 966 Loader Equipment is not a significant element of the District's Strategic Plan, although it facilitates compliance with Federal and State mandated emission regulations and provides the District with effective tools for support of efficient operations.

Conclusion
It is therefore recommended that the Board of Directors authorize the purchase of One (1) Caterpillar 966 Equipment ($ 588,347.65) without competitive bidding using the Sourcewell public entity cooperative purchasing program as presented in the attached proposal by Quinn Company of Salinas, CA. Estimated delivery of equipment is currently anticipated by June 2024.


MR 38


MR37


FX4
2002 Ford F150

171201-01

Oct 19, 2023

MONTEREY REGIONAL WASTE MGMT DIST
ATTN ACCOUNTS PAYABLE
PO BOX 1670
MARINA, California 93933-1670

Attention: JAY RAMOS

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

One (1) New Caterpillar Inc. Model: 966 Wheel Loader including standard and optional equipment as listed below.

STOCK NUMBER: NS0021274 **SERIAL NUMBER:** **YEAR:** **SMU:**

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Justin Brown
Machine Sales Representative

One (1) New Caterpillar Inc. Model: 966 Wheel Loader including standard and optional equipment as listed below.

Standard Equipment

POWERTRAIN

Engine, Cat C9.3
-Auto Idle shutdown
-Fuel priming pump (electric)
-Fuel/Water separator
-Engine air intake with strata-tubes
-Ether Aid ready
Standard (low fuel) & Peformance (best production) Power modes
Transmission, automatic planetary power shift (4F/4R)
Torque converter, locking clutch with free wheel stator
Fan, radiator, electronically controlled, hydraulically driven, temperature sensing, on demand
Brakes, full hydraulic enclosed wet-disc with Integrated Braking System (IBS)
Brake wear indicators
Parking brake, disk & dual caliper

ELECTRICAL

Alarm, back-up
Batteries (2), maintenance free 1400 CCA
Ignition - push to start
Lighting system:
-2 halogen tower mounted work lights
-2 rear facing halogen lights in hood
-2 LED position/stop lights
-4 halogen work lights on the cab
Main disconnect switch
Receptacle start (cables not included)
Starter, electric, heavy duty
Starting and charging system (24-volt)

OPERATOR ENVIRONMENT

Automatic climate control with Air conditioner, heater & defroster
Beverage holders (2) with storage compartment for cell phone/MP3 player
Bucket/Work tool function lockout
Cab, pressurized and sound suppressed, (ROPS/FOPS), radio ready (entertainment) includes antenna, speakers, & converter (12-volt 10-amp)
Coat hook (2)
EH Controls, lift and tilt function
EH Parking Brake
Ergonomic cab access ladders & handrails
Horn, electric
Light, cab dome
Mirrors, rearview external with integrated spot mirrors
3 receptacles, 12-Volt
Monitored Seat belt, retractable
Sun visor, front
Wet-Arm wipers/washers front & rear, intermittent front wiper
Window, sliding (left and right sides)
Viscous mounts
Indication Display, Front dash mounted
-Temperature, Fuel and Tachometer gages
-Warning indicators
Information Display, right post mounted
-20cm (8 in) color LCD touch screen
-Machine settings & health parameters
-Integrated rear-view camera
Post mounted membrane 16 switch keypad
Cat Payload with Assist Technology
-Integrated payload with low lift weight
-Auto set tires & Autodig
-Application profiles
-Operator profiles
-Utilization, Fuel, Location & Health
-Job Aids, Control help & digital O&MM
-Passcode & bluetooth security

OTHER STANDARD EQUIPMENT

Couplings, Caterpillar O-ring face seal
Hoses, Caterpillar XT
Implement Hydraulic System
-Load sensing with variable
displacement piston pump
Oil sampling valves
Remote diagnostic pressure taps
Cooling package with swing out
second plane cores
Ecology drains for engine, transmission,
and hydraulics
Filters: fuel, engine air, engine oil,
hydraulic oil, transmission
Grease zerks
Hitch, drawbar with pin
Hood, power tilting
Kickout, lift & tilt, automatic
(adjustable in cab)
Linkage, Z-Bar,cast crosstube/tilt lever
Radiator grill, airborne debris
Service Center (electrical & hydraulic)
Sight gauges: engine coolant, hydraulic
oil, and transmission oil level
Steering, load sensing

MACHINE SPECIFICATIONS

966 14A WHEEL LOADER	545-7238
LANE 3 ORDER	0P-9003
REGIONAL PACKAGE,AM-N LHD JSTK	548-5849
STANDARD PACKAGE	548-1289
LINKAGE, STANDARD LIFT	573-6534
COUNTERWEIGHT, AGGREGATE	574-7615
AXLES, MAN/OPEN, SGR, AOC,JSTK	583-2497
AXLE OIL COOLER, ED	583-2501
HYDRAULICS, 2V RC, 3/4V READY	573-6495
QUICK COUPLER READY, STD	573-6550
HYDRAULIC OIL, STANDARD	396-4672
STARTING, STANDARD	0P-7424
LIGHTS, LED	573-6528
CAB, DELUXE, STRG JOYSTICK	558-7419
FILTRATION, STD, PRECLEANER	597-9191
WINDOWS, STANDARD	506-0261
JOYSTICK 2V, STEERING JOYSTICK	536-1592
STEERING SYS, STD JSTK	574-7631
PRODUCT LINK, CELLULAR PLE642	634-7287
TECHNOLOGY, PAYLOAD, ASSIST	558-7457
COOLING CORES, 9FPI	564-1410
FAN, STANDARD	574-7641
ANTIFREEZE, -34C (-29F)	578-3576
TIRES, 26.5R25 BS VJT * L3	475-6250
AIR INLET STANDARD, RAIN CAP	324-8092
FENDERS, FRONT W/REAR EXTN	550-3416
SOUND SUPPRESSION, STANDARD	574-7623
LUBRICATION, MANUAL, STD	573-6462
SERIALIZED TECHNICAL MEDIA KIT	421-8926
LIGHTS, REVERSING STROBE	569-4049
LIGHT, WARNING BEACON	491-7467
GUARD, POWERTRAIN	548-9727
OIL CHANGE SYSTEM, HIGH SPEED	578-3533
PROTECTION, CYLINDER ROD	0P-3940
STORAGE PROTECTION	0P-2918
ROLL ON-ROLL OFF	0P-6619
TRANSPORT GROUP, NO WORKTOOL	361-1437
BKTA GP ST 127" 5.50YD3 FUS	515-5842
CUTTING EDGE, BOLT-ON	100-6669
QUICK COUPLER, FUSION	617-6383

WARRANTY & COVERAGE

Standard Warranty:	12 MONTHS FULL MACHINE
Extended Coverage:	36 MO/5000 HR POWERTRAIN + HYDRAULICS + TECH (Tier 4)
CSA	36 MO / 1,500 HOURS PARTS ONLY (INCLUDES SOS) (QUINN CVA)

MACHINE LIST PRICE	$665,918.00
SOURCEWELL MEMBER DISCOUNT - **15 %**	($99,887.70)
QUINN CAT LOYALTY DISCOUNT	($20,000.00)
NET BALANCE DUE	**$546,030.30**
SALES TAX (7.75%)	$42,317.35
AFTER TAX BALANCE	**$588,347.65**

PAYMENT TERMS

Cash Invoice Terms

CASH WITH ORDER
$0.00

ADDITIONAL CONSIDERATIONS

- MACHINE WILL SHIP FROM BRAZIL 12/20/23

Accepted by___________________________________ **on** ____________________

____
Signature