



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: August 22, 2008  
TO: Board of Directors  
FROM: Leo Laska, Ad Hoc Finance Committee Chair  
SUBJECT: Report on Committee Meeting of August 22, 2008

The ad hoc Finance Committee met on August 22, 2008 from 9-11 a.m. at the District administrative offices. All four members of the Committee were present, which included Directors Bales, Gray, and Pendergrass, and myself. The purpose of the meeting was primarily to receive staff reports and to provide direction to staff on District biosolids management and the landfill gas to energy operations.

1. **Review of Operations (Tonnages) and Finances.** The Committee received staff reports on operations and finances. Staff continues to examine means to reduce operating expenses, including a reduction in hours of site operation and shortened gate hours, which would reduce operating expenses. Waste tonnages and scale traffic are down from both one and two years ago. The Committee supported staff efforts to review impacts associated with shortened gate and operating hours, which could be initiated early in 2009.
  
2. **Biosolids Management at MRWMD.**
  - a. **Review R3 Report and Proposed Tip Fee for Sludge.** The Committee received a staff memo, along with a Letter Report from R3 Consulting on proposed sludge disposal fees, and maps showing the service areas for the MRWPCA and the MRWMD. The service area maps showed the principal difference between the two in that MRWPCA's service area includes the City of Salinas, and does not include the City of Carmel and unincorporated areas in Pebble Beach, Carmel Valley, and Big Sur.  
  
Staff will be meeting with MRWPCA staff to discuss the R3 Report and answer any questions. In anticipation of that meeting, the Committee supported staff recommendation in the R3 Report, to raise the tipping fee for biosolids to \$30 per ton, beginning January 1, 2009, with annual cost of living adjustments thereafter. The Committee directed General Manager to contact the MRWPCA General Manager to discuss the need for the Interagency Board Committee to meet on the matter; and bring the matter to the Board in September.
  - b. **Review Carollo Feasibility Study Work Status.** The Carollo Engineers Feasibility Study effort is in progress. The next meeting on the Carollo Study will be in late September and the Study is anticipated to be completed this fall. No action was taken by the Committee.
  
3. **Landfill Gas-to-Energy (LFG) Project.** The Committee received two staff memos related to LFG operations and power sales. The District currently receives approximately \$63 per megawatt for power sales, with power sales amounting to roughly \$2 million annually. PG&E is proposing to buy all five megawatts of District power, on a 10-year contract, which could increase power sales revenues by 50% or more.

The Committee supported moving forward with the proposal from PG&E to purchase all of the District's five megawatts of power, less the power used for District operations. The Committee stressed the importance of retaining as much flexibility as possible in the conditions of power delivery, including delivering power to the proposed Regional Water Project as that project develops over the next few years. The Committee requested staff to bring the matter to the Board in September for discussion and Board input, with final action before the Board anticipated for October or November.

4. **MRWMD Strategic Task Force**. The District is planning to convene a District Task Force of the managers (or their designees) of the member agencies of the District, scheduled for October 8<sup>th</sup>, from 9 a.m. to noon. The Committee provided staff general input regarding the focus for the meeting.
5. **Debris Management Plan**. The Committee supported staff's request to allocate time over the next nine months to prepare a Debris Management Plan for the District. Such a plan would set out certain policies and procedures related to management of disaster debris. While the District has outlined such procedures at the staff level, preparation of a Plan would be a useful exercise between the District and its member agencies.
6. **Next Meeting of the Ad Hoc Finance Committee was set for September 29<sup>th</sup>**.



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Leo Laska