



APPROVED
June 28, 2010

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
May 24, 2010

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 Calcagno at 7:01 p.m., on Monday, May 24, 2010 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. PLEDGE OF ALLIGENCE – Vice Chair Ron Stefani

3. ROLL CALL

BOARD MEMBERS PRESENT:

Lou Calcagno, Chair	Monterey County Supervisor
Ron Stefani, Vice Chair	Castroville Community Services District
Dennis Allion	Del Rey Oaks, Councilmember
Ken Nishi	Marina Coast Water District, President
Libby Downey	Monterey, Councilmember
Marilyn Lynds	Moss Landing County Sanitation District
Carmelita Garcia	Pacific Grove, Mayor
Gloria De La Rosa	Salinas, Mayor Pro Tem
Dave Pendergrass	Sand City, Mayor
Steve Bloomer	Seaside, Vice-Mayor
Vacant – Ex-Officio	U.S. Army, Representative

BOARD MEMBERS ABSENT:

Ramiro Cortez	Boronda County Sanitation District
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MRWPCA STAFF PRESENT:

Keith Israel	General Manager
Rob Wellington	Legal Counsel
Brad Hagemann	Assistant General Manager
John Tiernan	Director of Admin Services, Deputy GM
Tom Buell	Director of Finance

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Bob Holden
Karen Harris
Betty Nebb

Principal Engineer
Community Relations Specialist
Executive Assistant

OTHERS PRESENT:

Carl Niizawa – MCWD
Frank Aguayo – City of Salinas
Tom Carvey – Salinas Valley Chamber of Commerce
Bryan Finegan – Land Owners and Developers/Salinas
Scott Ottmar – City of Seaside
Wayne Downey

4. PUBLIC COMMENTS

At 7:03 pm, Chair Calcagno opened and closed Public Comments. No comments received.

5. CONSENT AGENDA

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Ms. Garcia, the Board unanimously approved the Consent Agenda, Items A through H as follows:

- A. Approve Minutes/Report for Regularly Scheduled Board Meeting of April 26, 2010
- B. Approve Minutes for Strategic Planning Workshop of April 23, 2010
- C. Receive Comparison Percentage of Budget Expended Through April 2010 versus 2009
- D. Receive Check Register – April 2010
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for April 2010
- F. Receive Actual vs. Budgeted Fiscal Year 2009/10 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund
- G. Receive Actual vs. Anticipated Fiscal Year 2009/10 Revenues from Capacity Charges
- H. Approve Construction Contract for Chlorine Emergency Shutoff System Replacement Project

6. EMPLOYEE RECOGNITION

- A. **Christopher Foley** – CWEA, Electrical/Instrumentation Technologist, Grade II

Mr. Hagemann reported that Mr. Foley unfortunately fell ill today at work and was unable to attend the Board meeting; however, although that Mr. Foley has been an employee with the Agency less than a year, he has already successfully completed his Grade II certification. Chris had done some contract work for us in past years, so when he was hired on a full-time basis we knew he would be a great addition to our staff.

B. Karen Harris – Community Relations Specialist

Mt. Hagemann noted that May is Water Awareness Month and the art provided in the Board room is work by fourth and fifth graders who participated in the contest "What Water Means to Me." He introduced Ms. Harris as Event Chair and the successful organizer of the Water Awareness Day Celebration on May 1 at the Del Monte Shopping Mall. The event goals were to increase awareness about water conservation with an emphasis on water-wise landscaping, promote sponsors (public and private organizations), and foster stewardship of local watersheds. Proceeds will be used to expand water awareness education in Monterey County. Karen's efforts resulted in an event was deemed a big success and plans are being made now for next year's celebration.

7. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. Budget/Personnel Committee

**1) Receive Committee Recommendations from BPC Meeting of
May 14, 2010**

Item 1 – Review Proposed User Rate Alternative

Mr. Tiernan stated the BPC focused primarily on two topics: 1) the proposed user rate increase and how those rate revenues are going to be used, and 2) changes to reserve fund balances. Additionally staff suggested that the 10-year Capital Improvement Program (CIP) needs further refinement before formal consideration by the Board and suggested staff bring the 10-year CIP back to the Board for review/comment in September. He further explained that in January 2011 the BPC would consider the appropriate rate model to achieve the revenues necessary to support the 10-year CIP. Mr. Tiernan noted that the Committee members were very receptive to staff's suggestion to provide a presentation to their individual entities to explain the contents of the 10-year CIP and proposed rate increases needed to support the Program.

For this year's budget, Mr. Tiernan indicated that staff proposes a 90 cent increase – changing the current monthly user fee rate from \$11.10 to \$12.00 per month. After a thorough discussion, the members asked staff to provide information at the next meeting that would specify how this new revenue would be used.

Additionally Mr. Tiernan explained the changes that staff recommends for the Agency Reserve Policy. The Capital Equipment Fund currently maintains a \$1.5m

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balance per Board policy; since this reserve fund is funded by transfers from the General Fund, staff recommends reducing the balance amount to \$1m. Staff also recommends that the Major O&M Repair Fund, which is also funded by the General Fund, be eliminated since expenses from this fund can be expensed out of the O&M budget.

Mr. Tiernan announced that the BPC would meet on May 28 and develop their final recommendations regarding the 2010/11 budget for the Board's consideration at the Budget Workshop on June 10.

ACTION TAKEN: Further BPC discussion to be continued at a Special Committee meeting scheduled for May 28, Friday at 1:30 pm.

Chair Calcagno called for public comments. Mr. Frank Aguayo, Civil Engineer for the City of Salinas presented a letter to the Board members requesting that a new conveyance pipeline from the Salinas pump station to the MRWPCA treatment plant be included in the long-term list for CIP projects. He stated studies completed by the City indicate build-out peak wastewater flow rates are projected to exceed the current capacity of the pump station. The letter presents the City's reasons why this project should be include in the CIP.

Mr. Israel stated that although we had been told a letter was being prepared, it wasn't seen until now. He indicated it would be reviewed at the BPC meeting on May 28 and then a response to the letter will be presented to the Board at the Budget Workshop on June 10. He stated that the Board has continued to address the build-out peak wet flow conveyance issue for Salinas in the Strategic Goals formulated in April and will upgrade the CIP to include any needed improvements.

Mr. Israel reassured the Board that staff is aware of the City's concerns and will make certain that Salinas has sewage conveyance capacity for their future needs. He noted that staff will continue to work on a plan to ensure we don't run out of capacity for Salinas or any of our member entities.

Mr. Tom Carvey, President and CEO of the Salinas Valley Chamber of Commerce, stated that the growth rate for Monterey County has been about 1.5% a year for the last three or four decades with Salinas absorbing about 85% of that growth. He stated the Chamber agrees that there must be adequate sewer capacity for economic development of Salinas and that now is the time to plan ahead.

Mr. Bryan Finegan, representing the land owners and developers in the future growth areas of Salinas, added his support for the City's request for the conveyance pipeline to be included in next year's CIP. He explained that when this current recession is over, developers will be there to move forward and that it is a good time for the Agency to be planning for a pipeline that will surely be needed. Mr. Finegan noted that he was pleased to hear Mr. Israel's commitment

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to see that consideration is given for this project and hoped the Board will support the pipeline in the CIP.

Several Members expressed that receiving the City's letter tonight did not allow time to consider the content. Ms. Downey assured the audience that the Board would always strive to provide whatever is needed for the various member entities and if the pipeline is needed for Salinas, then it will be included in the CIP. She noted that the Technical Advisory Committee (TAC) is the right venue for continued discussions on this issue and encouraged Salinas staff to participate in those meetings.

Chair Calcagno asked about the projected cost for the proposed pipeline and Mr. Hagemann responded that the current estimate is \$32m. Discussion followed about possible funding options through bonding and capacity fees and the process to determine the correct timing for this proposed project. Ms. De La Rosa added that Salinas has been very patient and is now insisting that the conveyance pipeline be included in the CIP. Mr. Stefani asked if Salinas would have a requirement to use recycled water for landscape irrigation and suggested that this should be included in the planning of this project. As a former Deputy City Engineer for Salinas, Mr. Niizawa added that for Salinas to receive recycled water there would have to be a pipeline from the RTP back to Salinas, or some sort of a sewage treatment facility in the City. He also noted that the letter discussed use of the Salinas Industrial Pond water that could be provided for the Seaside Replenishment Project, part of the Regional Water Project.

Mr. Israel stated staff is currently evaluating the request from Toro Park Homeowners Association to consider possible annexation into this agency system and flows associated with that are also going to have to be considered. A study for this possible annexation will be completed by September and these flows versus what is being discussed for Salinas will be evaluated by staff.

Item 2 – Closed Session

- i. Conference with Labor Negotiator/Employee Organizations: GEA, MMEG, and MEG
- ii. Personnel Matter/Public Employee Performance Evaluation: General Manager

➤ **Information only – no action needed.**

ACTION TAKEN: On a motion by Ms. Garcia, seconded by Ms. De La Rosa, the Board unanimously approved the Minutes/Report of the Budget/Personnel Committee meeting of May 14, 2010.

B. Recycled Water Committee

**1) Receive Committee Recommendations from RWC Meeting of
May 18, 2010**

Item 1 – Update on the Regional Water Project

Mr. Israel stated that the Administrative Law Judge (ALJ) for the CPUC held public meetings in San Francisco on May 10 and 11 and met with all parties to try to resolve outstanding issues. There were a number of presentations including ones from the Division of Ratepayers Advocates (DRA), Monterey Peninsula Water Management District (MPWMD) and the Citizens for Public Water that addressed costs and governance issues. Overall there was a spirit of cooperation and general support for the Regional Water Project. The ALJ has announced a new schedule for the proceedings that include additional public workshops at the end of June.

➤ **Information only – no action needed.**

**Item 2 – Review Status of State Revolving Fund (SRF) Loan Program Preliminary
Project Priority List 2010/11**

Mr. Israel presented the preliminary list of priority state-wide projects for the next fiscal year to the Committee. There were hundreds of projects on the list with approximately \$200m in funding available. It was confirmed that an oversight by State staff resulted in two area projects that should have been listed but were not included on the preliminary list: the RUWAP and the Regional Desal Project. Mr. Israel confirmed that the State Board would be considering these projects next month with a priority for those that are basically ready to go. We are encouraged since the RUWAP project is shovel ready and could move forward very quickly.

➤ **Information only – no action needed.**

**Item 3 – Consider Further Funding of “Attenuation of PPCP/EDCs through Golf
Courses using Reuse Water” Project**

Mr. Holden explained that the Board has previously supported this project regarding pharmaceutical and personal care projects (PPCP) and endocrine disrupting compounds (EDC) in sewage and water ways. This research was scheduled to be completed in July; however they have requested an extension to January 2011 in order to evaluate an additional overseeding event. This research is mostly funded by the WaterReuse Foundation and the Water Environment Research Foundation.

ACTION TAKEN: On a motion by Ms. Downey, seconded by Ms. Garcia, the Board unanimously approved further funding of \$5,000 for support of the PPCP/EDCs Project.

Item 4 – Consider Potential Future Research Projects relating to Recycled Water

Mr. Holden announced there are four potential research projects staff recommends supporting: two are sponsored by US Department of Agriculture that evaluate the benefits of using recycled water for irrigating specialty crops; and, two by the WaterReuse Research Foundation. One is risk management in water reuse to change the process to reduce bacteria and pathogens and use less chlorine in recycled water. The second is to look at an indirect potable system like our groundwater replenishment project and consider either regulatory or perception issues that could be hindrances to a successful project.

Ms. Lynds asked several questions about the scope of the research projects and Mr. Holden provide further details. Mr. Israel stated that there are hundreds of studies that are evaluating potential risks from compounds that could enter our groundwater. Our agency certainly supports these efforts and strives to implement the newest procedures to keep our recycled water safe and of the highest quality.

➤ **Information only – no action needed.**

ACTION TAKEN: On a motion by Ms. Downey, seconded by Ms. Garcia, the Board unanimously approved the Recycled Water Committee Minutes/Report of May 18, 2010.

8. INFORMATIONAL ITEMS

A. Reclamation Project Status Summary

Mr. Israel indicated the summary report is updated each month and over this last month we started receiving water from the rubber dam. Although we have continued to get some rain and the turbidity level is still a bit high, the disinfection facilities are working well and the growers are able to handle the water very well with no adverse impacts. To Chair Calcagno's question about using well water, Mr. Holden responded that wells are still being used and will be in order to get the needed pressure especially in the higher elevations within the CSIP system. But priority will always be first recycled water, then river water, and lastly well water. Chair Calcagno noted that well usage has already been cut by 50%.

B. Strategic Planning Goals (2008-2011) and One-Year Objectives Update

Mr. Israel stated only a couple of comments have been added since the new objectives were developed last month.

9. STAFF REPORTS

A. General Manager/Assistant General Manager/ Legal Counsel

Mr. Israel previously mentioned the Toro Park Study but reconfirmed that information from the study will be reported in the near future.

Mr. Israel announced the California Wastewater Association (CASA) would be holding their conference this summer in Monterey. Plans may include a tour of the rubber dam facilities and a visit to the site of the desalination plant.

B. Department Heads

No reports.

C. Presentation: Presentation of Draft Budget – John Tiernan, Deputy General Manager

Mr. Tiernan announced that the Draft Budget information was covered in the Budget/Personnel Committee report and that the committee would be meeting on Friday, May 28, to finalize their recommendations for the Board's consideration at the Budget Workshop on June 10.


10. BOARD MEMBER COMMENTS

Mr. Nishi commented on the successful grand opening ceremony for the Sand City desalination plant. Mr. Pendergrass expressed appreciation for the media coverage and the public participation acknowledging the new facility. He explained the plant produces 300 AFY and is unique because of the energy saving process and because it is the first to be tested under the new surface water rules. He stated the City is proud to be a part of the regional water solution and welcomes the opportunity for members to tour the facility. Discussion followed and Mr. Pendergrass graciously offered his city's Council Chambers for the next MRWPCA Board meeting in order to give an opportunity for members and staff to tour the new desal plant. Chair Calcagno requested staff to work out the details to provide this opportunity.

Ms. Downey stated she had attended the rubber dam ribbon-cutting ceremony in April. She felt it was very informative and encouraged everyone to see it when the opportunity comes available. She also referred to a recent MPWMD meeting where their Board voted against the Regional Water Project Settlement Agreement, but wanted to thank Mr. Pendergrass who spoke up in support of the Regional Water Project and was clear in declaring it was time to move forward.

11. ADJOURNMENT

With no further business, Chair Calcagno adjourned the meeting at 7:54 p.m. to the scheduled Board Budget Workshop Meeting on June 10, 2010.



Keith E. Israel, General Manager
Secretary to the Board



Lou Calcagno, Chair
MRWPCA Board of Directors