



Approved
March 30, 2009

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
February 23, 2009

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 Monday, February 23, 2009 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. 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 Community Services District
Kenneth Nishi	Marina Coast Water District, Member
Libby Downey	Monterey, Councilmember
Lou Calcagno	Monterey County, Supervisor
Chris Orman	Moss Landing County Sanitation District
Dan Cort	Pacific Grove, Councilmember
Gloria De La Rosa	Salinas, Mayor Pro Tem
Ralph Rubio	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
Ron Wellington	Legal Counsel
John Tiernan	Director of Admin Services, Deputy GM
Tom Buell	Director of Finance

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Bob Holden
Kelly Cadiante
Karen Harris
Leara Ventura

Principal Engineer
Accounting Supervisor
Community Relations Specialist
Admin Support Specialist

OTHERS PRESENT: Carl Niizawa – City of Salinas
Rick Reidl – City of Seaside
Doug Yount – City of Marina
Craig Anthony – Cal Am

[Chair Russell adjourned Open Session at 7:04 pm.]

[Chair Russell called Closed Session to order at 7:05 pm.]

3. CLOSED SESSION

A. Negotiations with Marina Coast Water District

- i. Property: Easements, Rights-of-Way, Pipelines and Appurtenances, Water Rights and Improvements to Real Property relative to proposed Regional Urban Recycled Water Augmentation Project (RUWAPP)**
- ii. Negotiator(s): General Manager Keith Israel**
- iii. Negotiating Party: Marina Coast Water District**
- iv. Terms: All Terms and Conditions**

[At 8:27 p.m., Closed Session ended and Open Session reconvened.]

4. POSSIBLE ACTION ON CLOSED SESSION ITEM

A. Consider Proposed Memorandum of Understanding for the Regional Urban Water Augmentation Project (RUWAP) with Marina Coast Water District

Mr. Wellington reported the Board, taking up the matter of the Real Property Negotiations listed on the agenda, gave directions to its negotiators as follows:

That the Board believes strongly that negotiation should actively continue to pursue and accomplish both the Regional Urban Water Augmentation Project (RUWAP) and the Seaside Basin Groundwater Replenishment (GWR) Project and to that end, the Board is proposing to have an Ad Hoc Committee formed comprised of the five Peninsula City Mayors and a member of the Board of Supervisors which committee will, with the assistance of staff persons (including a staff person from the MCWRA [Curtis Weeks], and the City of Salinas [probably Carl Niizawa]), seek to and propose to negotiate with an Ad Hoc Committee of the MCWD and its staff person in a good-faith attempt to resolve these negotiations within the next 45-60 days. No other action was taken.

Chair Russell asked for Public Comments and Mr. Doug Yount, Development Services Director from City of Marina, introduced himself and explained that he had been facilitating discussions between the general managers of MRWPCA and MCWD during the last month. He feels the current draft MOU is a very balanced agreement that has narrowed a whole range of issues to those that are not contested. He expressed disappointment that the Board was not willing to proceed at this time because there is common concern with all the cities and jurisdictions in the region to move forward. He emphasized this is an opportunity for the two agencies to take a leadership role and create something together.

Mr. Rubio stated the Board has come to a consensus to address issues face to face, Board to Board and begin a direct dialog, and that this represents a positive step toward cooperative engagement with the Marina Coast Water District Board. Mr. Calcagno expressed appreciation to Mr. Yount on his efforts to bring about agreement and stated the community will become involved to support the issues so it becomes not an agency project, but a community project. He stressed the importance of bringing the Monterey County Water Resources Agency into the negotiations in order to help resolve some of the water issues.

5. PLEDGE OF ALLEGIANCE

Chair Russell asked Ms. Downey to lead the Pledge of Allegiance.

6. INTRODUCTION OF NEW BOARD MEMBERS AND SPECIAL ACKNOWLEDGEMENTS

Chair Russell introduced Ms. Elizabeth "Libby" Downey, newly appointed from the City of Monterey to become a Director to the MRWPCA Board. Ms. Downey stated she welcomed the opportunity to serve and expressed her commitment to learn more about the water issues being considered.

Chair Russell then acknowledged the service by former Director Jeff Haferman from Monterey and requested Board approval for Resolution 2009-04, a Resolution of Appreciation to Director Haferman for his four years of service to the Board.

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Mr. Cort, the Board unanimously approved Resolution 2009-04, a Resolution in Appreciation of Service to MRWPCA from Jeff Haferman representing the City of Monterey.

7. PUBLIC COMMENTS

At 8:45 p.m., Chair Russell opened and closed Public Comments.

8. CONSENT AGENDA

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

- A. Approve Board Meeting Minutes/Report for Regularly Scheduled Board Meeting of January 26, 2009**
- B. Receive Financial Statements – January 2009**
- C. Receive Comparison Percentage of Budget Expended Through January 2009 versus 2008**
- D. Receive Check Register – January 2009**
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for January 2009**
- F. Receive Actual vs. Budgeted Fiscal Year 2008/09 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund**
- G. Receive Actual vs. Anticipated Fiscal Year 2008/09 Revenues from Capacity Charges**

9. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. Budget/Personnel Committee

- 1. Receive and Approve Committee Minutes/Report of February 11, 2009**

No Quorum – Committee Meeting was canceled.

B. Recycled Water Storage Committee

- 1. Receive and Approve Committee Minutes/Report of February 12, 2009**

Mr. Russell reported the Minutes are accurate and reflect the Committee's action to review and recommend for approval the Joint MOU with MPWMD.

Mr. Rubio asked for a staff review of the Joint MOU with Monterey Peninsula Water Management District. Mr. Israel stated the agreement provides a general framework that states the District and Agency will continue to work together on various water issues. Additional MOUs will be addressed when needed as the District proceeds with their desalinization project, and the Agency with the Groundwater Replenishment Project.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Mr. Cort, the Board unanimously approved the Recycled Water Storage Committee Minutes for

Thursday, February 12, 2009, with the following recommendations:

- **That the Board approve the Joint MOU with the Monterey Peninsula Water Management District.**

C. Recycled Water Storage Committee

1. Receive and Approve Committee Minutes/Report of February 20, 2009

Chair Russell stated the minutes are accurate and asked if the members had comments or questions.

Ms. Downey asked for procedural clarification for accepting the Committee actions. Mr. Wellington explained the Committee minutes provide details regarding discussion and recommended action on the matters to come before the Board. The Committee's recommendation(s) are listed in the Board agenda and unless otherwise noted, approval of a Committee's Minutes/Report includes approval of the listed recommendation(s) of the Committee by the Board (as noted on page 3 of agenda).

Discussion followed regarding the action to become an "intervener" to the CPUC process. Ms. Downey suggested the Committee's report ought to present two motions as she was supportive of the Groundwater Replenishment information plan but was concerned this action to become an intervener would be a hindrance for Phase 1 of the Regional Water Program to move forward. Mr. Israel clarified the Groundwater Replenishment was not included in Phase 1 based on the fact the CPUC did not seem to have all the correct information. He stressed there is no intention to do anything to slow down or interfere with the regional program. To Mr. Rubio's question about costs for proceeding, Mr. Israel stated the cost for developing the statement is about \$7,500. Beyond that, any additional cost would depend upon how much we decide to participate.

Mr. Pendergrass suggested there were other entities participating as interveners and that it is not a negative thing, but rather positive to be involved to receive all the information that is presented. Mr. Russell noted that being an intervener allows the status to present information; it is another step in the process. Mr. Israel stated that we have received positive feedback from the public at the REPOG meetings regarding the Groundwater Replenishment.

Discussion followed with Mr. Rubio suggesting it was important for the Board to clearly understand the intent of comments being made to the CPUC and that the Board ought to have the opportunity to provide input before information is carried to the public. Mr. Israel explained that Public Comments were due by April 1 and, therefore, information could be presented for Board review at the Board meeting in March.

Mr. Wellington summarized the discussion in order to clarify the motion stating the Board consensus seems to be to make clear the comments, actions or steps the Agency proposes as an intervener and provide the Board an opportunity to review.

ACTION TAKEN: On a motion by Mr. Calcagno, seconded by Ms. Downey, the Board unanimously approved the Recycled Water Storage Committee Minutes for Friday, February 20, 2009, with the following recommendations:

- **That the Board authorize staff to proceed with the Groundwater Replenishment information plan and become an intervener to the California Public Utilities Commission and that any actions or comments taken as an intervener would be run through and cleared by this Board.**

10. 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)

Mr. Israel indicated that updates to the goals were included in the packet.

11. ADDITIONAL INFORMATIONAL ITEM

A. Update on Coastal Water Project Draft Environmental Impact Review (EIR)

Mr. Israel stated the Comment Period for the Draft EIR is through the end of March and four Public Meetings are planned for the first week of March. The RWSC minutes reflect some of the discussion of plans to participate in the EIR. Mr. Calcagno asked that proposed comments on the environmental document be reviewed by the Board even if that means convening a Special Board meeting.

12. STAFF REPORTS

A. General Manager/Assistant General Manager/ Legal Counsel

Nothing to report.

B. Department Heads

Nothing to report.

C. Presentation: FY 2008/09 Mid-Year Budget Review including Recap on Capital Projects and Investment Portfolio

Mr. Tiernan made a presentation to the Board addressing a mid-year review of the budget; Mr. Hagemann provided information on the Capital Improvement Projects budget that includes 22 projects; and Mr. Buell presented graphs describing the current investment portfolio and projection of financial status. There was some discussion regarding current investment returns in light of the weak economy.

13. CORRESPONDENCE

Chair Russell called attention to the correspondence listed in the agenda packet and requested the members to review the material. No questions.

14. ELECTION OF BOARD OFFICERS FOR 2009

A. Receive and Approve Nomination Committee Minutes/Report

Chair Russell advised that the Nomination Committee members for 2009 include Mr. Cortez, Boronda CSD; Mr. Chris Orman, Moss Landing CSD; and Mr. Ron Stefani, Castroville CSD. Committee Chair Stefani explained the Committee nominated Mr. Calcagno for Chair and Ms. De La Rosa for Vice Chair and suggested there could be additional nominations presented from the floor. Mr. Cort asked for clarification of Board member appointments and Mr. Stefani confirmed that Mr. Orman and Mr. Cortez were appointed by a Monterey County Supervisor, but he holds an elected position for the Castroville Community Services District.

Chair Russell asked for nominations from the floor; hearing none, he called for a motion to the Committee recommendation.

ACTION TAKEN: A motion by Mr. Rubio to approve the slate presented by the Nomination Committee was seconded by Mr. Nishi. The Board unanimously approved the motion.

Chair Calcagno and Vice Chair De La Rosa expressed their thanks and appreciation to members for the honor to serve.

15. BOARD MEMBER COMMENTS

Chair Calcagno stated that it is time to move forward and that he and Ms. De La Rosa, representing Northern Monterey County, can be objective in helping to find solutions for the Peninsula water issues. He repeated the importance of utilizing the reclaimed water flowing to the ocean and supported the recycled water projects stressing that it was time to get some resolution to the stalemate. He continued by saying the committee being organized will be the first step in bringing the parties together to solve the problem.

16. ADJOURNMENT

With no further business, Chair Calcagno adjourned the meeting at 9:35 p.m. to the next scheduled Board Meeting, in the Board Room at 5 Harris Court, Building D, on Monday, March 30, 2009, at 7:00 p.m.

/s/ Keith Israel

Keith E. Israel, General Manager
Secretary to the Board

/s/ Lou Calcagno

Louis Calcagno, Chair
MRWPCA Board of Directors