



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
January 31, 2005

1. CALL TO ORDER

The Regular Meeting of the Board of Directors of the Monterey Regional Water Pollution Control Agency was Called to Order by Chair Pendergrass at 7:00 p.m. on Monday, January 31, 2005, in the Board Room at 5 Harris Court, Bldg. D, Monterey, California.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

BOARD MEMBERS PRESENT:

David Pendergrass, Chair	Sand City
Joe Russell	Del Rey Oaks
Darryl Choates	Seaside
Ramiro Cortez	Boronda County Sanitation District
Carlo Cortopassi	Castroville Service Area 14
Charles Scholl	Marina Coast Water District
Jeff Haferman	Monterey
Butch Lindley	County of Monterey
Peggy Shirrel	Moss Landing County Sanitation District
Dan Cort	Pacific Grove
Dewey J. Baird	U.S. Army - Ex-Officio

BOARD MEMBERS ABSENT:

Gloria De La Rosa	Salinas
-------------------	---------

STAFF PRESENT:

Keith Israel	General Manager
Robert Wellington	Legal Counsel
Jim Heitzman	Assistant General Manager
Tom Buell	Director of Finance
Robert Jaques	Director of Engineering Planning and Technology
Dan Mizerski	Director of Wastewater Facilities
John Tiernan	Director of Administrative Services
Betty Nebb	Executive Assistant
Ed Oyama	Lead Engineer
Karen Harris	Community Relations
Karl Klein	Source Control Inspector

OTHERS PRESENT: Les Turnbeaugh – City of Monterey
Tim O’Halloran – Seaside County Sanitation District

AUDIENCE: 2

4. INTRODUCTION OF NEW BOARD MEMBERS

Chair Pendergrass introduced and welcomed the new members to the Board: Joe Russell, Mayor, representing Del Rey Oaks; Jeff Haferman, Councilman, representing City of Monterey; and Dan Cort, Councilman, representing City of Pacific Grove.

5. PUBLIC COMMENTS

[At 7:03 p.m., with no comments received, Chair Pendergrass opened and closed Public Comments.]

6. PUBLIC HEARING

A. Lien Hearing for Delinquent Sewer Capacity Charges

Tom Buell presented MRWPCA Resolution No. 2005-01, Declaring Liens Against Real Property for Delinquent Sewer Capacity Charges and explained that MRWPCA collects delinquent fees through the lien process instead of using a collection agency. The property owners have been properly notified by mail and when the resolution is passed, the liens will be placed and paid when the property changes ownership.

Ms. Shirrel asked why there are only four properties delinquent. Mr. Buell clarified that these represent capacity fees charged with new building permits. When delinquent user fees are filed in June/July, there will likely be many more.

Chair Pendergrass opened the floor to the public for any questions/discussion. No comments were received.

ACTION TAKEN: On a motion by Mr. Choates, seconded by Mr. Russell, the Board unanimously approved MRWPCA Resolution No. 2005-01, Declaring Liens Against Real Property for Delinquent Sewer Capacity Charges.

7. CONSENT AGENDA

Referring to Item J of the Consent Agenda, Legal Counsel commented that included in the attachments there is a timely protest received ten days ago from DMC Construction and the legal response is set forth on Page 83 and 84 denying the basis for that protest. On Friday, a second bid protest was received from the number four bidder, Blocka Construction, also raising an issue about the listing of the subcontractors. Legal Counsel has reviewed that bid protest, similar to the DMC protest, and find that pursuant to the public contracting law, it is not a valid protest and therefore the legal recommendation is that the protest be denied. By the Board’s approval of the consent agenda, this second bid protest will also be denied

Minutes

MRWPCA - Regular Meeting

January 31, 2005

Page 3

and the low bid from Anderson Pacific will be accepted for the Construction Contract for the Generator Replacement Project.

Mr. Haferman announced that regarding approval of the minutes from the November 29, 2004 Board Meeting, he would abstain from that vote because he did not join the Board until January 2005. Mr. Russell and Mr. Cort confirmed that they should also abstain from the vote on Item A of the Consent Agenda for the same reason.

ACTION TAKEN: On a motion by Mr. Choates, seconded by Mr. Cortopassi, the Board unanimously approved the Consent Agenda, Items A through N as follows:

- A. Approve Minutes - Regular Meeting – Regular Meeting, November 29, 2004**
- B. Receive Financial Statements, August, September and October 2004**
- C. Receive Comparison Percentage of Budget Expended Through December 2004 vs. 2003**
- D. Receive Check Register – December 2004**
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Fort Ord and Marina – November-December 2004**
- F. Receive Actual vs. Budgeted Fiscal Year 2004/05 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund**
- G. Receive Actual vs. Anticipated Fiscal Year 2004/05 Revenues from Capacity Charges**
- H. Receive Residential Dwelling-Unit Aggregate as of December 31, 2005**
- I. Approve Chlorine Bid**
- J. Approve Award of Construction Contract for Generator Replacement Project**
- K. Approve Agreement for Engineering Services during Generator Contract**
- L. Approve Outfall Pipe Inspection Manhole Project/Contract**
- M. Approve Purchase of Sludge Retention Time Control System**
- N. Establish Nomination Committee for Election of Board Officers for 2005**

8. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. BUDGET/PERSONNEL COMMITTEE

ACTION TAKEN: On a motion by Mr. Lindley, seconded by Mrs. Shirrel, the Board unanimously approved the Budget/Personnel Committee minutes for Monday, January 24, 2005, which included the following recommendations:

- That the Board approve staff recommendation to canvas employees and assess interest in the PERS two-year service credit program.

Minutes

MRWPCA - Regular Meeting

January 31, 2005

Page 4

B. RECYCLED WATER STORAGE COMMITTEE

Mr. Israel called attention to additional information that was handed out to the members to clarify the Phase I Commercial Salt Reduction Program.

ACTION TAKEN: On a motion by Mrs. Shirrel, seconded by Mr. Lindley, the Board unanimously approved the Recycled Water Storage Committee minutes for Monday, January 24, 2005, which included the following recommendations:

- That the Board approve staff recommendation to proceed by developing estimated costs and a preliminary schedule for the Proposed Next Steps regarding the Groundwater Recharge Project.
- That the Board approve staff to proceed with the Phase I Commercial Salt Reduction Plan.

9. INFORMATIONAL ITEMS

A. Fort Ord Issues Status Summary

No questions or comments.

B. Reclamation Project Status Summary

No questions or comments.

C. Strategic Planning Goals (2002-2005) and One-Year Objectives (April 2004 through 2005) Update

No questions or comments.

D. Strategic Planning Retreat Proposed for April 22, 2005

No questions or comments.

10. CORRESPONDENCE

A. Letter from Governor Schwarzenegger to confirm Russell Jeffries' appointment to Water Quality Control Board, Central Coastal Region.

Chair Pendergrass reported that Mr. Jeffries was very pleased about being reappointed to the Water Quality Board. Mrs. Shirrel stated that Mr. Jeffries has been appointed by two governors of both political parties and he is a very good representative for our area.

11. STAFF REPORTS

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Israel announced that the Strategic Planning Workshop for Board Members will be on Friday, April 22, 2005. It is scheduled as a half-day workshop, 8:30 a.m. until Noon. Mr. Lindley stated that it is an excellent opportunity for Board members to get insight regarding upcoming projects and plans with an opportunity to exchange ideas with other Board members and staff. He especially encourages the new members to attend. More information regarding the location will be given at the February Board meeting.

Regarding the new Board members, Mr. Israel announced that he was able to give an orientation to each and that so far Mr. Cort was able to participate in a tour of the RTP. Tours for Mr. Haferman and Mr. Russell are scheduled in the near future. Additionally Mr. Israel would like to schedule a time to discuss the agenda and format of the upcoming Strategic Planning Workshop with each of the new Board Members.

Mr. Pendergrass also encouraged participation for all Board Members in the Strategic Planning Workshop as an opportunity to set new goals and to continue to develop the cooperative nature we have enjoyed on this Board.

Mr. Heitzman announced that a new Board of Directors' Manual was being prepared and would be given to each Board Member possibly as soon as the February meeting.

Mr. Heitzman also announced that Karl Klein and Dan Mizerski are now officers of the Monterey Bay Section of the California Water Environment Association. Karl Klein is Vice President and Dan Mizerski is Director. MRWPCA membership now comprises 40% of the local section of the CWEA.

B. Department Head(s)

No questions or comments.

C. Update on Orange County Recycled Water Recharge Trip

Chair Pendergrass introduced the topic and explained how helpful the trip had been to more fully understand the opportunities that are available for the production and use of "purified" water. Three Board members saw Water Factory 21, a project that was begun 25 years ago that has been injecting "purified" water into the aquifer for 25 years. As reliance on the Colorado River has been reduced and the population increased, their system has expanded. On the tour the group saw the beginning of an expanded project partially funded by grants. Chair Pendergrass expressed the desire to offer an opportunity for members from other agencies as well as County Supervisors to participate in a return visit to the area, perhaps later this spring. Supervisor Jerry Smith already has expressed interest in participating in the trip.

Mr. Israel then presented a recap of the Orange County trip. The purpose of the tour was to see recycled water in the recharge application. MRWPCA is one of the best examples of agricultural irrigation with recycled water. On the trip, MRWPCA was represented by our Board Chair and two Board members (Canepa and Shirrel), General Manager and Director of EPT; MPWMD, two Board members (Pendergrass and Lehman) and General

Minutes
MRWPCA - Regular Meeting
January 31, 2005
Page 6

Manger (Berger); California Department of Health Services, Betsy Lichti of the Monterey office and Cheryl Sandovahl from Monterey County Environmental Health Department.

The group visited three facilities:

- 1) West Basin Recycled Water facility (wholesaler of water) known for designer water – they produce five qualities of water.
- 2) Orange County Water District facility. Water Factory 21 is world renown; constructed in 1975 with 150,000 AF of water produced per year that meets all drinking water standards. (MRWPCA produces about 13,000 AF per year.) With improvements in membranes, the new groundwater replenishment 80 mgd system (when it is completed) will basically be over 5 times as large as the original facility. Water quality will be even better than Water Factory 21, which had been used for all these years for ground water injection and various other purposes.
- 3) Whittier Narrows recharge area is a facility that has spreading basins, rather than pumped injection, for recharge. It was Interesting also to see the inflatable rubber dam project there and learned how expensive they are to repair.

Mr. Israel explained the main three processes that we might construct here for cleaning/purifying water: micro filtration, reverse osmosis (brine disposal via existing ocean outfall), disinfection (ultraviolet light destroys organic material and pathogens) with hydrogen peroxide for enhanced process effectiveness.

Mr. Lindley commented that through experience he has learned that hydrogen peroxide is a fairly benign, safe additive whereas chlorine has byproducts that hydrogen peroxide does not.

The staff efforts from all the agencies visited in Orange County were very impressive as they provided professional speakers and excellent tours. It was evident that they viewed their “outreach program” as a very critical part of a groundwater recharge program. MRWPCA learned how important education is with our agriculture project; however this would be a level beyond that.

Mr. Mills, one of the founding members of the WaterReuse Association formed back in 1990, helped to make arrangements for the tour. Mr. Mills is the former General Manager of the Orange County Water District and was a perfect choice to assist us in learning more about the ground water recharge system.

Mr. Israel indicated that a MRWPCA Recharge Project would have the

Minutes
MRWPCA - Regular Meeting
January 31, 2005
Page 7

following components: treatment facilities (could possibly be located at the RTP), distribution pipeline (includes pump station(s) and pipeline), and recharge area (percolate through soil with several good locations at Fort Ord, or injection wells). The Ground Water Recharge Project would operate in the winter months, would bring approximately 4,000 AFY, would cost about \$1,000 to \$1,100 per AF; and would be compatible with the Joint Urban Recycled Water Project with MCWD.

Staff will present a proposal next month to the Recycled Water Storage Committee and the Board with a plan for gathering information on monitoring wells and to evaluate the area in more detail. Staff also plans to talk with other regulatory agencies and proposes that additional MRWPCA Board members, members from other Boards as well as other staff be encouraged to travel to Orange County to see what's going on there.

Mr. Coates asked if MRWPCA's current flow will allow us to do this compared to Orange County. Mr. Israel confirmed that MRWPCA could and in the winter time from November through end of February this wasted resource is currently going out to the Bay. This project would be a great opportunity to use some of that water.

Mr. Choates continued by suggesting that staff contact the consulting firm that is currently working on the Fort Ord properties. Mr. Russell asked for clarification about how long it takes for the water to get down to the aquifer once it is injected. Staff replied that further studies would be needed to determine this.

Mr. Lindley cautioned that this project might be construed to be a competing project with the proposed desalination plant. Since the price per acre foot is considerably cheaper for this project, we need to do some outreach in public relations as far as education because there is always a need for good quality water.

Mr. Israel stated this project is completely compatible with desalination plans. We need to be looking to total water solutions and the Ground Water Recharge Project is a viable option to consider. While desal may be the largest project; there are other options that will make sense, too.

Mr. Choates stated that the urban reclamation project seems to hold promise because it is being used now. Chair Pendergrass continued by stating there are many options for increasing water supply that need to be considered for our region. It relates to costs and acceptability and MRWPCA is ahead of the curve as far as considering reasonable alternatives.

Mr. Russell continued by pointing out another selling point for this is that

Minutes
MRWPCA - Regular Meeting
January 31, 2005
Page 8

MRWPCA is looking a near-term rather than long-term solution. There are a lot of projects out there that need water right away and as soon as we can implement the project the better.

Mr. Choates questioned the possibility of putting lines in while the construction of the roads in the area was being planned rather than afterwards. Staff will look at this when the project gets to the planning stage.

Mr. Cort asked about the potability of the water with the understanding that the aquifer has the highest level of quality water. Mr. Israel clarified that the purified water will already be at that level when it is put on the ground. The water is of drinking water quality before it goes in; but the public perception will require MRWPCA to be involved with a lot of public education and public outreach. The process will be the same as when we worked with the growers for the agricultural project. Most growers prefer our water over their own ground water because the testing and quality control is much better than even the natural ground water. We have a strong track record and can build on that.

Mr. Russell stated that the element of outreach and education of the public is very important and suggested that the General Manager might want to get out to the city councils at an early time and inform them about this project. Del Rey Oaks would certainly welcome such a visit whenever it could be arranged. Perhaps even meeting with perspective developers could prove helpful.

Mrs. Shirrel commented that any time we inject into the aquifer there are so many regulations that there is no way MRWPCA can inject anything other than purest, high quality water. In May there will be a conference coordinated by AMBAG similar to the one last year which was on desalination that will provide information covering the different options being considered regarding water on the Peninsula i.e. desalination, injection, Salinas Valley water project and anything else that appears between now and then.

Chair Pendergrass indicated that MPWMD and MRWPCA have already been working closely together informally sharing information regarding the aquifer. Since Board members from MPWMD also made the trip to Orange County, that agency shares enthusiasm to investigate options for this project further.

Chair Pendergrass continued by saying that the water in the Seaside aquifer is highly sulfuric, so it goes into the Peralta well in upper Seaside to be purified. What MRWPCA puts into the aquifer will be highly purified.

Even the Salinas river water has to be treated before it is injected into the aquifer.

12. BOARD MEMBER COMMENTS

Chair Pendergrass announced that in November the Board had their Holiday Dinner and although Mr. Lindley was not able to attend he provided refreshments for the dinner. In appreciation of his generous contribution, Chair Pendergrass presented Mr. Lindley with box of chocolates and thanks from the Board.

Ms. Shirrel thanked Betty for the binders for the agenda packets. She also wanted to remind the members of the WaterReuse Conference at the end of February in San Diego as it is very informative. And, California Special Districts Association has a Governance Academy which has four different components beneficial to Board Member. The Association provides excellent information on Special Districts which is different than city and county associations.

Chair Pendergrass referenced the letter from Mr. Lindley, Chair of the Nominating Committee. If a member is interested in the Chair or Vice Chair position on the Board of Directors, contact Mr. Lindley. Mrs. Shirrel and Mr. Cortez are serving as committee members. At next month's meeting, nominations for those positions will be presented to the Board by the committee.

Chair Pendergrass also described the Committee Preference sheet that was included in the materials for each member to review select those committees they would like to serve on and mail the information by February 11th.

13. ADJOURNMENT

With no further business, Chair Pendergrass adjourned the meeting at 8:25 p.m. to the next Regularly Scheduled Board Meeting in the Board Room at 5 Harris Court, Building D, on Monday, February 28, 2005, at 7:00 p.m.

Keith E. Israel
General Manager/Secretary to the Board

David Pendergrass
Chair of the Board of Directors