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MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

September 14, 2007

WILLIAM MERRY, P.E., DE
GENERAL MANAGER
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COUNSEL

Keith Israel
General Manager
MRWPCA
5 Harris Court
Monterey, CA 93940

RE: Interagency Committee Meeting

Dear ~~Keith~~: *Keith*

The Monterey Regional Water Pollution Control Agency (MRWPCA) and the Monterey Regional Waste Management District (District) have a history of working closely on matters of mutual interest. Two significant parts of the operations of each of our entities have been the subject of discussion at the staff level for over a year, and have been before the District Board during that time as well. They are biosolids management; and control, utilization and marketing of biogas.

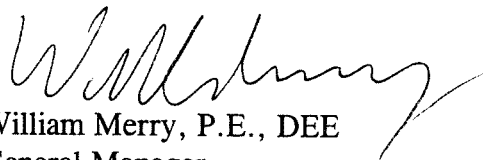
The District Board, in September 2006 appointed two members of the Board, Chair Laska and Director Gray, to serve on an interagency Committee to discuss these and other items of mutual interest. The two top items for discussion, from the District perspective, are management of biosolids and management of biogas. Both of these operations have significant operational and financial implications for the District. The FY 2007/2008 District Budget includes a \$2 million reduction in expenditures which includes not filling vacant positions, and reductions in expenses and deferred capital outlays. As a result, staff is conducting a very close review of all revenue sources, and expense items, including a review of biosolids management expenses at the District.

With this in mind, we request a meeting of an Interagency Committee and staff, to begin discussion on these two important items. This matter is of a high priority for the District. We therefore suggest scheduling meeting to be held at a mutually convenient time within the next 45 days. I will be glad to submit a draft agenda for your review. Please contact me if you have or any questions on this matter, and to schedule the meeting.

Keith Israel
September 14, 2007
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We look forward to working together on these important topics to mutually improve operations, efficiencies and customer service in our community.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Merry', written in a cursive style.

William Merry, P.E., DEE
General Manager

cc: MRWMD Board of Directors