



**APPROVED**

**MINUTES**  
**of the Regular Meeting**  
**Monterey Regional Water Pollution Control Agency**  
**Board of Directors**  
**February 25, 2008**

**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 Russell at 7:03 p.m., on Monday, February 25, 2008, in the Board Room at 5 Harris Court, Building D, Monterey, California.

**2. PLEDGE OF ALLEGIANCE**

Mr. Haferman led the Pledge of Allegiance.

**3. ROLL CALL**

**BOARD MEMBERS PRESENT:**

Joe Russell, Chair	Del Rey Oaks, Mayor
Dave Pendergrass, Vice Chair	Sand City, Mayor
Ramiro Cortez	Boronda County Sanitation District
Ron Stefani	Castroville Water District, President
Kenneth Nishi	Marina Coast Water District
Jeff Haferman	Monterey, Vice Mayor
Lou Calcagno	Monterey County, Supervisor
Gage Dayton	Moss Landing County Sanitation District
Dan Cort	Pacific Grove, Mayor
Gloria De La Rosa	Salinas, Mayor Pro Tem
Steve Bloomer	Seaside, Mayor Pro Tem
Vacant – Ex-Officio	U.S. Army, Representative

**BOARD MEMBERS ABSENT:**

None

**MRWPCA STAFF PRESENT:**

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Keith Israel	General Manager
Rob Wellington	Legal Counsel
John Tiernan	Director of Administrative Services
Karen Harris	Community Relations Specialist
Mark Malanka	Field Maintenance Manager
Garrett Haertel	Compliance Engineer
Jim Crook	Special Projects Engineer
Betty Nebb	Executive Assistant

**OTHERS PRESENT:** Carl Niizawa – City of Salinas  
Les Turnbeaugh – City of Monterey  
Tim O’Halloran – City of Seaside  
John Infantino – Federal Development

**4. PUBLIC COMMENTS**

At 7:05 p.m., with no comments from the public received, Chair Russell opened and closed Public Comments.

**5. SPECIAL INTRODUCTION**

General Manager Keith Israel introduced Dr. James Crook who has joined the agency to assist in activities related to our recycled water projects. Dr. Crook previously served as a consultant to MRPWCA for the water filtration study, which after many years, is nearing completion. During his 35 years experience in many facets of environmental engineering including public health, treatment technology, research and regulations and permitting, Dr. Crook developed California’s first comprehensive water reuse criteria which have been used as a model by several other states and countries. He also chaired the National Research Council Committee on the Evaluation of the Viability of Augmenting Potable Water Supplies with Reclaimed Water.

Mr. Israel explained that Dr. Crook joins us from Massachusetts and we are pleased to have his expertise available to us. Dr. Crook expressed his pleasure to be here in order to work with the agency on its recycled water projects.

**6. ELECTION OF BOARD OFFICERS FOR 2008**

**A. Receive and Approve Nomination Committee Minutes/Report**

Chair Russell advised the Nomination Committee members for 2008 include Mr. Cortez, Boronda CSD; Mr. Bloomer, Seaside; and Ms. De La Rosa, Salinas. Committee Chair De La Rosa explained the Committee nominated Mr. Russell for

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Chair and Mr. Pendergrass for Vice Chair and asked for questions from the Board. Hearing none, Chair Russell called for a motion to approve the Nomination Committee's Minutes/Report.

**ACTION TAKEN: On a motion by Ms. De La Rosa, seconded by Mr. Haferman, the Board approved the February 2008 Nomination Committee Report.**

**B. Consider Committee Recommendations(s) Regarding Nomination of Chair and Vice Chair for 2008**

Chair Russell stated Resolution 2006-25 calls for consideration of nominations from the floor. No additional nominations were presented.

**C. Election of Chair and Vice-Chair for 2008**

**ACTION TAKEN: A motion by Mr. Cort to approve the slate presented by the Nomination Committee was seconded by Ms. De La Rosa. The Board unanimously approved the motion.**

Chair Russell and Vice Chair Pendergrass expressed their thanks for the Board members' support.

**7. CONSENT AGENDA**

Mr. Nishi requested clarification regarding the Board Meeting Minutes of January 28, 2008, referring to page 4 of those minutes. Mr. Nishi recalled he had asked the November 30, 2007 minutes be pulled from the Consent Agenda in order to abstain from approving as he was not in attendance. However, when the action was taken to approve, only one motion was made and the Consent Agenda was passed in total. Mr. Nishi said he, therefore, abstained on that motion. However, the minutes reflect a second motion was taken and he asked for that to be reviewed.

Mr. Wellington stated the minutes will be reviewed/corrected to reflect how the matter was handled and requested the January 28 Board Minutes be held for consideration at the March Board Meeting.

**ACTION TAKEN: On a motion by Mr. Haferman, seconded by Mr. Bloomer, the Board unanimously approved the Consent Agenda, Items B through I as follows:**

- A. *Held - Approve Board Meeting Minutes/Report for Regular Board Meeting of January 28, 2008***

- B. Receive Financial Statements – January 2008**
- C. Receive Comparison Percentage of Budget Expended Through January 2008**
- D. Receive Check Register – January 2008**
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina Plant, Fort Ord, and Castroville for January 2008**
- F. Receive Actual vs. Budgeted Fiscal Year 2007/08 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund**
- G. Receive Actual vs. Anticipated Fiscal Year 2007/08 Revenues from Capacity Charges**
- H. Approve Award of Construction Contract for Salinas Pump Station Pump Replacement Project**
- I. Approve Award of Contract to Purchase Vacuum Trailer**

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

**A. Budget/Personnel Committee**

- 1. Receive and Approve Committee Minutes/Report of Monday, February 11, 2008**

**ACTION TAKEN:** On a motion by Mr. Calcagno, seconded by Mr. Stefani, the Board unanimously approved the Budget/Personnel Committee Minutes for Monday, February 11, 2008, with the following recommendations:

- **That the Board approve Johnson & Associates recommendations of reassigning Human Resource Officer to Range 59, Executive Assistant to GM/Board of Directors to Range 56, and Customer Service Supervisor to Range 54. This would be effective as of December 2007. In addition, staff will continue to study Lead Position placement.**
- **That the Board approve an amendment to the current utility billing software contract with Eden Systems, Inc., at a cost of \$44,600. This is a capital expense and does not affect the General Fund.**

- **That the Board authorize discussions with the MRWMD on biosolids disposal options and costs.**
- **That the Board accept the Mid-Year Status of Agency Projects Report to be presented at the February Board Meeting.**

**B. Recycled Water Storage Committee**

**1. Receive and Approve Committee Minutes/Report, Thursday, February 14, 2008**

Chair Pendergrass noted wording on the MOU between MRWPCA and MCWD will be considered in Closed Session. Chair Pendergrass also reported the Water Master Board Budget and Finance Committee has approved \$100,000 funding to MRWPCA for the Seaside Replenishment Project; this funding will be considered by the full WM Board on March 5.

Chair Russell acknowledged Mr. John Infantino of Federal Development who asked to address the Board regarding the written verification of water supply needed to continue the development project for Del Rey Oaks. Mr. Infantino described the project as a two million square foot development of 400 acres, a mixed-use concept, a resort-oriented development with hotels and golf course. It will have resort residences and will provide much-needed tourist occupancy tax revenue for the City of Del Rey Oaks. He indicated additional financing is required for the development to progress to the next milestone which is to complete the EIR process and provide civil engineering drawings and design over the next 12 months. The investment company also requires a written verification of water supply be completed by early April. Mr. Infantino expressed his appreciation to the agencies who are working on a solution that will result in providing water resources needed for the City's development.

**ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Mr. Bloomer, the Board, with Mr. Calcagno abstaining, approved the Recycled Water Storage Committee Minutes for Thursday, February 14, 2008, with the following recommendations:**

- **That the Board agree to authorize staff to prepare a general MOU between MRWPCA and MCWD that would support the preparation of a written verification of water supply.**

- That the Board agree to authorize staff to obtain consultant assistance for the preparation of Project Level information for the Seaside Replenishment Project. (Additional information will be provided regarding costs for the consulting assistance needed to proceed.)
  - That the Board approve a contract amendment with RBF Consultants to develop a Project Level document for the DRA and PUC by May 30, 2008, for an amount not to exceed \$99,000.
2. Review and Approve the Recommendation of the February 20 Memorandum regarding the Seaside Replenishment Project as follows:
- That the Board approve CDM to complete the Project Level document suitable for the Seaside Replenishment Project by the end of May 2008 at an amount not to exceed \$130,000.

Legal Counsel Wellington asked for clarification that the Memorandum indicated in Item 2 of the Recycled Water Storage Committee was included in the motion passed to approve Committee Minutes – Chair Russell indicated that was so.

9. **EMPLOYEE RECOGNITION**

A. **Garrett Haertel, Compliance Engineer, received his Professional Engineering Certification**

Chair Russell presented the Professional Engineer License to Mr. Haertel and congratulated him on this achievement. Mr. Haertel joined the agency May 2006 as our Compliance Engineer and has been in charge of permit compliance. He has also been instrumental in optimizing our brine disposal program and will now be able to sign and stamp all engineering documents resulting in reduction of outside engineering services.

10. **INFORMATIONAL ITEMS**

A. **Fort Ord Update**

No questions or comments.

B. **Reclamation Project Status Summary**

No questions or comments.

C. **Strategic Planning Goals (2005-2008)**

No questions or comments.

**11. STAFF REPORTS**

**A. General Manager/Legal Counsel**

Mr. Israel stated Karen Harris, Community Relations Specialist, recently presented a program at Bay View Elementary School for Mrs. Israel's class of special education students (K through 3<sup>rd</sup> grade). In appreciation, the students provided art work illustrating the water cycle. He stressed the outreach program is important as it educates youth about the critical issue of water in our area. Chair Russell asked the members to acknowledge Karen's contribution to this program.

Mr. Israel commented about recent newspaper articles regarding a water district in Pajaro having difficulty. Funding from a pump tax was recently ruled invalid and as a result the district has to pay the monies back to the ratepayers. That has proved financially very difficult, especially as they were embarking on a recycled water project and importing additional water.

Mr. Israel indicated each member has been given the Form 700, Conflict of Interest forms, to be filed for our agency prior to April 1<sup>st</sup>. Additionally, Mr. Israel reminded all that the Board Chair would be considering Board assignments by reviewing the Committee Preference forms and would announce the assignments at the March Board meeting.

Mr. Cort suggested if members fill a Form 700 for a council or mayoral position, all that is needed is a "wet" signature on a copy for delivery to MRWPCA.

Legal Counsel Wellington cautioned the jurisdiction of this agency comprises all the boundaries, so when you file one that just indicates your specific entity, you still need to file another designating this agency.

**B. Department Heads**

No report.

**C. Presentation: FY 2007/08 Mid-Year Budget Review**

Mr. John Tiernan provided a review of expenditures, revenues, projects and investments for the period July 1 through December 31. He provided charts illustrating Expenditures and Revenues and explained the acronyms – SVRP, Salinas Valley Reclamation Project is treatment of the water to the tertiary level; and CSIP, Castroville Seawater Intrusion Project is the distribution system for irrigation. These are projects that are operated by our agency but are funded by Monterey County Water Resources Agency (MCWRA). Other general expenditures are at 5% under budget, but costs related to biosolids disposal and chemicals will have to be closely monitored during the second half of the fiscal

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year. Revenues are also on target 50% which includes \$7.1 million for user fees collected so far. Note that for CSIP and SVRP the expenses and revenues are reimbursed by MCWRA.

Mr. Tiernan continued to explain that Capital Improvements Projects are budgeted at \$2.3 million for this year and \$1.547 million have been completed so far. It is anticipated that all projects scheduled for this fiscal year will be completed. Mr. Tiernan showed photos of the Salinas Enhanced Pump Station and noted that the installation of eight pumps would be completed for a cost of \$150k. The Engineer's Estimate was \$250k which illustrates the competitive bidding that occurred this year.

Mr. Tiernan explained the completion of another major project was the Biosolids Facility for the screw presses. Additionally, he explained the Coating Project has been very beneficial for the RTP facility and noted the type of work that was being completed by this project.

Mr. Tiernan also provided information on the agency investment portfolio as of December 2007, but clarified the current rate for long-term holdings was at 4.59% compared to 5.03% in December. He advised the agency invests in two vehicles – Local Agency Investment Fund that is administered with the California State Treasurers Office and the California Asset Management Program (CAMP) which is a JPA. The returns offered by each are very close, and we continue to monitor the fluctuations in order to make adjustments to provide the best returns for the agency.

Mr. Cort asked about requirements to qualify investments and if a local bank could provide like services, would that be considered. Mr. Tiernan indicated other investment options could be considered.

Mr. Pendergrass asked about the canvas tent covering the Biosolids Facility. Mr. Malanka, Maintenance Supervisor, responded that the area does get winds but the roof is very sturdy and has not been at all affected.

Mr. Haferman asked for clarification regarding the policy for reserves. Mr. Tiernan stated that 20% will be maintained in reserves for general fund, although we are currently slightly over that amount. As the new budget is considered, the reserves level will be maintained and the balance of the budget will be developed above that. With no further questions or comments, Chair Russell thanked Mr. Tiernan for his fine presentation.

**11. BOARD MEMBER COMMENTS**

Mr. Calcagno expanded on the concerns for the Pajaro Water Management District which includes a part of Monterey County. They are in an overdraft situation in North County with the water situation getting crucial. There is not a long-term solution for the agriculture in the Springfield Terrance area, although a treatment plant has been built in Watsonville. The current difficulties in this area are similar to those encountered in the Salinas Valley Reclamation Project where is it hard to get people upstream who don't have a problem to realize that, if adjudication comes in, everyone will be affected. SVRP did a great job to educate the entire area population in order to get a Prop 218 measure passed to support it. That is not the same for this area and the fear is it will affect not only Monterey County, but Santa Cruz County and the City of Watsonville.

[Chair Russell adjourned Open Session at 7:37 pm.]

**12. CLOSED SESSION**

[At 7:40 p.m., Chair Russell called Closed Session to order.]

**A. Conference with Labor Negotiator**

- i. Hiring of new Assistant General Manager**
- ii. Labor Negotiator(s): Keith Israel, General Manager**

[Mr. Nishi excused himself from the Closed Session, Item A.]

**B. Negotiations with Marina Coast Water District**

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

[Mr. Calcagno excused himself from the Closed Session, Item B.]

**C. Negotiations with Monterey County Water Resources District**

- i. Property: Water Rights**
- ii. Negotiator(s): Keith Israel, General Manager**
- v. Negotiating Party: MCWRA**
- vi. Term: All Terms and Conditions**

[At 8:45 p.m., the Board came back into Open Session and Legal Counsel Wellington announced the Board received information and gave direction to the General Manager and Legal Counsel. No other action was taken.]

**13. ADJOURNMENT**

With no further business, Chair Russell adjourned the meeting at 8:46 p.m. to the next regularly scheduled Board Meeting in the Board Room at 5 Harris Court, Building D, on Monday, March 31, 2008, at 7:00 p.m.

*/s/ Keith Israel*

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Keith E. Israel, General Manager  
Secretary to the Board

*/s/ Joseph Russell*

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Joseph Russell, Chair  
MRWPCA Board of Directors