Throughout our 63 year history, the District has created programs where “waste” can become a “resource”. From early efforts to recycle cardboard, to the salvaging and reuse that led to the creation of the Last Chance Mercantile, to the first Anaerobic Digestion Compost Pilot Project in the State of California, the District has been on the leading edge of innovation and cost effective programs.

This year, our Board codified our vision of “Turning Waste into Resources” with an updated Strategic Plan and redefined Mission Statement. In addition, the Board adopted five “Pillars of Sustainability” to guide our strategic initiatives with a focus on People (employees), Finance, Environment, Community and Innovation.

Our **PEOPLE** carry out the District’s Mission and Vision every day. They are on the front line assisting customers, performing operations, and maintaining and operating the equipment. Our shared “Turning Waste into Resources” vision has contributed to community recycling rates that are well above the California 50% diversion of waste from disposal mandate.

The **FINANCES** of the District are sound. Through careful management of our operations, assets and resources, we ended Fiscal Year 2013/14 with revenues well above projections, expenses on budget, and debt free. During the year, plans have been refined to invest in three significant resource recovery and infrastructure improvements. These projects are described in this report and will provide publicly owned assets to support member agency franchise collection services and turn “waste into resources” while reducing landfill disposal.

We are stewards of the **ENVIRONMENT**. This year, improvements were made to the landfill gas collection, recovery and utilization systems which turn biogas into energy. Plans are now underway to recover more methane and convert it to compressed natural gas (CNG) to fuel local recycling and garbage collection trucks. A new Truck Yard is being constructed on-site which will further reduce collection vehicle travel each day. Collectively, these projects will dramatically reduce air emissions and make our carbon footprint smaller.

In the **COMMUNITY**, the District led the effort to coordinate a competitive process to solicit a new 15-year franchise collection services contract for seven of our nine member agencies. All seven selected the same hauler, GreenWaste Recovery of San Jose. The new state-of-the-industry contract will become effective between April and August of 2015 and includes a strong emphasis on recycling, commercial food scrap collection, and public education and outreach.

**INNOVATION** has long been a hallmark of the District's success. Our Anaerobic Digestion Pilot Project completed a successful first year of operation and garnered state and national awards. Plans are underway to retrofit our 20-year-old Materials Recovery Facility to improve our ability to recycle construction and demolition materials and to add the capacity to process mixed commercial waste and source separated recyclables. These improvements will work to ensure local compliance with the State mandated diversion of organic waste from landfills beginning in 2016 and to achieve the State diversion goal of 75% by 2020.

In closing, our achievements are also a reflection of an experienced management team, dedicated employees, and the sound governance provided by our Board of Directors. This year board members earned recognition for their tenure that included five, ten, fifteen, and forty-five years of service on the Board! This longevity is rare in public agencies and is yet another example of the unique contributions the people of our community have made to make the District what it is today.
MRWMD Employees Make It Happen

The District is proud to employ a diverse and dedicated staff of 109 employees. They bring more than 1,300 years of experience and knowledge to the local communities and environment. In 2014 (FY) they turned 151,655 tons of waste into resources...from reusable goods salvaged for sale at the Last Chance Mercantile to organic waste turned to energy.

2014 Service Awards

- 25 Year: Tina Reid
- 20 Year: George Sayre, Chauncey Hendley
- 15 Year: Clyde Walkup, Javier Ayala
- 10 Year: Heriberto Carrasco, Genaro Jaurrieta, Clemente Alvarez, Clementina Ventura, Charles Rees, Jeaneva Fresquez
- 5 Year: Gilbert Najera
- 3 Year: David Solorio, Kirk Bennett, Ida Gonzales

Jonathon Livingston Seagull Awards

In the spirit of Jonathon Livingston Seagull, the District recognizes staff for “going above and beyond”.

- Baldo Trujillo
- Tim Heinle
- David Wanzong
- Daniel Lopez
- Efrain Lopez
- Marco Corona
- Luis Cazares
- Antonio Diaz
- Jose Marquez
- Leo Martinez, Sr.
- David Reyes

Charlie Benson Awards

District employees recognize exceptional work quality, team leadership, and outstanding work performance of their coworkers.

- Javier Ayala
- Veronica Lepe

An engaged and talented workforce allows us to pursue the District's mission.
Board of Directors

Our nine-member Board includes a representative from each of the municipalities within the District boundaries, one to represent unincorporated Monterey County within the District, and a “director-at-large” representing the Pebble Beach Community Services District. Board Members are appointed for four-year terms.

Dennis Allion, Chair
(since July 2013)
Del Rey Oaks
Appointed February 2011

Leo Laska, Vice Chair
(July 2013-June 2014)
Pebble Beach
Appointed January 2014

Ian Oglesby, Vice Chair
(since July 2014)
Seaside
Appointed January 2009

Gary Bales
Pacific Grove
Appointed April 1969

Sue McCloud
Carmel-by-the-Sea
Appointed May 1998

David Pendergrass
Sand City
Appointed July 1999

Libby Downey
Monterey
Appointed January 2007

Bruce Delgado
Marina
Appointed February 2009

Jane Parker
Monterey County
Appointed January 2009

Rob Wellington
Legal Counsel
Appointed August 1973

December 2013
Approved a Request for Proposals for a Countywide Study; expected to provide information to improve the waste management system for the betterment of all county jurisdictions.

Received staff report on biogas production and use of compressed natural gas (CNG) for fleet vehicles and then approved a feasibility analysis for development of a refuse and recycling truck parking yard, maintenance, CNG fueling station for fleet vehicles, and general office facility at the MRWMD site.

January 2014
Authorized a proposal and scope of work with HF&H Consultants, LLC, to assist in negotiating common franchise agreement issues, and modifications to meet member agencies’ unique conditions.

Adopted a Strategic Plan Policy Statement and directed staff to continue work on the development of the Strategic Plan Initiatives.

February 2014
Presented a Resolution “Supporting Students for Zero Waste Week” to students from Stevenson School.

Authorized a scope of work from JR Miller & Associates to proceed with Phase I of final plans and specifications in preparation for Materials Recovery Facility (MRF) Improvement Project ($175,000). This work will continue efforts to define the future facility and equipment needed to process the waste stream.

Received a report on an on-site Truck Parking, Fueling, and Maintenance Facility, and authorized a scope of work from JR Miller & Associates to prepare preliminary site plans for facilities ($43,000); authorized the District to act as Lead Agency for the environmental review of the facility; and approved a proposal from Denise Duffy & Associates, Inc. to conduct the environmental review for the proposed facility (not to exceed $45,841).

March 2014
Received a staff presentation on the development of the District’s Strategic Plan and then adopted the Strategic Plan’s Initiatives: the “Pillars of Sustainability” focused on People (employees), Finance, Environment, Community, and Innovation.

Adopted Resolution 2014-02 supporting development of opportunities to share services, promote economies of scale, and encourage regional solutions among local public agencies.

“It has been an honor and privilege to watch this District grow….into the ‘Best Solid Waste Management District in North America’”
- Director Bales
Our mission is to Turn Waste Into Resources in the most cost effective and environmentally sound manner to benefit the community.

April 2014
Approved purchase of a compressed natural gas (CNG) roll off truck for use in the MRF and site operations. This purchase is a step forward in District’s use of own biogas fuel and will reduce carbon emissions and fuel costs.

May 2014
Authorized posting of Financial Assurance ($24,000), with Pacific Gas & Electric Company, for Interconnection Facilities and Distribution Upgrade costs related to adding 3.2 megawatts (MW) of generation capacity to the existing 5 MW Landfill Gas to Renewable Energy Facility.

June 2014
Authorized an agreement with Caldwell Flores Winters, Inc. (CFW), of Emeryville, CA, for financial advisory services ($45,000). CFW will assist the District in obtaining funding for the proposed capital improvements to the Materials Recovery Facility and the construction of the Truck Yard and Maintenance Facility for the GreenWaste Recovery franchise garbage collection trucks.

Director Allion was re-elected as Chair; Director Oglesby was elected as Vice Chair of the Board for FY 2014/15.

July 2014
Authorized a Request for Proposals for the Sale of 8.2 megawatts of Renewable Power Generated from the LFG to Energy Facility; current LFG Power Sales Agreement will expire in February 2015.

Authorized a contract with CB&I Environmental & Infrastructure, Inc. for the installation of an expanded LFG collection system, to include 25 LFG vertical extraction wells ($998,735). The expansion allows for maximize recovery of LFG for generation of renewable power and CNG, and will assure compliance with state, federal, and local regulations.

Approved scopes of work with JR Miller & Associates for the development of the final design, and plans and specifications for the Truck Yard Facility ($736,520) and with Dave Edwards, Inc., for development of a RFQ for truck yard and CNG fueling station ($24,845); construction will be aligned with the commencement of the new GreenWaste Recovery franchise collection agreements in 2015.

August 2014
Selected Orrick Herrington & Sutcliffe to serve as the District’s Bond Counsel for anticipated Capital Projects Bond financing ($80,000). Raymond James Financial, Inc., was selected to serve as the Underwriter ($102,077).

Authorized the sole source purchase of a 1.965 megawatt Engine/Generator Set ($1,414,066) to replace two of the current four landfill gas engines using preferential competitive pricing from National Joint Powers Alliance.

September 2014
Following a Public Hearing, certified the Initial Study/CEQA Documentation and approved a negative declaration for both Truck Yard Facility Project and CNG fueling system projects.

Awarded CB&I Environmental & Infrastructure, Inc. the contract for necessary site work for installation of a new landfill gas (LFG) flare (not to exceed $636,400). New flare will provide improved system control in collecting and utilizing the LFG and in environmental protection.

Approved a contract with Dave Edwards, Inc. (DEI) to prepare a joint funded ($64,350) study between the Monterey Regional Water Pollution Control Agency and MRWMD to explore feasibility of combining Agencies’ biogas and landfill gas, and future processing of food scraps.

MRWMD Board Members are dedicated and committed to their service to the community and the mission of turning waste into a resource.

The following Directors were recognized with Service Awards in 2014:

45 Year Service Award
David Pendergrass (Sand City)

15 Year Service Award
Leo Laska (Pebble Beach Community Services District)

10 Year Service Award
Ian Oglesby (City of Seaside)
Jane Parker (County of Monterey)
Bruce Delgado (City of Marina)
The District has operated a Household Hazardous Waste collection facility at our Marina location since 1987. In an effort to make it even easier for local residents to purge household toxics from under the sink, the garage and garden shed, the District hosted a Household Hazardous Waste Collection Day at the Monterey Peninsula College. This was the first time since 2002 that the District had sponsored a special community collection event and the response exceeded expectations.

Between the hours of 9 a.m. – 2 a.m. on Saturday May 10th, 650 residents turned in more than 61,000 lbs. of hazardous materials. The actual cost to staff the event and properly manage the materials collected totaled $50,183. The education and outreach for the community collection was funded by a CalRecycle grant totaling $9,760. The District’s hazardous materials vendor, Philips Services provided the safe handling, transport, and disposal of materials collected.

Based on this success, another community collection event will be offered in May of 2015.

HHW Community Event Collection Summary

- 24,000 lbs. of paint
- 20,970 lbs. of electronic waste
- 4,150 lbs. of pesticides, herbicides and fertilizers
- 1,955 lbs. of household batteries
- 1,450 lbs. of reusable items
The origin of the Last Chance Mercantile goes back more than 60 years. As early as December 1953, the MRWMD Board of Directors approved a motion to “salvage” cardboard from incoming loads of refuse. Following this early policy to reduce waste and conserve landfill capacity, the District in 1971 allocated $5,000 for a study to “determine the feasibility of recycling or salvaging useful materials from solid waste.” Shortly thereafter, the District began to allow customers to donate items for salvage and employees were authorized to salvage at the landfill with recovered materials sold in a “flea market” type sale once per month. Over the years, the increasing flow of reusable goods along with the desire to keep them out of the landfill led to the development of a part-time resale operation.

In 1991, the District opened the Last Chance Mercantile, one of the first publicly owned and operated resale stores in the solid waste industry. In the nearly 25 years since, the Last Chance has become legendary among Peninsula residents for great deals, unusual treasures, and for promoting a strong reuse ethic in the community.

Public Outreach and School Education Programs

Promotion of waste diversion and resource conservation are two main goals of the District Public Outreach and School Education Programs. This year we provided a wide range of information, education and technical assistance to over 2,500 students (primary to university), community members, and industry professionals on the topic of organics diversion, compost and utilizing recycled content landscape products such as compost, woodchips, even cardboard for use in Sheet Mulching to replace lawns.

To help steer more food scraps to our Organics to Energy compost program, the District provides support to community organizations and schools through zero waste sponsorships, loaning out recycling and compost collection bins, and technical assistance. The importance of reducing, reusing and recycling is a component of all our education and outreach activities. The “3Rs” are also the foundation upon which we seek to turn “waste into resources.”

2014 MRWMD Public Education / Outreach

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>49 Tours (School &amp; Public)</td>
<td>1,327 visitors</td>
</tr>
<tr>
<td>56 Events &amp; Presentations (School &amp; Public)</td>
<td>4,582 people reached</td>
</tr>
<tr>
<td>8 Compost &amp; Greener Gardening Workshops</td>
<td>187 participants</td>
</tr>
</tbody>
</table>

27 Community Events Received Zero Waste Event Support
(Including recycling and food scrap diversion)

Adventist School Harvest Event, All Saints School Harvest Festival, AT&T Golf Tournament, Big Sur Half Marathon, Big Sur Marathon, Big Surreal Fundraiser, Big Sur Phoenix Benefit – for fire victims, Carmel Valley Kiwanis Fiesta, Carmel Valley Round Up, Chili Contest - Community Fundraiser, Concourse de Elegance, Earthbound Farm Fall Fun Days, Jazz Festival, Jewish Food Festival, Zero Waste Support, La Mesa Elementary Recycling Drive, Marina Earth Day Loc Paddon Park, Marina Labor Day Event, National Nite Out, Pebble Beach Community Luncheon, Mc Food Safety Conference, PorterYouth Center Military Children Celebration, CaliRoots Festival, Smart Garden Faire, Swana Zero Waste Conference, Washington Union School Fall Carnival, West End Celebration, Winemakers Celebration.
New Collection Services Provider Selected

Collection services for the participating jurisdictions of Carmel-by-the-Sea, Del Rey Oaks, Marina, Pacific Grove, Pebble Beach Community Services District, Seaside and Sand City have never been competitively bid, services between the jurisdictions were vastly different and their franchise agreements were out-of-date.

In anticipation of upcoming state mandated recycling goals, the District led an effort over the past few years to develop a model franchise agreement and Request for Proposals (RFP) to solicit competitive bids for new collection service contracts for solid waste, recycling and organics. The RFP was released in May 2013 and four qualified firms submitted proposals. The proposals were reviewed and evaluated, the firms made public presentations and the participating agencies were unanimous in selecting GreenWaste Recovery of San Jose.

GreenWaste’s proposal and new franchise agreements include state-of-the-art recycling services, a comprehensive public education, outreach and technical assistance program, a local customer call center, standardized reporting and a formulaic rate adjustment methodology approved by the jurisdictions that will bring predictability to customer rates.

With the selection of GreenWaste Recovery, the participating agencies believe they will receive the highest level of service at the most competitive cost while providing the greatest overall benefit to the participating agencies, residents and businesses. GreenWaste will transition into these jurisdictions as their current franchise agreements expire, beginning in April 2015 and concluding in August 2015.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>New Collection Contract Begins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sand City</td>
<td>April 1, 2015</td>
</tr>
<tr>
<td>Del Rey Oaks, Marina, Seaside</td>
<td>May 1, 2015</td>
</tr>
<tr>
<td>Pebble Beach Community Services District</td>
<td>July 1, 2015</td>
</tr>
<tr>
<td>Carmel-by-the-Sea</td>
<td>July 1, 2015</td>
</tr>
<tr>
<td>Pacific Grove</td>
<td>August 1, 2015</td>
</tr>
</tbody>
</table>

Collection Vehicle Truck Yard and CNG Fueling Station

The District is planning a major site improvement project to accommodate GreenWaste Recovery as they begin providing collection services on the Peninsula. The Truck Yard and CNG Fueling Station project will consist of an office/administration building, a vehicle maintenance building, truck parking, and CNG fueling station. Completion is slated for 2015.

Project Purpose and Goals

The purpose of this project is to provide an operations facility for the hauling company while minimizing collection vehicle traffic. This project will also provide a low carbon alternative to the use of diesel fuel in collection vehicles. Plans call for the existing Landfill Gas Power Generation Facility at the north side of the District’s site to provide the “biomethane” that will be converted to CNG to fuel collection vehicles. To make a long story short, local waste and recycling trucks will be running on CNG produced from methane gas harvested from the Monterey Peninsula Landfill.
### Summary of MRWMD Diversion for Member Agencies

<table>
<thead>
<tr>
<th>FY 13/14 Tons</th>
<th>Carmel</th>
<th>Del Rey Oaks</th>
<th>Marina</th>
<th>Monterey County</th>
<th>Monterey</th>
<th>Pacific Grove</th>
<th>Pebble Beach</th>
<th>Sand City</th>
<th>Seaside</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Material Received</td>
<td>10,208</td>
<td>1,660</td>
<td>19,268</td>
<td>10,4910</td>
<td>44,244</td>
<td>15,817</td>
<td>15,497</td>
<td>2,409</td>
<td>28,984</td>
</tr>
<tr>
<td>Material Recycled</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asphalt / Concrete</td>
<td>965</td>
<td>45</td>
<td>1,580</td>
<td>7,802</td>
<td>5,250</td>
<td>1,456</td>
<td>2,170</td>
<td>119</td>
<td>1,821</td>
</tr>
<tr>
<td>Green Waste</td>
<td>2,531</td>
<td>254</td>
<td>1,998</td>
<td>13,007</td>
<td>4,156</td>
<td>2,701</td>
<td>4,310</td>
<td>170</td>
<td>2,023</td>
</tr>
<tr>
<td>MRF Diversion</td>
<td>1,645</td>
<td>197</td>
<td>2,904</td>
<td>19,643</td>
<td>4,681</td>
<td>2,329</td>
<td>2,943</td>
<td>545</td>
<td>3,191</td>
</tr>
<tr>
<td>Food Scraps</td>
<td>28</td>
<td>22</td>
<td>67</td>
<td>465</td>
<td>155</td>
<td>236</td>
<td>80</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Total Tons Recycled</td>
<td>5,168</td>
<td>519</td>
<td>6,482</td>
<td>40,518</td>
<td>14,551</td>
<td>6,642</td>
<td>9,659</td>
<td>914</td>
<td>7,063</td>
</tr>
<tr>
<td></td>
<td>51%</td>
<td>31%</td>
<td>34%</td>
<td>39%</td>
<td>33%</td>
<td>42%</td>
<td>62%</td>
<td>38%</td>
<td>24%</td>
</tr>
<tr>
<td>Total Tons Landfilled</td>
<td>5,040</td>
<td>1,141</td>
<td>12,785</td>
<td>64,391</td>
<td>29,693</td>
<td>9,175</td>
<td>5,838</td>
<td>1,494</td>
<td>21,920</td>
</tr>
<tr>
<td></td>
<td>49%</td>
<td>69%</td>
<td>66%</td>
<td>61%</td>
<td>67%</td>
<td>58%</td>
<td>38%</td>
<td>62%</td>
<td>76%</td>
</tr>
</tbody>
</table>

The table above does not include tons from curbside and commercial recycling programs. This “source separated” material is processed at the Materials Recovery Facilities operated by Waste Management Inc., and Monterey City Disposal Service.

### 2014 Program Awards

In 2014 MRWMD has been the recipient of prestigious regional, state, and national awards for innovation and leadership within the waste industry, including organics diversion, resource recovery, and energy generation.

**Breathe California Central Coast**

**2014 Clean Air Award, Technology Category, May 2014**

This award recognized the technological innovation of the SmartFerm Anaerobic Digestion (AD) compost pilot project and in particular the proven ability of this technology to divert food scrap organics from landfill disposal thereby reducing fugitive landfill emissions.

**California Resource Recovery Association**

**Dave Hardy Leadership in Organics Award, August 2014**

This award recognized “moving the industry forward” with the development and successful operation of the SmartFerm AD system.

**Solid Waste Association of North America**

**Gold Excellence Award in Composting, August 2014**

This award recognized that the innovative SmartFerm AD project at the MRWMD as the first of its kind to be operational in California.

**California Special District Association**

**Innovative Program of the Year Award for a Large District, October 2014**

This award recognized the successful implementation of the Anaerobic Digestion technology and the innovative approach taken to work cooperatively with the business stakeholders in raising awareness about the “Organics to Energy” program.

**Special District Leadership Foundation**

**District Transparency Certificate of Excellence Recipient, September 2014**

This Certificate of Excellence recognizes the Districts outstanding efforts to promote transparency and good governance.

**Solid Waste Association of North America, California Gold Rush Chapter**

**Outstanding Public Agency Award 2013-2014, October 2014 & Tim Flanagan, Municipal Member of the Year 2013-2014, October 2014**

Awarded for outstanding service and dedication to the solid waste industry.
The District Materials Recovery Facility (MRF) has been a key piece of our community recycling infrastructure since 1996. It was designed and built in response to AB939, the California law that requires cities and counties to reduce waste by 50%. Since opening, the MRF has diverted more than 50% of the construction and demolition (C&D) and other waste delivered to the facility. As a result, the landfill has been spared more than 1.5 million tons of disposal thanks to the reuse and recycling capacity the MRF has provided.

Eighteen years later, with new regulatory requirements and societal changes that would not have been imagined in 1992, the improved MRF will be positioned to serve the community in "turning waste into resources" for the next 20 years.

The MRF Improvement Project includes the following components:

- Replacement of the existing C&D sort line with improved equipment.
- New commercial waste processing line to remove any remaining recyclable materials and organics not separated at the source.
- Single stream recycling capacity to allow processing of the higher value source separated recycled materials collected from residences and businesses.

The goal of these improvements is to accomplish the following objectives:

- Boost community diversion and achieve the State and District 75% Goal.
- Ensure regulatory compliance with AB341, AB32, CalGreen Building Code, AB1826, and other laws.
- Position the District to serve the community for the next 15-20 Years.

The District is anticipating a bond financing of approximately $34 million to provide funds for three capital projects.

**Materials Recovery Facility Improvement Project (MRF Project)** - Estimated cost $21 million. The MRF Project is designed to (1) update aging infrastructure for processing construction and demolition material; (2) install new capacity to process commercial mixed waste and single-stream (blue bin) recyclables; and (3) meet State mandates and goals for recycling with an overall "MRF first" approach to processing and for moving "organics out of landfills."

**Franchise Hauler Truck Parking and Maintenance Facility (Parking Facility)** - Estimated cost $9 million. This facility is designed to provide a location to service and park the franchise collection trucks at the end of each service day under the new franchise agreements beginning in April 2015.

**Compressed Natural Gas Fueling Station (Fueling Station)** - Estimated cost $4 million. The Fueling Station is an integral part of the new franchise agreements and the new Parking and Maintenance Facility. The use of CNG produced from landfill gas will significantly reduce the carbon footprint of collection vehicles picking up refuse, recycling and organics.
## Income

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>FY 2011-12</th>
<th>FY 2012-13</th>
<th>FY 2013-14</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disposal Fees</td>
<td>$14,323,000</td>
<td>$16,145,000</td>
<td>$17,161,000</td>
<td>$17,100,000</td>
</tr>
<tr>
<td>Material Sales</td>
<td>$2,006,000</td>
<td>$1,909,000</td>
<td>$2,059,000</td>
<td>$1,810,000</td>
</tr>
<tr>
<td>Landfill Gas Power</td>
<td>$2,789,000</td>
<td>$2,377,000</td>
<td>$2,505,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Other Revenue A</td>
<td>$363,000</td>
<td>$405,000</td>
<td>$323,000</td>
<td>$325,000</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$19,481,000</strong></td>
<td><strong>$20,836,000</strong></td>
<td><strong>$22,048,000</strong></td>
<td><strong>$21,235,000</strong></td>
</tr>
</tbody>
</table>

A Income from investment earnings, rents/leases, operational services, HHW fees, and finance charges.

## Expenditures

<table>
<thead>
<tr>
<th>Use of Funds</th>
<th>FY 2011-12</th>
<th>FY 2012-13</th>
<th>FY 2013-14</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses B</td>
<td>$16,706,000</td>
<td>$16,158,000</td>
<td>$16,290,000</td>
<td>$16,649,000</td>
</tr>
<tr>
<td>Acquisition of Fixed Assets</td>
<td>$2,078,000</td>
<td>$4,480,000</td>
<td>$2,293,000</td>
<td>$7,306,000</td>
</tr>
<tr>
<td>Debt Reduction (Principal)</td>
<td>$1,783,000</td>
<td>$1,373,000</td>
<td>$228,000</td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$20,567,000</strong></td>
<td><strong>$22,011,000</strong></td>
<td><strong>$18,811,000</strong></td>
<td><strong>$24,205,000</strong></td>
</tr>
</tbody>
</table>

B Non-cash expenses such as amortization/depreciation and closure/post-closure expenses are not included.

C The Acquisition of Fixed Assets contains the design and construction of the Landfill Gas Enclosed Ground Flare and Blower ($1.5 million), replacement of Landfill Dozer ($1.0 million), Electric Engine/Generator ($1.5 million) and the addition of Landfill Gas Collection Wells ($0.8 million).

D The 1998 Revenue Bonds were paid off during FY 2012-2013.

E FY 2014-2015, the District budgeted using Cash Reserves.

## Cash Reserve

As of June 30, 2014 the District has reserves of more than $10,733,000 in order to pre-fund major capital improvements, to sustain current tipping fees, and to meet state requirements for landfills. Reserves include: Environmental Impairment Fund, Closure/Post-Closure Fund, Rate Stabilization Fund, and an Undesignated Reserve Fund.

<table>
<thead>
<tr>
<th>Cash Reserve</th>
<th>June 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash and Cash Equivalents</td>
<td>$10,733,000</td>
</tr>
<tr>
<td>Restricted Cash and Cash Equivalents</td>
<td></td>
</tr>
<tr>
<td>Landfill Closure and Post Closure Care Costs</td>
<td>$(1,140,000)</td>
</tr>
<tr>
<td>Environmental Impairment Fund</td>
<td>$(1,000,000)</td>
</tr>
<tr>
<td></td>
<td>$(2,140,000)</td>
</tr>
<tr>
<td><strong>Total Unrestricted Cash and Cash Equivalents</strong></td>
<td><strong>$8,593,000</strong></td>
</tr>
<tr>
<td>Budget Designation of Unrestricted Cash, 20% Cash Operating Expense Reserve</td>
<td>$(3,258,000)</td>
</tr>
</tbody>
</table>

Unrestricted cash reserves are maintained to pre-fund major capital improvements as noted in Footnote C above and tipping fee rates. $5,335,000
Service Area

The District covers a total of 853 square miles. District jurisdictional boundaries include the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, Seaside, and the unincorporated areas of Big Sur, Carmel Highlands, Carmel Valley, Castroville, Corral De Tierra, Laguna Seca, Moss Landing, Pebble Beach, San Benancio, and Toro Park. The population currently served is approximately 170,000.

Mission Statement

Our mission is to Turn Waste Into Resources in the most cost effective and environmentally sound manner to benefit the community.

Monterey Regional Waste Management District

14201 Del Monte Blvd., Marina, CA 93933
831-384-5313 (tel)
831-384-3567 (fax)
www.mrwmd.org
www.keepmontereycountyclean.org

Monterey Regional Waste Management District saved the following resources by using 721 pounds of Reincarnation Silk 100, made with 100% recycled fiber and 100% post-consumer waste, designated Ancient Forest Friendly and manufactured with electricity that is offset with Green-e certified renewable energy certificates: 7 fully grown trees, 3370 gallons of water, 3 Million BTUs of energy, 226 pounds of solid waste, and 621 pounds of greenhouse gases. Calculations based on research by Environmental Defense Fund and other members of the PaperTask Force. www.newleafpaper.com