

# MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

## 2015 REVENUE BOND

### EXECUTIVE SUMMARY

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#### **A. Background of the District**

The Monterey Regional Waste Management District (District) diverts or disposes of solid waste generated in the Monterey Peninsula area which covers approximately 853 square miles with a population of approximately 149,000 including the communities of Carmel-by-the Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, Seaside, the Pebble Beach Community Services District and a portion of the unincorporated County area (Member Agencies). The District's role includes:

- Recovery of recyclable materials in the waste stream (cardboard, newspaper, glass, wood waste, plastic, metals, concrete, asphalt, reusable building materials and resale items);
- Composting of green waste and food waste;
- Receipt of non-hazardous liquid wastes;
- Acceptance of household hazardous waste; and,
- Disposal of municipal solid waste.

In 2013, several of the District's Member Agencies (Carmel-by-the Sea, Del Rey Oaks, Marina, Pacific Grove, Sand City, Seaside, and the Pebble Beach Community Services District) decided to "re-bid" their collection service franchises using a uniform process to select a single company to provide these services. GreenWaste Recovery, Inc. (GWR) was selected to provide collection services to these Member Agencies. GWR requires a parking and maintenance facility for its fleet of collection vehicles and the site owned by the District offers a cost effective and environmentally beneficial location for this facility. The franchise agreement requires GWR to deliver materials collected within the Member Agencies' service areas to the District's new MRF facility that will replace the current outdated process line with more efficient equipment designed to increase recovery to 70% or more of this waste.

The City of Monterey and the County of Monterey did not participate in the rebid of their collection contracts, because their existing contracts terms had not expired. As part of the Monterey Regional Waste Management Joint Powers Authority, they have committed to have their collection franchisees deliver the solid waste collected for disposal from their service areas to the Monterey Peninsula Landfill (MPL) owned by the District.

## **B. Description of the Authority**

The Monterey Regional Waste Management Authority (Authority) was formed for the sole purpose of facilitating the financing of capital improvements for the District pursuant to the provisions of the Joint Powers Agreement, dated April 1, 1993, by and between the cities of Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, and Seaside. In 1996, the Pebble Beach Community Services District became a member of the Authority. In 2015, the County of Monterey became a member of the Authority.

The Authority is a separate legal entity from the District and its policies are determined by an eight-member Board, the composition of which is the same as that of the District.

## **C. Description of the Projects**

The District and the Authority is seeking to finance approximately \$30 million for two major projects (“Projects”):

1. **The Materials Recovery Facility (MRF) Improvement Project (the “MRF Project”)** – At an estimated cost of \$19 million, the MRF Project is designed to (1) update aging infrastructure for processing, construction and demolition of waste delivered by self-haul customers; (2) install new capacity to process commercial mixed waste and single-stream recyclables collected by the franchised hauler; and, (3) meet State mandates and goals for recycling with an overall “MRF first” approach to processing and for moving “organics out of landfills.”
2. **The Franchise Hauler Truck Parking and Maintenance Facility (the “Parking Facility”)** – At an estimated cost of \$11 million, the Parking 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.

These Projects will be within the District campus located at 14201 Del Monte Boulevard in Marina, CA.

## **D. Description of the 2015 Bonds**

The \$30 Million will be financed through the issuance of the Authority’s 2015 Revenue Bonds (2015 Bonds). The 2015 Bonds will be issued as fixed rate bonds with a term not to exceed 25 years. The 2015 Bonds are expected to be rated AA- by Standard and Poor’s.