DATE:       June 8, 2018
TO:        Board of Directors
FROM:   Finance Committee Chair
SUBJECT: Summary of Finance Committee Meeting of June 6, 2018

The Finance Committee met on June 6th at 9:00 a.m., at the District administrative offices. Committee members in attendance were Directors Bales, Delgado and Laska. Staff members in attendance were Tim Flanagan, Peter Skinner, Guy Petrabor, Tim Brownell, Garth Gregson, Rosa Marcelo, and Becky Aguilar. District Legal Counsel Rob Wellington was also in attendance. The purpose of the meeting was to review the proposed final budget for the 2018/19 fiscal year, receive information about the request from Monterey County for assistance with illegal dumping, and receive General Manager comments.

1. **Review of the Proposed Final Budget for Fiscal 2018-19.** Peter Skinner gave a presentation on the final operating budget for the 2018/19 fiscal year. The presentation included discussion about the select Tip Fee rate increase proposal. The Committee commented and asked questions about the rate increase proposal and the impact of the rate increase on residential and commercial customers and the impact of the rate increase for each community.

   There was a discussion about the financing options for the District. Staff presented information regarding financing options that have been reviewed at prior Committee meetings. Staff described the benefits to the District of issuing bonds and reviewed the capital projects for which bond funds would be used. The Committee commented and asked questions about the impact of deferring capital spending and the impact on future repair and maintenance costs. The Committee also commented that staff should provide more information on other financing alternatives to issuing debt. After general discussion, the committee recommended with unanimous consent the approval of the final operating budget for the 2018/19 fiscal year.

2. **Monterey County Illegal Dumping Assistance.** Staff presented information about the County of Monterey request to both the District and SVSWA to provide financial assistance to address illegal dumping that has been occurring in the County. The Committee commented and after some discussion, recommended the District agree to provide some financial assistance for one year.

3. **General Manager Comments.** General Manager reported that there have been several challenges with processing at the MRF because of national and global recycling markets. Staff is working with the haulers and the cities through the District’s Technical Advisory Committee to develop strategies for educating the community on the acceptance changes of recycling materials. Staff also reported that the District will be conducting waste composition reviews of the material being delivered to the District by the franchise members and out of district communities in an effort, in part, to improve the quality of the recycling stream. The District will be requesting the members and communities cover the cost of completing these reviews.

4. **Next Meeting Date:** Wednesday, July 11, 2018 at 9:00 a.m.

   [Signature]
   Dennis Allion