



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
February 27, 2006

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 Vice Chair Cortopassi at 7:00 p.m., on Monday, February 27, 2006, in the Board Room at 5 Harris Court, Bldg. D, Monterey, California.

2. PLEDGE OF ALLEGIANCE

Following the Pledge of Allegiance, Vice Chair Cortopassi introduced Mary Ann Carbone (Alternate from Sand City) seated in the absence of Chair David Pendergrass.

3. ROLL CALL

BOARD MEMBERS PRESENT:

Carlo Cortopassi, Vice Chair	Castroville Service Area 14
Ramiro Cortez	Boronda County Sanitation District
Mayor Joe Russell	Del Rey Oaks
Director Kenneth Nishi	Marina Coast Water District
Councilmember Jeff Haferman	Monterey
Supervisor W. B. "Butch" Lindley	Monterey County
Peggy Shirrel	Moss Landing County Sanitation District
Councilmember Dan Cort	Pacific Grove
Councilmember Gloria De La Rosa	Salinas
Vice Mayor Mary Ann Carbone	Sand City (Alternate)
Councilmember Darryl Choates	Seaside

BOARD MEMBERS ABSENT:

Dave Pendergrass, Chair	Sand City
Dewey J. Baird, Chief Utilities Branch	U.S. Army – Ex-Officio

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STAFF PRESENT:

Keith Israel	General Manager
Jim Heitzman	Assistant General Manager
Rob Wellington	Legal Counsel
John Tiernan	Director of Administrative Services
Tom Buell	Director of Finance
Ed Oyama	Lead Engineer
Kelly Cadiente	Accounting Supervisor
Betty Nebb	Executive Assistant
Lonnie Fredrickson	Administrative Support Specialist II

OTHERS PRESENT:

Les Turnbeaugh – City of Monterey
Bjorn Lundegard – City of Seaside
Marc Lucca – Marina Coast Water District
Teri Wissler Adam – EMC Planning Group

AUDIENCE: 2

4. PUBLIC COMMENTS

[At 7:04 p.m., with no comments received, Vice Chair Cortopassi opened and closed Public Comments.]

5. ELECTION OF BOARD OFFICERS FOR 2006

A. Receive and Approve Committee Minutes/Report

Vice Chair Cortopassi introduced Mrs. Shirrel, Chair of the Nomination Committee, and called for comments regarding the Committee Minutes. Mrs. Shirrel advised the Committee nominated Peggy Shirrel for Board Chair and Joe Russell for Vice Chair.

Some discussion followed with Mr. Nishi asking which members indicated interest in the positions. Mrs. Shirrel stated that the members from Seaside and Moss Landing marked interest on the Committee Preference Survey Form for the Chair or Vice Chair position and members from Del Rey Oaks and Pacific Grove marked interest for the Vice Chair position.

ACTION TAKEN: On a motion by Mrs. Shirrel, seconded by Ms. De La Rosa, the Board unanimously approved the Nomination Committee Minutes/Report for February 21, 2006.

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B. Nomination of Chair and Vice Chair for 2006

Vice Chair Cortopassi confirmed Committee nomination of Mrs. Shirrel of Moss Landing for Chair. He opened the floor for additional nominations and Mr. Nishi nominated Mr. Choates of Seaside. Each candidate was given an opportunity to address the members regarding their qualifications and desire to serve.

During discussion, Mr. Nishi remarked that the nomination process needs to offer equal opportunity for members to serve as Chair/Vice Chair as well as the opportunity to be appointed to the Board Committees. He said, while prior experience is an advantage, it is also important to have new members participate in order to expand the base of experience. Mrs. Shirrel responded that the Preference Survey provides members with the opportunity to indicate their desire to serve. She noted because many members are involved in other organizations or Boards they must carefully decide if they have the time to devote to MRWPCA Board activities. She also noted that committee assignments (based on input from the Preference Survey Forms) are made by the Board Chair.

Discussion continued regarding composition of the Nomination Committee. Mr. Choates stated it was his opinion that members of the Committee should exempt themselves from nomination to Chair or Vice Chair positions. Vice Chair Cortopassi called for a roll call vote for the Board Chair position.

ACTION TAKEN: As result of a tied roll call (with one abstention), a second roll call vote was taken. With a vote of 6 to 5, Mrs. Peggy Shirrel was elected as Chair.

Vice Chair Cortopassi offered his congratulations and encouraged the Board to work together to develop a strategy and road map for MRWPCA's future. Mrs. Shirrel thanked her supporters and pledged to work with all the members.

New Chair Shirrel presented Mr. Russell of Del Rey Oaks as the Committee nomination for Vice Chair and called for additional nominations from the floor. Mr. Choates nominated Mr. Cort of Pacific Grove.

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ACTION TAKEN: A roll call vote was taken and with a vote of 7 to 4, Mr. Russell was elected to serve as the new Vice Chair.

Mr. Russell expressed his appreciation for the opportunity to serve.

6. CONSENT AGENDA

Ms. De La Rosa asked to abstain from voting on the Consent Agenda as she had not attended the January 30, 2006 Board Meeting.

Mr. Nishi requested the MRWPCA Board Members listed in the MRWPCA Local Hazard Mitigation Plan be updated.

ACTION TAKEN: On a motion by Mr. Russell, seconded by Mr. Choates, the Board unanimously approved the Consent Agenda, Items A through K (including the suggested update to the Local Hazard Mitigation Plan) as follows:

- A. Approve Minutes – Regular Meeting, January 30, 2006
- B. Receive Financial Statements – January 2006
- C. Receive Comparison Percentage of Budget Expended Through January 2006 vs. 2005
- D. Receive Check Register – January 2006
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for January 2006
- F. Receive Actual vs. Budgeted Fiscal Year 2005/06 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund
- G. Receive Actual vs. Anticipated Fiscal Year 2005/06 Revenues from Capacity Charges
- H. Approve Resolution No. 2006-1, Adopting MRWPCA's Local Hazard Mitigation Plan
- I. Approve Proposed Board Meeting Schedule for 2006
- J. Approve Resolution No. 2006-2, Repealing Resolution No. 1981-11, and Fixing the Time and Place for Holding Regular Meetings of the Board of Directors of MRWPCA
- K. Approve Resolution No. 2006-3, Repealing Resolution No. 1986-4, and Identifying the Agency Positions that are Authorized to Order the Deposit or Withdrawal of Monies in the Local Agency Investment Fund (LAIF)

7. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. Recycled Water Storage Committee

1. Receive and Approve Committee Minutes/Report for Thursday, December 15, 2005, **CLOSED SESSION – WATER RIGHTS**
2. Receive and Approve Committee Minutes/Report for Thursday, January 26, 2006, which included the following recommendations:

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➤ *Information Only - No Action Taken*

3. Receive and Approve Committee Minutes/Report for Thursday, February 9, 2006, which included the following recommendations:

➤ *Information Only – No Action Taken*

ACTION TAKEN: On a motion by Mr. Russell, seconded by Mr. Lindley, the Board unanimously approved the Recycled Water Storage Committee Minutes for December 15, 2005, January 26 and February 9, 2006.

B. Service Area Study Review Committee

1. Receive and Approve Committee Minutes/Report for Monday, February 6, 2006.

ACTION TAKEN: On a motion by Mr. Cort, seconded by Mr. Lindley, the Board unanimously approved Service Area Study Review Committee Minutes/Report for February 6, 2006, with the following recommendations:

➤ *Information Only – No Action Taken*

2. Approve Ordinance 2006-1, Policy Regarding Direct Connections to MRWPCA's Regional System from Service Entities.

Mr. Nishi asked that approval of Ordinance 2006-1 be postponed until MCWD and MRWPCA staffs could meet to correct some differences of opinion. Mr. Israel stated, because there has been transition in the staff at MCWD, some of the information about the policy may be unclear and postponement would provide an opportunity to ensure the MCWD Board has up-to-date information. Mr. Lindley added that the Committee meetings have been open and representatives from MCWD have attended. He then asked if another Service Area Study Review Committee meeting would be necessary. Mr. Israel stated, unless there is a change to the policy, the Ordinance could be part of the Consent Agenda for the next Board meeting.

ACTION TAKEN: It was the consensus of the Board that Item 7.B.2. Ordinance 2006-1, Policy Regarding Direct Connections to MRWPCA's Regional System from Service Entities, be continued to the following month.

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C. Budget/Personnel Committee

1. Receive and Approve Committee Minutes/Report for Monday, February 13, 2006.

ACTION TAKEN: On a motion by Ms. De La Rosa, seconded by Mr. Cortopassi, the Board unanimously approved the Budget/Personnel Committee Minutes for February 13, 2006, with the following recommendations:

- Information Only – No Action Taken

8. ACTION ITEMS

A. Public Hearing on Final Supplemental EIR (FSEIR) for the Regional Treatment Plant Operational Capacity Increase Permit

Mr. Israel introduced Ms. Teri Wissler Adam of ENC Planning Group, Inc., who provided a short history and presentation regarding the Final Supplemental Environmental Impact Report (FSEIR) for the Regional Treatment Plant Operational Capacity Increase Permit.

Mr. Russell asked for comments regarding the projection from the City of Salinas that was 214% greater than the capacity being requested. Ms. Adam responded that Salinas was not necessarily questioning the Agency's projection, but rather the projections by AMBAG.

Chair Shirrel opened the Public Hearing at 7:40 p.m., and asked for public comments.

Mr. Niizawa came forward to clarify the letter from Salinas that had been authored by Rob Russell, City Engineer. He stressed the 214% figure was only a point of reference used for comparison of AMBAG's figures for permitted expansion and the City's projected growth (which has been in the General Plan for some time). He said, while the statement supports the planned expansion, the future dictates an expanded line is needed between the MRWPCA plant and the City itself.

With no further Public Comments, Chair Shirrel closed the Public Hearing at 7:47 p.m.

B. Proposed Action

1. Approve Resolution 2006-4, Certifying the FSEIR for Regional Treatment Plant Operational Capacity Increase Permit
2. Authorize staff to file Use Permit Application with the County

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ACTION TAKEN: On a motion by Mr. Lindley, seconded by Mr. Choates, the Board unanimously approved Resolution 2006-4, Certifying the FSEIR for Regional Treatment Plant Operational Capacity Increase Permit and authorized staff to file a Use Permit Application with the County.

9. INFORMATIONAL ITEMS

A. Fort Ord Update

Mr. Choates asked about the U.S. Army Utility Service Contract payments and how the 'Parks at Monterey Bay' would pay their portion. Mr. Buell responded the billing is based on the owner of record. He further advised the owner can request bills be directed to their tenant; however, the owner is ultimately responsible for the costs. Mr. Buell added that the U.S. Army responded quickly to the letter regarding the Utility Service Contract and it is expected the matter will be resolved in the next week or two.

B. Reclamation Project Status Summary

Mr. Choates announced that Seaside will sponsor a Water Issues Workshop for their City Council on March 9th and that agencies planning water projects affecting Seaside have been invited to participate. Mr. Israel indicated MRWPCA responded and will be presenting information about the Groundwater Replenishment Project.

C. Strategic Planning Three Year Goals (2005-2008)

No comment.

10. STAFF REPORTS

A. General Manager/Assist General Manager/Legal Counsel

Mr. Israel advised that last month's presentation on endocrine disrupters was followed by an article in the *Monterey Herald*, which was taken from a longer and more accurate article in the *Los Angeles Times*. He expressed dismay that the article in the *Herald* neglected to state that by using the same process as Orange County the issue of endocrine disrupters in effluent is negated.

Mr. Israel also noted the Strategic Planning Workshop is scheduled from 8:00 a.m. to Noon on Friday, April 14, 2006. He said, because next year will be very important to MRWPCA, everyone needs to participate and stressed that input and ideas from Board Members are welcomed and encouraged. He closed saying he looks forward to a productive process at the workshop.

B. Department Head(s)

There were no further comments or reports.

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C. Presentation – “Mid-Year Budget Status/Multi-Year Projection”

Mr. Heitzman introduced John Tiernan, Director of Administrative Services, and thanked him and Kelly Cadiente for their great work on the mid-year budget. Following a summary of the budget and projections, Mr. Tiernan called for questions.

Mr. Cort questioned the structure of debt obligation payments. Mr. Buell responded, in order to keep debt payments level, only interest would be paid for the first four to five years. He added if the decision is to pay on the principal right now, several options are available.

Mr. Choates asked for clarification about funding the Urban Reclamation Projects. Mr. Tiernan explained, although an amount was transferred from the Reserve Fund, it is hoped the MRWPCA will be reimbursed for expenditures. Mr. Buell added that once the Urban Reclamation goes forward, the planning and design costs would be included in the project costs to be covered by customer payments.

Mr. Choates commented that as a policy maker he felt a need to define monetary outlay for Urban Reclamation (which would be in partnership with Marina Coast Water District and FORA) and the Replenishment Project. Mr. Buell advised those items would be addressed with the Board through the budget process.

Mr. Choates questioned whether the funds expended on the Replenishment Project to date are included in the Urban Reclamation money. Mr. Buell advised, although they are listed separately, they are considered part of the Urban Reclamation budget. Mr. Israel continued that the costs are primarily for consultant expenditures and internal staff costs with more of the funding related to the Groundwater Replenishment Project. He stated an update on the expenditures would be presented at the next Recycled Water Storage Committee meeting.

Mr. Lindley requested the Board be provided with a simple delineation of the debt carried by MRWPCA so, if a rate increase is proposed to accommodate a more timely debt reduction and new project costs, the Members will be better informed to make a decision.

Mr. Cort asked about the term(s) of the General Fund Reserve investments. Mr. Tiernan advised some are for two-year terms, but approximately \$6M is liquid. Mr. Buell added that the investments are with CAMP and LAIF, whichever is giving better interest terms.

Chair Shirrel commented that, as usual, staff provided a good report.

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11. CORRESPONDENCE

The Board reviewed the letter from Monterey Peninsula Water Management District agreeing to policy-level coordination on the Groundwater Replenishment Project.

12. BOARD MEMBER COMMENTS

Mr. Haferman referenced an article in the *Carmel Pinecone* regarding the Pebble Beach Reservoir and Reclamation Project. He asked if MRWPCA has contacted Pebble Beach to collaborate on lessons learned.

Mr. Israel advised that MRWPCA is currently working with three consultants on the Replenishment Project, one of which is in the process of coordinating material for a Public Outreach Campaign. He said the strategy is to make certain all materials are complete to ensure the media is given accurate information. He said the media package should be complete within the next two months, at which time it will be brought to the Committee to design a project Kick-Off Campaign. In answer to Mr. Haferman's question, he advised that MRWPCA typically attends the Pebble Beach meetings and has undertaken a project irrigating the 13th green at a Seaside Golf Course. He said one goal of the Outreach Project will be to ensure people understand how the MRWPCA situation may be different from some of the negative situations they have experienced at Pebble Beach.

Mr. Nishi commented on the positive aspect of the evening's healthy discussion. He asked if Board Members could be provided with an updated Board Manual. He also expressed concern for the manner in which Committees are formed and said he believes the Board should review Resolution 91-09 addressing the Weighted Vote.

13. ADJOURNMENT

With no further business, Chair Shirrel adjourned the meeting at 8:15 p.m. to the next regularly scheduled Board Meeting in the Board Room at 5 Harris Court, Building D, on Monday, March 27, 2006, at 7:00 p.m.

Keith E. Israel
General Manager/Secretary to the Board

Margaret Shirrel, PhD.
Chair of the Board of Directors