



APPROVED
June 9, 2008

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
May 29, 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 7:02 p.m., on Thursday, May 29, 2008, in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. PLEDGE OF ALLEGIANCE

Mr. Bloomer 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 |
| Eric Tynan [Alternate] | Castroville Community Services District |
| Kenneth Nishi | Marina Coast Water District, Vice President |
| Jeff Haferman | Monterey, Councilmember |
| 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:

| | |
|----------------|--------------------------------------|
| Keith Israel | General Manager |
| Brad Hagemann | Assistant General Manager |
| Rob Wellington | Legal Counsel |
| John Tiernan | Director of Admin Services/Deputy GM |
| Tom Buell | Director of Finance |
| Bob Holden | Recycled Water Projects Coordinator |
| Betty Nebb | Executive Assistant |

OTHERS PRESENT:

Carl Niizawa – City of Salinas
Les Turnbeaugh – City of Monterey
Bjorn Lundegard – City of Seaside
Dave Berger – Cal Am

4. PUBLIC COMMENTS

At 7:03 p.m., with no comments from the public received, Chair Russell opened and closed Public Comments.

5. CONSENT AGENDA

Ms. De La Rosa, Mr. Dayton and Mr. Tynan indicated they would abstain from approval on Item A as they were not in attendance.

ACTION TAKEN: On a motion by Mr. Cort, seconded by Mr. Haferman, the Board approved the Consent Agenda, Items A through G as follows:

- A. Approve Minutes – Regular Meetings: April 28, 2008**
- B. Receive Financial Statements – April 2008**
- C. Receive Comparison Percentage of Budget Expended Through April 2008**
- D. Receive Check Register – April 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 April 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**

6. REVIEW AND AFFIRM SUPPORT FOR RECYCLED AND GROUNDWATER REPLENISHMENT PROJECTS
A. Update on the Joint Urban Recycled Water Project and MRWPCA's Groundwater Replenishment Projects

Mr. Israel provided a presentation to illustrate and define the replenishment projects that are a component of the Proposed Sustainable Water Supply Program for Monterey County. Mr. Israel stated staff has been meeting with water managers since early May to prepare draft CEQA-ready project description to the PUC by June 1, 2008. He spoke about the 180 foot Aquifer and Seaside Aquifer Replenishment Projects and the Joint Urban Reuse Project. Mr. Israel clarified that one of the reasons the agency is proposing the additional replenishment in the 180 foot aquifer is because the Seaside replenishment would operate only about five months out of the year. Replenishing the 180 foot aquifer would maximize use of reclaimed water at the regional treatment plant the rest of the year and reduce the overall costs while augmenting the water supply.

Mr. Israel referred to the presentations made to the different entities by RMC that refer more specifically to the main components of the REPOG plan: the brackish water desalinization, water from the Salinas River rubber dam project and expansion of the Castroville Seawater Intrusion Project (CSIP). The Regional Plan would also utilize power from the regional landfill and further reduce water being discharged through our outfall to the Bay.

He concluded by saying that all of the projects of the Regional Plan are to be submitted to the California State Public Utilities Commission for its evaluation which will continue over the next few months.

Mr. Cort commented the presentation was excellent and asked for clarification regarding the amount of water currently flowing to the ocean in the outfall. He continued by saying that since the Carmel River needs 7,900 to 8,000 AFY and 10,000 AF is going out the outfall, perhaps this source should become a priority for consideration.

Mr. Israel confirmed that a goal of the agency has been for zero discharge of treated water to the Bay. Unfortunately, recycled water cannot replace the Carmel River water which is used as potable water, but we can provide additional recycled water for expanded uses and added that Pacific Grove is striving to utilize storm water which would also provide a good source of water for the overall plan.

Mr. Calcagno stated the regional plan has a lot of good components; however there is still a major problem relating to support of injection to the 180 foot aquifer. He

Minutes
MRWPCA - Regular Meeting
May 29, 2008
Page 4

continued by saying the Water Resources Agency and the Ag Advisory Committee does not support the proposed drilling of wells to pump brackish water from along the coast or water from the Salinas aquifer. Acting as a staunch advocate on behalf of his constituency, Mr. Calcagno firmly expressed their concern about the proposed project and he suggested that meetings should be held between the Water Resources Agency, Marina Coast Water District and MRWPCA in order to determine what is agreeable to all. Discussion continued with Mr. Calcagno further clarifying his position. Ms. De La Rosa stated she supports Mr. Calcagno's position and recommends this issue be further studied by staff and the Recycled Water Storage Committee.

Mr. Wellington stated that the key projects MRWPCA has worked on and wanted as part of the Regional Plan include the Urban Water Augmentation and Seaside Replenishment projects. The other items being discussed this evening, the brackish water wells and the 180 foot aquifer were proposed as part of the REPOG process.

Mr. Israel stated our agency has officially been a part of the Regional Plan for only the last month and our urgency has been to complete the components we directly support so that they can be considered in the environmental process that begins June 2008. Consensus of the members was that replenishment of the 180 foot aquifer could be further evaluated and presented at a later date to the Board for consideration.

Mr. Pendergrass agreed it was paramount to confirm support for the Joint Urban Water Augmentation Project and the Seaside Replenishment Project as these projects have been a goal of the agency for over five years. He also mentioned the planning goal of a "governance" group of local decision makers, mayors, etc. to a regional approach to solve area water issues and expressed concern this effort has been ignored.

After further discussion it was determined that the Board would proceed with consideration for the Resolution of Support. Mr. Haferman recommended the 3rd item of the Resolution, the 180 foot aquifer replenishment project be deleted. Mr. Nishi suggested the title of the resolution refer to the "Replenishment Project," not Projects and called for a weighed, roll call vote.

ACTION TAKEN: On a motion by Mr. Haferman, seconded by Mr. Pendergrass, the Board unanimously approved, with suggested amendments noted above, Resolution 2008-04, a Resolution Expressing Support for the Proposed Joint Urban Recycled Water Project and the Monterey Regional Water Pollutions Control Agency's Proposed Seaside Groundwater Replenishment Project.

Mr. Calcagno commented he approved of the Resolution but steadfastly confirmed his support for the growers who still have many questions about the Regional Plan.

7. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. Budget/Personnel Committee

1. Receive and Approve Committee Minutes/Report of May 12, 2008

Mr. Pendergrass explained that the minutes accurately reflect the action taken by the Committee.

ACTION TAKEN: On a motion by Ms. Del La Rosa, seconded by Mr. Cort, the Board unanimously approved the Budget/Personnel Committee Minutes for Monday, May 12, 2008, with the following recommendations:

- That the Board authorize staff to enter into agreement with MPWMD to provide support with their Community Outreach Program and reimburse MRWPCA for approximately \$3,000 in labor costs.
- That the Board review Budget/Personnel Committee input and staff's final adjustment prior to final consideration at the June 9, 2008 Budget Workshop.
- That the Board authorize staff to begin notification plans per Proposition 218 for proposed user rate increase.

B. Recycled Water Storage Committee

1. Special RWSC Meeting of May 12, 2008 was canceled due to lack of a quorum of Committee members.

2. Regularly scheduled RWSC meeting on May 15 was canceled.

9. INFORMATIONAL ITEMS

A. Fort Ord Update

No questions or comments.

B. Reclamation Project Status Summary

No questions or comments.

C. Strategic Planning Goals (2008-2011)

Minutes
MRWPCA - Regular Meeting
May 29, 2008
Page 6

Mr. Israel noted the Strategic Planning Workshop was held on Friday, May 23, with new three-year goals and objectives developed at that time. He stated the workshop was very successful. The presentation tonight is an update to the full Board to review and discuss the new goals and objectives. The four goals selected include: be a leader in solving the water shortage problem in the area; increase the use of replenishment water; develop and implement a plan to manage biosolids in the most cost-effective manner; and, develop and implement a plan to manage power in the most cost-effective manner.

Mr. Dayton asked about the objective, referring to an agreement with the City of Salinas, to use their industrial waste pond water and questioned the source of that water. Mr. Israel indicated that food processing industries wash their produce prior to packaging. Rather than the water passing through sewage lines, it has proven more economical to collect the water in the industrial waste pond and have it either evaporate or percolate into the ground. It should be noted that no sewage is part of this waste stream. Staff has suggested the water could be used as dilution water for groundwater replenishment for the Seaside Basin.

Ms. De La Rosa apologized for not being able to attend the workshop; however, she wanted to recommend that a previous goal be included with the new set of goals. She felt the goal "develop and begin to implement a plan to provide conveyance capacity (e.g., pump station, pipelines) for Boronda, Salinas, Castroville, Moss Landing and North and South County growth" needed to be continued. Mr. Israel indicated that previous goals continue to have staff attention; however, he suggested it could be agendaized for Board review and considered at the next meeting. Mr. Wellington concurred that it could be included for Board discussion at a future meeting of the Board.

Mr. Bloomer asked for clarification on the objectives for the goal to develop and implement a plan to manage power in the most cost-effective manner. One objective refers to "power costs being reduced by 10%," and second states "identify new technology for producing at least 10% more power." Mr. Buell stated the first one refers to reducing our power cost and the second refers to creating more power through the digesters. Mr. Hagemann indicated it would result in a net 20% increase in economy and efficiency.

Chair Russell noted the Minutes/Report for the Strategic Planning Workshop was received by the Board; no action needed.

11. STAFF REPORTS

A. General Manager/Legal Counsel

Nothing further.

B. Department Heads

No report.

12. BOARD MEMBER COMMENTS

Mr. Cort inquired about any outreach action relating to the recent article in the Herald by Dr. Gott (a nationally syndicated columnist). His article today advised readers that to get rid of drugs, “throw them down the toilet.” Mr. Hagemann commented that coincidentally there was a state-wide conference call today with the California Association of Sanitation Agencies (CASA) forming a “No Drugs down the Drain” week scheduled for October 4–11. Dr. Gott’s article was addressed and the syndication will be contacted with a response from state and national level organizations. Further, he stated materials are being developed by the state agency as billing inserts and educational information to be included in our Community Outreach program headed by Karen Harris. Mr. Tiernan added he had spoken to Mr. Miller with the WateReuse Association who confirmed the association would be contacting Dr. Gott, but also indicated that on a national level there is still some confusion on how drugs are to be handled.

Some discussion followed regarding the solutions for disposal of pharmaceuticals in our area. Mr. Hagemann indicated that some pharmacies will take back unused prescriptions, or they can be packaged and disposed of as household hazardous waste at our regional landfill. Mr. Haferman suggested that even at the local level a letter should be sent to the Herald in order to clarify what should be done with unused drugs. Mr. Israel concurred and added that a joint letter from our agency and the Monterey Regional Waste Management District would be a good idea. The Board members concurred.

Mr. Haferman requested an update on the status on the vacant position for the US Army on the Board. Dewey Baird had served on the Board for many years and had been a valuable resource for this agency. Mr. Israel indicated representation on our Board was being considered by Colonel Martis and that staff would follow up on the matter.

Mr. Calcagno reaffirmed his hope that this Agency, along with the Monterey Country Water Resources Agency and Marina Coast Water District, would develop a set schedule for monthly meetings to review and discuss all water issues and develop a set of goals that could be agreeable to all parties. Mr. Israel agreed this would be a good way to resolve issues and encouraged the idea.

Chair Russell acknowledged Mr. Eric Tynan’s attendance representing the Castroville Community Services District.

Chair Russell announced there would be Closed Session and Mr. Nishi asked for an explanation for why the Closed Session was revised to include a combined session for two matters. Mr. Wellington stated he had previously spoken with Legal Counsel for Marina Coast Water District to answer that question. He explained that Closed Session would include a discussion of the REPOG and the Regional Water Supply Plan that included matters related to combined activities of both MCWRA and MCWD.

[Chair Russell adjourned Open Session at 8:20 pm.]

[Chair Russell called Closed Session to order at 8:30 pm,]

14. CLOSED SESSION

A. Negotiations with Marina Coast Water District and Monterey County Water Resources Agency

- i. Property: Easements, Rights-of-Way, Pipelines and Appurtenances, Water Rights and Improvements to Real Property**
- ii. Negotiator(s): Joe Russell, Dave Pendergrass and General Manager Keith Israel**
- iii. Negotiating Party: Marina Coast Water District and Monterey County Water Resources Agency**
- iv. Terms: All Terms and Conditions**

The Agency Board of Directors came back into open session at 9:40 p.m. after taking up the Closed Session Item as listed on the meeting agenda, relating to the Agency's consideration of and possible conveyance or contribution of Agency real property assets, facilities or rights to the proposed "regional alternative" to a Cal-Am desalination facility at Moss Landing, a conceptual plan considered and developed by, along with others, the Regional Plenary Oversight Group ("REPOG"). It was announced that the Board received information about this matter, gave directions to the Agency General Manager, and voted unanimously to adopt the following statement:

"The nine Agency Board Members present in the closed session note for the record that when their respective councils and boards previously received presentations regarding the general conceptual plan of the regional alternative project, and gave general concept approval to that project, it was not indicated to them nor understood by them (the councils and boards) that two important and long-planned projects of the Agency, 1) the Urban Regional Recycled Water Project and 2) the Seaside Basin Groundwater Replenishment

Project, could possibly be dropped, excluded or indefinitely postponed by the regional alternative project, and if such is in fact the case, then the regional alternative project should not be considered or indicated to have approvals from the councils and boards of these Agency Board Members until such time as there is further presentations to and consideration by those councils and boards of the final specific details and components of the regional alternative project, with particular reference to the inclusion or not of the two above-mentioned Agency recycled water projects.”

15. ADJOURNMENT

With no further business, Chair Russell adjourned the meeting at 9:41 p.m. to the next scheduled Board Meeting, Budget Workshop, in the Board Room at 5 Harris Court, Building D, on Monday, June 9, 2008, at 7:00 p.m.

/s/Keith Israel

Keith E. Israel, General Manager
Secretary to the Board

/s/ Joseph Russell

Joseph Russell, Chair
MRWPCA Board of Directors