



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
November 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 Chair Shirrel at 6:02 p.m., on Monday, November 27, 2006, in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. PLEDGE OF ALLEGIANCE

Chair Shirrel lead the Pledge of Allegiance.

Michelle Knight, spoke on behalf of Monterey Peninsula Water Management District (MPWMD) and presented a Resolution from her Board describing their unanimous support for the MRWPCA Urban Replenishment Project. She stressed the cooperative spirit between MRWPCA and MPWMD and extended continued support toward accomplishing the goal of meeting the wastewater and reclamation needs of our member agencies while protecting the environment.

3. ROLL CALL

BOARD MEMBERS PRESENT:

Chair Peggy Shirrel
Mayor Joe Russell, Vice Chair
Director Ramiro Cortez
Director David Lewis
Director Kenneth Nishi
Councilmember Jeff Haferman
Supervisor W.B. "Butch" Lindley
Councilmember Gloria De La Rosa
Mayor Dave Pendergrass
Councilmember Darryl Choates

Moss Landing Sanitation District
Del Rey Oaks
Boronda County Sanitation District
Castroville Water District
Marina Coast Water District
Monterey
Monterey County
Salinas (arrived 7:04 p.m.)
Sand City
Seaside

BOARD MEMBERS ABSENT:

Chief Dewey J. Baird, Utilities Branch	U.S. Army, Ex-Officio
Mayor Dan Cort	Pacific Grove

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
Bob Holden	Recycled Water Project Coordinator
Kelly Cadiente	Accounting Supervisor
Betty Nebb	Executive Assistant
Lonnie Fredrickson	Administrative Support Specialist II

AUDIENCE:

Bjorn Lundegard – Seaside
Dave Berger – Monterey Peninsula Water Management District
Michelle Knight – Monterey Peninsula Water Management District
Les Turnbeaugh – Monterey

4. PUBLIC COMMENTS

At 6:02 p.m., with no comments received from the public, Chair Shirrel opened and closed Public Comments.

5. CONSENT AGENDA

Mr. Choates asked if MRWPCA is just now enrolling in PERS and Mr. Heitzman advised the Agency has been a member of PERS for some time. The resolution authorizes an amendment to the CAL PERS contract changing the 2% at 55 formula to 3% at 60 effective December 31, 2006. A short discussion followed regarding projected costs and the associated impact this change may have on other entities. Mr. Haferman noted that this PERS option may raise some precedent setting issues.

ACTION TAKEN: On a motion by Mr. Lewis, seconded by Mr. Haferman, the Board unanimously approved Consent Agenda items A-I.

- A. Approve Minutes – Regular Meeting, October 30, 2006
- B. Receive Financial Statement – July – October 2006
- C. Comparison Percentage of Budget Expended through October 2006 vs. 2005
- D. Receive Check Register – October 2006

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- E. Receive Actual vs. Budgeted Fiscal Year 2006/07 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund
- F. Receive Actual vs. Anticipated Fiscal Year 2006/07 Revenues from Capacity Charges
- G. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina Plant, Fort Ord, and Castroville for October 2006
- H. Approve Resolution 2006-22, Authorizing an Amendment to the Contract between CAL PERS and MRWPCA
- I. Approve Purchase of Trailer-Mounted 150 kW Generator

6. **COMMITTEE REPORTS AND RELATED ACTION ITEMS**

A. **Board Resolution Review Committee (BRRC)**

- 1. Receive and Approve Committee Minutes/Report, Monday, November 6, 2006

Mr. Choates voiced appreciation for Committee efforts toward making the policies more concise. He suggested new members be given a packet of the updated resolutions.

Mr. Lindley said the BRRC met with staff to review resolutions on three separate occasions. He noted some of the revisions were complex while others merely required clarification in language. He suggested other resolutions may need to be brought up to date.

Legal Counsel Wellington remarked that all of the proposed changes in the resolutions were previously brought before the Board. He advised the BRRC plans to continue to meet at least once a year to review and update resolutions as appropriate. Chair Shirrel said the new Chair will need to assign BRRC members.

ACTION TAKEN: On a motion by Mr. Choates, seconded by Mr. Lindley, with one dissenting vote by Mr. Nishi, the Board received and approved the BRRC Minutes for Monday, November 6, 2006 with the following recommendation:

- That the Board approve the suggested revisions to the following updated Resolutions 2006-23 through 26 and the new Resolution 2006-27, Board Member Expense Reimbursement Policy.
 - Resolution 2006-23, Fixing the Time and Place for Holding Regular Meetings for Board of Director

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- Resolution 2006-24, Adopting a General Policy Relating to the Establishment of Informal Board Committees
- Resolution 2006-25, Adopting Policy for Selection of Chair and Vice Chair of the Board of Directors
- Resolution 2006-26, Concerning Compensation of Board Members for Meetings Attended and Payment of Expenses Incident Thereto
- Resolution 2006-27, Adopting an Expense Reimbursement Policy for Elected and Appointed Officials (policy attached).

B. RECYCLED WATER STORAGE COMMITTEE

1. Receive and Approve Committee Minutes/Report Thursday, November 9, 2006

ACTION TAKEN: On a motion by Mr. Choates, seconded by Mr. Lindley, the Board unanimously received and approved the RWSC Minutes for Thursday, November 9, 2006 with the following recommendation:

- That the Board approve a conditional contract amendment to RMC for design funding of the MRWPCA components of the Regional Urban Recycled Water Augmentation Project subject to further Committee review and Board approval.

2. Receive and Approve Committee Minutes/Report Monday, November 20, 2006

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Ms. De La Rosa, the Board unanimously received and approved the RWSC Minutes for Monday, November 20, 2006 with the following recommendation:

- That the Board approve the RMC Contract Amendment for Design Funding (not to exceed \$616,000) for the MRWPCA components of the Regional Urban Recycled Water Augmentation Project, subject to final staff negotiations.

C. BUDGET/PERSONNEL COMMITTEE

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

ACTION TAKEN: On a motion by Mr. Lewis, seconded by Mr. Haferman, the Board unanimously received and approved the BPC Minutes for Monday, November 13, 2006 with the following recommendations:

- That the Board accept the 2005/06 Audit Report.
- That the Board allow J.R. Zar, Inc. to withdraw its bid without penalty and award the contract for the Pump Station Lighting Project to Blocka Construction including the Additive Bid for the Salinas Pump Station for \$129,073, plus 5% contingency of \$6,454, not to exceed \$135,527.
- That the Board accept the Schedule for 2007 Board Meeting Dates.
- That the Board approve the purchase of eight (8) Model 12x14-25 3V3 vertical, non-clog, centrifugal pumps in ductile iron with upgraded impellers (CD4MCu) to replace existing pumps. The purchase of this equipment will be from Morris Pumps in the amount of \$667,228 which includes tax and freight to the job site.
- That the Board approve career growth for Accounting and Engineering positions, and re-establishment and recruitment for the Maintenance Manager position at this time. Longevity Pay and OIT Recruitment will be considered as part of the Proposed FY 2007/08 Budget.

7. **ACTION ITEMS**

A. Approve Resolution 2006-28, A Resolution of Appreciation from the Board of Directors of MRWPCA to Butch Lindley for his service as a Director since February 2003

Mr. Lindley commented the Agency is much respected in the community and he has enjoyed his tenure with the Board. Although he is looking forward to some months of rest, he assured members of continuing support from South County.

B. Approve Resolution 2006-29, A Resolution of Appreciation from the Board of Directors of MRWPCA to Darryl Choates for his service as a Director since February 1991

Mr. Choates said he will miss serving on the MRWPCA Board. He said the MRWPCA is an example of government working “right” and getting the job done. He is taking a vacation of sorts, but stressed his continuing interest in MRWPCA’s projects.

ACTION TAKEN: On a motion by Mr. Choates, seconded by Mr. Lindley, the Board unanimously approved Resolutions 2006-28 and 2006-29.

8. **INFORMATIONAL ITEMS**

A. Fort Ord Update

No changes or comments.

B. Reclamation Project Status Summary

No changes or comments.

C. Strategic Planning Goals (2005-2008)

No changes or comments.

9. **STAFF REPORTS**

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Israel announced the Annual Winter CASA Conference will be held in January in Indian Wells and invited those interested in attending to see him for an enrollment form.

B. Department Head(s)

No changes or comments.

C. Presentation: Five-Year Capital Projects

Mr. Heitzman provided a presentation covering the five-year capital projects including criticality, dynamics, major cost projections and the scope of the projects. He said projections will continue to be refined, redefined, and given future consideration.

In response to Mr. Lindley's question regarding inflation factors, Mr. Heitzman indicated the Agency takes value engineering into account and then uses an inflation factor of 7.

10. **CORRESPONDENCE**

A. Response from Senator Barbara Boxer for letter of support regarding Senate Bill 3639, Reclaiming the Nation's Water Act.

Chair Shirrel noted that both the Agency and Barbara Boxer supported Bill 3639.

11. **BOARD MEMBER COMMENTS**

Chair Shirrel provided highlights of various articles in the *Pipeline*. Mr. Israel commended Ryan Shaw, of Communication Planners, for his charitable work and the teaching he does each year when he travels to India.

At 6:33 p.m., Chair Shirrel recessed to Closed Session.

12. RECESS TO CLOSED SESSION

A. Conference with Legal Counsel – Anticipated Litigation

- i. Significant Exposure to and/or Initiation of Litigation Pursuant to Subdivisions (b) and (c) of Section 54956.9 of the Government Code: One Case

B. Negotiations with Marina Coast Water District [Board Member Nishi was excused.]

- i. Property: Water Rights
- ii. Negotiator(s): General Manager, Keith Israel
- iii. Negotiating Party: Marina Coast Water District
- iv. Terms: All Terms and Conditions

[At 7:07 p.m., the Board came back into Open Session and Legal Counsel Wellington announced the Board received information regarding each of the listed Closed Session items. As to each of the items, the Board gave direction to the General Manager and Legal Counsel. No other action was taken.]

13. ADJOURNMENT

With no further business, Chair Shirrel adjourned the meeting at 7:08 p.m. to the next regularly scheduled Board meeting in the Board Room at 5 Harris Court, Building D, on Monday, January 29, 2006, at 7:00 p.m.

Keith E. Israel, General Manager
Secretary to the Board

Margaret Shirrel, Ph.D.
Chair of the Board of Directors