



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: June 9, 2008  
 TO: Board of Directors  
 FROM: Leo Laska, Ad Hoc Finance Committee Chair  
 SUBJECT: Report on Committee Meeting of June 5, 2008

The ad hoc Finance Committee met on June 5, 2008 from 1-3 p.m. at the administrative offices of the Pebble Beach Community Services District. All four members of the Committee were present, which included Directors Bales, Gray, and Pendergrass, and myself. The purpose of the meeting was principally to meet with the auditing firm of Hayashi & Wayland (H&W) as they begin their annual audit and to receive a staff report on the FY 2008/09 Final Budget.

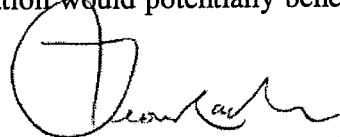
1. **Hayashi & Wayland.** H&W requested to meet with the ad hoc Finance Committee, in accordance with new auditing standards. While it would have been sufficient to have the firm meet with only the Board Chair, meeting with the full Committee provides for a broader range of information exchange going into the annual audit. Mike Briley and Mike Nolan of H&W were present at the meeting and following their initial presentation, met with the Committee without staff present. Mr. Nolan will lead the audit team's work, which will begin in June with the planning phase of the work, and then continue in August with the field work. H&W plans to have the draft audit complete and ready to present to the ad hoc Finance Committee in October. The final audit is scheduled for presentation at the November or December Board meeting. There is nothing further to report as a result of the meeting with the auditors.
2. **FY 2008/09 Budget.** Staff presented the FY 2008/09 Final Budget figures to the Committee. The Final Budget incorporates final figures resulting from recently completed tentative agreements with the three employee bargaining groups, along with one adjustment in capital spending, a result of a recent price increase by the vendor. Following discussion, the Committee concurred with the FY 2008/09 Final Budget, which will be considered for adoption at the June meeting along with approval of the agreements with the bargaining units.
3. **District Programs and Finances.** The Committee further discussed the financial condition of the District. They also reviewed and commented on a draft letter planned for circulation to the member agencies, and which will call together a Task Force of representatives from the member agencies. The Task Force will address the current status of local recycling and waste management programs and will lay out a plan for future programs anticipated for the community and in response to anticipated State mandates. The District may need to implement new funding mechanisms directly tied to meeting new State mandates. As recycling programs become more successful, "waste" tonnages will decline, resulting in a declining revenue stream for the District. The draft letter will be revised and brought before the full Board for review and comment at the June meeting. Chair Laska and Director Gray will participate in the Task Force meetings.

4. **Status Reports.**

- a. **Biosolids Management.** The Committee reviewed a draft staff summary of District costs related to using biosolids to create vegetative cover vs. the cost to landfill biosolids. District staff has prepared and forwarded the costs to the consultant, R3 for their use in assisting to establish a revised tipping fee for biosolids. The Committee instructed staff to prepare a report outlining the considerations in making decisions related to future management of biosolids. Such a list would include program revenues and expenses, diversion/recycling credits, local service areas overlap for wastewater treatment and for waste management, anticipated future state regulations, etc.
- b. **Landfill Gas to Energy Project Review and Report.** The Committee reviewed and provided comments to an outline for a staff report on the landfill gas to energy project, anticipated to be draft final by mid August.

5. **Clinton Climate Initiative.** The Committee supported a request from General Manager, allowing his and Assistant General Manager's participation (on a one-year trial basis) in a program to assist countries around the world in assessing their waste management programs and needs, and in the process to control world wide green house gas emissions. The program is sponsored by the Clinton Climate Initiative, in cooperation with SWANA, the World Bank, and the International Solid Waste Association. Participation would include a two week site visit to one of 40 participating cities worldwide to assess current waste management programs and needs and, in cooperation with a team consisting of other volunteers and representatives from the host city, prepare a report of recommendations for improvements. A list of three current project sites including project work tasks is attached for your information.

The hard costs for travel would be paid through the program. The individual, or their employer, would be responsible for their donation of time. The Committee supported the request, and would allow the participation on District time, since participation would potentially benefit the District.



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Leo Laska

Attachment

**Clinton Climate Initiative (CCI)**  
**Current Sites Information**  
**May 2008**

**Addis Ababa, Ethiopia** - CCI Waste Team is acting as advisor to the City of Addis Ababa. The City is looking to implement the following project:

- To develop and construct a new integrated waste management facility, including composting, recycling and a new sanitary landfill. Funding sources likely to include a combination of the municipal budget and donor funding from the French Development Agency (AFD)
- To outsource the management and operation of the new facility to a partner company. The City will pay for the operational costs through a tipping fee, assessed on the tonnages delivered to the facility.
- To divide the City into four collection zones financed by local tax in place, and invite private companies through a public tender process to bid on the door-to-door collection and transportation of waste to transfer stations.
- The City to outsource:
  - Recycling operations of materials from the collected municipal solid waste
  - Development of composting operations. Start up daily tonnage of 50 tons
  - Design, construction and operation of a Landfill Gas to Energy project at the new Bole Arabsa landfill, including CDM. Current projected daily 800 tons
  - Develop the plans to close Koshe Rappi Dump and install at LFGE system.

The City has little or no experience in Public Private Partnerships (PPP) and is looking to CCI for support in training in this area prior to implementation of the project:

**Training for City staff** - CCI has been tasked to design and execute on some training for the municipal level stakeholders as well as for the future contract managers of any PPP agreement. This should include all aspects of the process to include:

1. Public Private partnerships and the value and pitfalls
  - a. Risks & mitigation in Public Private Partnerships
2. How to develop a project
3. RFP development
4. Issuing and controlling the RFP process for design
5. Analysis of submittals
6. Award of the design contract
7. Costing of the proposed project
8. How to calculate the value of money over time
9. Issuing the Bid documents for submittal
10. Analysis of the bids
11. Selection of companies for the design/construction/operation of projects
12. Selection and negotiation of final agreement
13. Writing a contract
14. The elements of Project Management
15. Start up process
16. Verification of work completed
17. The Payment process
18. The pass over of completed process
19. The purpose of a retainer of final payment
20. Warranty issues
21. Monitoring of concessionaires
22. Other

**Project timeline:** Preliminary visit as soon as possible

**Skills needed:**

- Trainer in the US model of project management
- Landfill design,
- Collection system design,
- Composting system design,
- MRF design,
- Dump closure design

**Lagos, Nigeria** - CCI is working with the Lagos Waste Management Authority on several projects. Currently, approximately 9,000 tons of waste is produced per day in Lagos, of which about 60% is collected. There are three existing landfills, Abule-Egba, Soulos and Olushosun. Site visits and meetings with various authorities have been made. As a result of these CCI has developed a proposal that looks at LFG capture and utilization projects at two landfill sites in Lagos (Abule-Egba and Soulos). In addition, the proposal focuses on developing a new integrated waste management facility including composting, plastics recycling facilities and a new sanitary landfill with capacity for 1000 tpd.

- **LFG capture and utilization potential at Abule-Egba:** this landfill site has an estimated waste in place of 3.55 million MT. The site is still operational. It is an unlined site with exposed waste and landfill fires, no LFG or leachate collection systems.
- **LFG capture and utilization at Soulos:** this site has an estimated WIP of 3.3 million MT. This site has recently expanded to a new lined cell, which will have an approximate depth of 15 meters.
  - In order to determine the potential for LFG flaring and direct gas sales we need an expert advisor to visit these sites in Lagos ASAP to perform a preliminary study on the LFG potential of each.
- **The new integrated waste management facility at Epe:** assistance is needed with the development of a RFQ/RFP for this project. MFR composting recycling and new landfill as a design build operate project

**Project timeline:** Preliminary visit as soon as possible

**Skills needed:**

- LFGE design,
- Collection system analysis,
- Composting system design,
- MRF design,

**Mexico City - Bordo Poniente Landfill Closure and Landfill Gas Capture** – Bordo Poniente is one of the largest landfills in Latin America: it has 50 million tons in place and receives 12,500 tons of waste daily. The Government of Federal District (GDF) is planning the closure of landfill as well as LFGTE system in the near future.

*Compost Infrastructure Expansion* – CCI is assisting GDF to develop a compost master plan that will aim to treat 2,000 tons of organic waste daily by composting by 2012. This master plan includes an analysis to determine sources of organic feedstock material, compost purchaser, and financial analysis of the operations and markets. GDF currently operates a 200 tpd composting site within the Bordo Poniente landfill complex. In the first phase, the plan looks to scale up this operation to 600 tpd.

*EcoPark Development (CIRE)* – With the expected closure of Bordo Poniente, GDF is planning the development of a waste management and disposal facility that will process waste, deriving maximum benefit from this waste through advanced treatment processes. Financial and technical analysis to determine components of facility is now underway.

**Required SWANA assistance:**

1. Assist in identification of appropriate technologies for inclusion within EcoPark (CIRE) facility. This will include support in analysis of both technical and financial considerations and development of RFQ/RFP documentation.
2. Assist with tender documentation preparation for design/build/operation of new 600 tpd composting plant.

**Project timeline:** Preliminary visit as soon as possible

**Skills needed:**

- Landfill design,
- Collection system design,
- Composting system design,
- MRF design,
- Dump closure design

If you see you and your skills fitting any of these projects and have two weeks or more to help the planet reduce its green house gas production please take the following steps;

1. Contact me either by email or phone (831 775 3009) to let me know you are still interested
2. Complete the SWANA Volunteer Agreement and return it along with your resume to Kathy Callaghan  
[kcallaghan@swana.org](mailto:kcallaghan@swana.org)

I will contact you shortly after you send the documents to Kathy to discuss your qualifications and availability. Please do not hesitate to contact me if you have questions

Respectfully,  
Stephen Johnson  
SWANA Member and Volunteer Coordinator