



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: January 28, 2008
 TO: Board of Directors
 FROM: Leo Laska, Ad Hoc Finance Committee Chair
 SUBJECT: Report on Committee Meeting of January 28, 2008

The ad hoc Finance Committee met on January 28, 2008 from 9 a.m. to 12 p.m. at the administrative offices of the Pebble Beach Community Services District. All members of the Committee were present, and included Directors Bales, Gray, and Pendergrass. The meeting agenda is attached. The following recommendations resulted from the meeting.

RECOMMENDATIONS

Biosolids Management at MRWMD

- a. General Manager was directed to send a second letter to MRWPCA General Manager requesting an Inter-Agency Meeting of Board members, with a meeting date of late February or early March.
- b. The Committee supported the idea of having Carollo Engineers conduct a feasibility Study, at an approximate cost of \$50,000, funded jointly between the MRWPCA (40%), CAWD (20%) and the District (40%), in accordance with Carollo's Proposal, which will be considered for Board approval at the February meeting.

FY 2008-2009 Budget Preparation

Expenses:

- a. Personnel - Continue with hiring freeze for non-critical positions to achieve goals in reducing expenses.
- b. Operations - Continue to manage expenses, to provide overall balance between revenues and expenses.
- c. Capital Expenditures - Delay capital expenditures if possible, to provide overall balance between revenues and expenses. Staff was directed to continue efforts to maximize Module 3 airspace utilization, including the top deck area now utilized for composting bio-solids, and thereby possibly delaying the capital expenditure for new Module 5 liner.

Revenues:

- a. Continue Efforts to Increase Revenues - by accepting waste by agreement for processing or disposal.
- b. Proposed Increase to Basic Tipping Fee
 - 1) The Committee directed staff to prepare justification for an increase to the tipping fee, based on the cost of living index (including increased capital costs for heavy equipment purchases), effective January 1, 2009, and to be presented for adoption in conjunction with FY 2008-2009 Budget, including an annual automatic provision for a CPI adjustment.

- 2) As a follow-on effort, staff was directed to prepare justification for an increase to the basic tipping fee, based on increased costs resulting from state mandates and new initiatives on diversion/recycling and waste processing. A community stakeholders meeting would be held in conjunction with development of such a justification.
- 3) Staff was directed to determine what percentage of the franchise hauler residential garbage bill resulted from landfill disposal tipping fees.
- 4) General Manager was directed to meet with member agency Managers to review interest in having District staff provide assistance with coordination and implementation of hauler franchise agreements, to insure a more consistent level of service and to achieve maximum recycling and diversion goals throughout their Agency/City and the District.

BACKGROUND

The following is a brief summary of discussion at the meeting:

Mid Year Budget Review

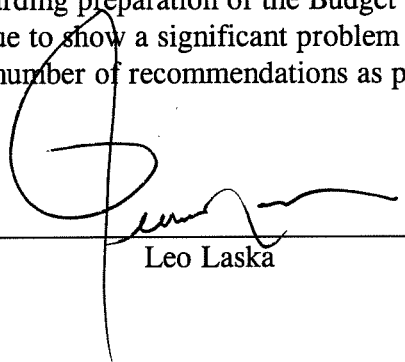
Finance Manager Chuck Rees presented the mid year budget status and staff answered questions from Committee members. Staff was directed to continue with the hiring freeze, as positions become vacant, except for critical positions.

Review of Biosolids Management at MRWMD

A staff memo providing an update on the District's current bio-solids management program was reviewed, along with the proposal from Carollo Engineers to conduct a jointly funded feasibility study. The Committee members agreed that because of the District's critical financial condition, the short term plan to manage bio-solids should focus on maximizing revenues and minimizing expenses, whereas if finances improve, a longer term plan could incorporate a more comprehensive program.

Preparation of FY 2008-2009 Budget

Staff presented a report and solicited input regarding preparation of the Budget for FY 2008-2009. The District's five year financial projections continue to show a significant problem with declining tonnages and revenues. Discussion followed, resulting in a number of recommendations as presented above.



Leo Laska

Attachment

BOARD OF DIRECTORS

LEO LASKA
CHAIR

SUE McCLOUD
VICE CHAIR

GARY BALES
DAVID PENDERGRASS
KEN GRAY
JOSEPH P. RUSSELL
DON JORDAN
LIBBY DOWNEY
DAVE POTTER



CONFIDENTIAL

WILLIAM MERRY, P.E., DEE
GENERAL MANAGER/
DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

RICHARD NORTON
ADMIN. SERVICES MGR.

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MEETING OF THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT AD HOC FINANCE COMMITTEE

Monday
January 28, 2008
9:00 a.m.

Pebble Beach Community Services District
Administrative Offices
3101 Forest Lake Road
Pebble Beach, CA.

Attending:

Chair	Laska	Directors	Bales	Gray	Pendergrass
Staff:	William Merry		Tim Flanagan	Chuck Rees	Richard Norton

1. Mid-Year Budget Review
 - a. Personnel: Staffing levels
 - b. Expenses: Capital outlays
2. Review of Strategic Planning Work Plan for 2007-2017
3. Review of Bio-solids Management at MRWMD
 - a. Review operation and costs
 - b. Review Carollo Engineers draft proposal to assist with feasibility study for future management
4. FY 2008/09 Budget Preparation
 - a. Recommended budget/staffing levels/operations/new programs (composting)
5. Proposed Community Townhall Meeting Planned for Summer 2008
6. Miscellaneous
 - a. Proposed County Buffer Zone Ordinance
 - b. Waste Flow Control
 - c. Reduction in Staffing Policy
 - d. Update on policy for credit card use
7. Other
8. Next Meeting – March 2008