



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: October 26, 2009
 TO: Board of Directors
 FROM: Leo Laska, Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of October 26, 2009

The Finance Committee met on October 26th at 9 a.m., at the Pebble Beach Community Services District Administrative Offices. Committee members Pendergrass, Bales and Downey attended the meeting. The purpose of the meeting was to review the Financial Statements/Annual Audit Report for FY 2008/09 and to review status of operations and finances for FY 2009/10. Discussion is summarized below and followed the attached agenda.

Review of FY 2008/09 Financial Statements/Annual Audit Report

The Committee received a report from Finance Manager on the draft Annual Audit and Independent Auditors Report for the year ended June 30, 2009, as prepared by District staff and audited by Hayashi & Wayland (H&W). Staff was very pleased to report a \$21,000 income from operations at the close of the year, despite a reduction in revenue of \$1.4 million below budget, due primarily to reduced tonnages from a depressed economy. District staff assisted H&W field staff with their work, which began in June, with the bulk of the field work completed in August. H&W Partner Mike Nolan reviewed a letter to the Board that summarized matters which must be communicated according to auditing standards generally accepted in the United States. Mr. Nolan added that the District received a "very clean" audit. There were questions and discussion during the presentation. The Committee supported presentation of the Annual Audit at the November 20th Board meeting.

Status Report on Operations and Finances for FY 2009/10

Staff reported on September 2009 financials and the continued decline in tonnages into the site due mostly to the sluggish economy. It is still doubtful that the 205,000 tons of refuse anticipated in this year's budget will be realized. There was discussion on other opportunities to increase revenues and further measures to reduce expenses. A table was presented which showed the budgeted 5-year unrestricted Cash Summary revealing the declining levels of unrestricted cash reserves based on lower refuse tonnages and impacts of potential changes in revenues, costs, and capital expenditures.

Leo Laska

Attachment

BOARD OF DIRECTORS

LEO LASKA
CHAIR

SUE McCLOUD
VICE CHAIR

GARY BALES
DAVID PENDERGRASS
~~JOSEPH KRUSSE~~
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO
KRISTIN CLARK



WILLIAM MERRY, P.E., BCEE
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 FINANCE COMMITTEE

Wednesday
October 26, 2009
9:00 a.m.

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

Attending: Board Chair Laska; Directors Bales, Pendergrass, and Downey
William Merry, General Manager
Rob Wellington, Legal Counsel
Tim Flanagan, Assistant General Manager
Chuck Rees, Finance Manager

AGENDA

1. Review Draft Annual Audit Report for FY 2008/09.
2. Status Report on Operations and Finances for FY 2009/10.
 - a. Operating Budget Status
 - b. Tonnages
 - c. Cash Flows
3. Status Report on Alternative Funding Mechanisms.
4. General Manager Comments
5. Next Meeting

CLOSED SESSION

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

- 1) Conference with Legal Counsel – Anticipated Litigation; Significant Exposure to Litigation (one case)
- 2) Conference with Labor Negotiators – All MRWMD Employee Organizations