



APPROVED

May 24, 2010

**MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
April 26, 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 Vice Chair Stefani at 7:01 p.m., on Monday, April 26, 2010 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. ROLL CALL

BOARD MEMBERS PRESENT:

Ron Stefani, Vice Chair	Castroville Community Services District
Ramiro Cortez	Boronda County Sanitation District
Dennis Allion	Del Rey Oaks, Councilmember
Ken Nishi	Marina Coast Water District, President
Jane Parker [Alternate]	Monterey County, Supervisor
Carmelita Garcia	Pacific Grove, Mayor
Gloria De La Rosa	Salinas, Mayor Pro Tem
Dave Pendergrass	Sand City, Mayor
Ralph Rubio	Seaside, Mayor
Vacant – Ex-Officio	U.S. Army, Representative

BOARD MEMBERS ABSENT:

Lou Calcagno, Chair	Monterey County, Supervisor
Libby Downey	Monterey, Councilmember
Chris Orman	Moss Landing County Sanitation District

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
James Dix
Tom Kouretas
Mark Malanka
Betty Nebb

Principal Engineer
WWTP Operations Manager
Associate Engineer
Maintenance Manager
Executive Assistant

OTHERS PRESENT:

Carl Niizawa – MCWD
Frank Aguayo – City of Salinas
Rick Riedl – City of Seaside

3. PLEDGE OF ALLEGIANCE

Vice Chair Stefani asked Mr. Pendergrass to lead the Pledge of Allegiance.

4. PUBLIC COMMENTS

At 7:02 pm, Vice Chair Stefani opened and closed Public Comments.

5. CONSENT AGENDA

Ms. Parker called for a correction on the date shown for Item I that should read:
Revised Board Committee Assignments for April 2010 – March 2011.

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

- A. Approve Board Meeting Minutes/Report for Regularly Scheduled Board Meeting of March 29, 2010
- B. Receive Financial Statements for March 2010
- C. Receive Comparison Percentage of Budget Expended Through March 2010 versus 2009
- D. Receive Check Register – March 2010
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for March 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. Received Residential Dwelling-Unit Aggregate as of March 31, 2010

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- I. Receive Revised Board Committee Assignments for April 2010 – March 2011
- J. Receive Final Response to Grand Jury Findings and Recommendations on Water Issues
- K. Receive Chemical Optimization Report
- L. Approve Additional Funding for Salinas Pump Station Flow Monitoring
- M. Receive Technical Advisory Committee (TAC) Meeting Summary for April 15, 2010
- N. Approve Change Order to Barscreen Replacement Project Construction Contract to include Replacement of Four Headworks Sluice Gates

6. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. Recycled Water Committee

- 1. Receive Committee Recommendations from RWC Meeting of April 15, 2010**

Item 1 – Update on Regional Urban Water Augmentation Project (RUWAP)

A. Overall Update

Mr. Holden provided an update on the RUWAP explaining the two portions of the project: recycled water and desalination. This project will connect with the Salinas River Reclamation Project to provide urban irrigation water to the Marina, Seaside, Del Rey Oaks, Monterey, Monterey County and CSUMB. The approved environmental documents allow up to 1,727 AFY of recycled water, with the future project level increasing to 3,000 AFY. The components of the project include: WAPP pump station and pipes at RTP; 130,000 feet of pipeline, storage tank near Ardennes circle (Seaside) and a pump station at 3rd Street/5th Avenue (Marina). Mr. Holden provided a map displaying the proposed pipeline from the RTP primarily along General Jim Moore Boulevard, with future extensions to the Del Rey Oaks resort golf course area and City of Monterey.

Mr. Holden explained that the timeline for the project is dependent on securing funding. However, until then, value engineering could help find ways to possibly save money on the project. The components are 99% designed. Then within a few months of securing funding, construction could begin. If construction starts next year, the facilities could be operating by Spring 2013. The initial project being proposed is for 1,000 AFY of recycled water that would primarily supply the Seaside golf courses and CSUMB at an estimated cost of \$1,600 per AF. Total cost of the overall project is about \$80M, with about \$20M to \$40M needed to

begin implementation of this project. He reported his understanding that a State Revolving Fund loan request for \$20M for the RUWAP is currently being reviewed.

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

B. Federal Funding

At the Committee meeting, Mr. Israel introduced Mr. Eric Sapirstein who provided an update on funding options and information on various additional forms of financial assistance that may be available. He verified the funding request for \$3M put forward by Representative Sam Farr for the RUWAP and suggested strategies on how to secure as much of that funding as possible. He emphasized the importance of maintaining contact with State and Federal legislative staff members and providing them with comprehensive information on the projects.

Ms. Garcia asked about funding that has already been provided to install some pipeline for the project and what might cause the \$1,600 AF cost estimate to increase. Mr. Israel explained that MCWD, in conjunction with FORA, has advanced funds to begin installation of the pipeline, that would eventually be paid back. He stated that construction costs might influence the final cost of the water; however, if water could be included for Monterey (second phase) there could be an economy of scale that might lower the cost.

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

Item 2 – Update on Salinas River Disinfection Facilities (SRDF)

Mr. Holden provided a brief update on the SRDF and announced a successful testing of the system was completed on April 13; however, because of recent rainfall, the river water that was diverted and treated was too muddy to use and had to be drained from the holding pond. He displayed a photo of the pond with the river water and explained the SCADA system that provides the operators in the Control Room full capability to monitor the system 24/7.

Ms. Parker noted that the river water with so much mud and dirt would seem to be problematic, but how does that muckiness factor play into future plans for being able to use winter flow? Mr. Holden stated that although this water was not sent on to the growers, it was tested for bacteria before and after disinfection. We prefer not to test “chocolate” water but in the design phase, staff took the worst river water and added contaminants to be certain that the disinfection process could “knock down anything.” Mr. Israel added that it would take some additional permitting and some modifications to the system to handle the winter water but he felt that could be completed with not too much of an added cost. Mr. Hagemann added that currently the agreement with MCWRA limits river water diversion to April 1 through October 31 of each year.

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Ms. Parker stated she had reviewed the reports in the agenda packet quite thoroughly and commented that the fine reputation of MRWPCA continues to be the result of producing the quality of water clean enough to satisfy the most nervous and critical of critics. She congratulated staff and expressed appreciation for the work being done.

Mr. Holden announced that Monterey County Water Resources Agency held a ribbon-cutting ceremony for the rubber dam and the SRDF on April 22 that was well attended.

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

Item 3 – Review and Accept 2010 Proposed Dates of Recycled Water Committee

Mr. Israel stated the committee members did have to reschedule the meetings scheduled for May and November; the RWC will meet on May 16 at 2:00 pm and on Tuesday, November 9, at 2:00 pm.

➤ **The Committee agreed by consensus to the revised schedule for meeting dates during the balance of 2010.**

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Ms. Garcia, the Board unanimously approved the Recycled Water Committee Minutes/Report of April 15, 2010.

B. Budget/Personnel Committee

1. Receive Committee Recommendations from the BPC Meeting of April 16, 2010

Item 1 – Update Model for Determining Rates to Address the Capital Improvement Plan Program

Mr. Tiernan stated that development of the Asset Management Plan resulted in projections for a \$45M capital expenditure level over the next 10 years. He provided several rate model scenarios to illustrate how the CIP could be funded with a combination of rate increases and/or financing options. The Committee reviewed and discussed the options each rate model scenario proposed and ultimately decided to continue discussions at the next BPC meeting before making final recommendations for the Board's consideration in late May or early June. Members requested that staff provide additional alternatives for funding projects. Information Mr. Tiernan presented showed that MRWPCA is currently well below the State average for level of user fees and increases over the last 12 years have averaged less than 1% per year.

Ms. Garcia commented that entities such as MRWPCA, when considering any rate increase, need to consider the level of any increase as well as the timing in order

to not be "stunning" to the consumer. She noted the difficulty Pacific Grove had when the City attempted to raise the business license fee after nearly 30 years of not doing so.

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

Item 2 – Consider Contract for Auditing Services

Mr. Tiernan stated that three responses were received for the RFQ for auditing services. Vavrinek, Trine, Day and Co. (VTD) was selected with the lowest bid and because they were the most qualified respondent with excellent credentials for the services our agency requires. They also provide additional assistance to our accounting staff at no charge. Staff recommended and the Committee agreed that VTD continue to serve as the Agency auditing firm with an option to renew for three years.

Mr. Nishi suggested that because VTD has been preparing financial/auditing reports for the Agency for ten years, it may be in the best interests of the Board to spend the additional \$600 and contract with a different firm. Mr. Pendergrass pointed out that VTD not only offered the lowest price, but provides consistency of service and has the specialized expertise for the complexities of this Agency. The other firms that bid would be educating themselves and end up costing more in staff time. Ms. De La Rosa confirmed her support for VTD because they have done the best job with least cost. Ms. Parker noted that some organizations implement a period of time when it is appropriate to bring in a "fresh set of eyes" and it may be worthwhile to address the issue of who does the audits for how long.

Mr. Tiernan stated that although the Agency has gone out for bids on auditing services several times in the past, the RFQ's have not brought in many choices; very few firms seem to have the necessary qualifications or the experience in preparing a CAFR document. Discussion followed on how the Board in the future might be able to request bids, but not allow a current auditor to bid.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Ms. Parker, the Board approved the contract with Vavrinek, Trine, Day and Co. (VTD) for FY 2009/2010 Auditing Services. [Mr. Nishi voted nay.]

Item 3 – Receive and Accept Proposed 2010 Meeting Dates for Budget/Personnel Committee

Mr. Israel reported that the Committee accepted the proposed meeting dates.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Ms. Parker, the Board unanimously approved the Budget/Personnel Committee Minutes/Report of April 16, 2010.

7. ADDITIONAL ACTION ITEMS

A. Approve Ordinance No. 2010-01, an Ordinance Extending the Expiration Date to December 30, 2010 of Ordinance No. 2004-04, Updating the Dwelling Units Distribution Plan as required by MBUAPCD Rule 216.

Mr. Hagemann stated this Ordinance has provided compliance with Monterey Bay Uniform Air Pollution Control District's Rule 216 that establishes a maximum number of new residential dwelling units based on current AMBAG population forecasts. Under this reporting, utilization for the last 5.5 years is less than 22% of the current allowable maximum. He explained that MBUAPCD has taken initial steps to repeal Rule 216; however, the item has been indefinitely tabled by the Air District Board due to lack of urgency in addressing the issue. Mr. Hagemann reported that he and staff will continue to work with APCD staff to encourage them to amend Rule 216 and to develop a reporting mechanism that will ultimately eliminate the need for our existing ordinance.

Mr. Hagemann explained that while this reporting has been called an allocation plan, it doesn't allocate member entity wastewater connections. Staff is currently assessing whether or not new service areas can be annexed. A Study, to be completed in the coming months, will estimate wastewater flow rates from each member entity based on their respective General Plan build-out population levels. That information, along with any pre-existing agreements with member entities, will be compiled and a report will be prepared that compares General Plan build-out flows with existing plant capacity. He noted that he believes there will still be adequate wastewater capacity for either new or expanding growth beyond what the General Plans will indicate.

Discussion followed clarifying that the Agency is complying with the ordinance even though the allocation numbers based on AMBAG population figures are not really relevant to RTP capacity. Mr. Israel stated that the Study will allow staff to complete a full report that will review all the data from General Plans to see where we are – it is important to protect and safeguard our member entities before allowing someone else to come into the system. He noted that over the years, in spite of increased development, flow rates have remained the same and even decreased due to water conservation measures. More information will be available to the Board on this issue in the coming months.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Mr. Pendergrass, the Board took a roll call vote resulting in a unanimous decision to adopt Ordinance No. 2010-01, an Ordinance Extending the Expiration Date to December 30, 2010 of Ordinance No. 2004-04, updating the Dwelling Units Distribution Plan as required by MBUAPCD Rule 216.

8. INFORMATIONAL ITEMS

A. Reclamation Project Status Summary

Mr. Israel indicated the summary report is updated each month. No questions.

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

Mr. Israel stated there was a good turnout for the Strategic Planning Workshop held on April 23 and that the facilitator, Ms. Marilyn Snider, was able to coordinate development of objectives for the coming year within the half-day program. He expressed appreciation to those members who were in attendance and for their diligent work. Mr. Israel proceeded to provide a presentation in order to review the goals and objectives with the Board and to ensure a full understanding of the new objectives for the year, providing clarification as needed.

Regarding the management plan for disposal of biosolids, Mr. Allion asked what kind of company would buy these biosolids, and Mr. Hagemann explained there are a few companies that market a compost material that includes biosolids. Mr. Allion referenced a company based in Milwaukee that pelletizes this type of compost material. Mr. Israel stated that an objective was created to direct staff to investigate options for the Agency by preparing an RFQ regarding reuse of our biosolids.

Another key point that Mr. Israel made referred to the new objective to develop and implement a long-term Capital Improvement Program, including a funding program. He indicated it was important to emphasize to the Board that our accounting procedures have always separated the CIP funds from the General Fund.

Mr. Israel closed by saying he appreciated the opportunity to review the new objectives for the members who were unable to attend the workshop. The five strategic goals for 2008-2011 and the year's objectives are included in the monthly agenda materials with updates noting progress toward achieving each goal.

9. STAFF REPORTS

A. General Manager/Assistant General Manager/ Legal Counsel

Mr. Israel stated a recent newspaper article reported that the Judge ruled the Stay be lifted on State Board Order 95-10 resulting in the enforcement of the restrictions on amount of water that can be taken from the Carmel River. This will certainly have far-reaching implications for our community.

At the request of the recently appointed Grand Jury, Mr. Israel met with several members at the Regional Treatment Plant on Thursday. He stated they wanted to learn more about our facility and services and asked lots of questions with the primary focus related to progress for the Regional Water Project.

B. Department Heads

No reports.

C. Presentation: Annual Summary of Plant Operations for 2010 by James Dix, Wastewater Treatment Plant Operations Manager

Mr. Dix provided a presentation that illustrated key events and information provided in the Annual Report for the Regional Treatment Plant which was furnished to each Board member. He reported that in 2009, recycled water production totaled 3.84 billion gallons with production primarily between April and September. He noted that the highest production level occurred in 2008 when 5 billion gallons of recycled water for irrigation was produced during a longer season that ran from the middle of February through the middle of December. Since 1999 MRWPCA has delivered 44 billion gallons of recycled water.

Mr. Dix explained that when recycled water is produced, discharge to the bay is reduced. This year during the months of April to September, the level of water (mostly diluted brine) going to the Outfall was greatly diminished – an average of 300,000 gpd. When recycled water was not being produced, 17 to 18 million gpd were discharged to the bay.

Mr. Dix reported that during 2009 the Agency had 100% permit compliance with no violations. Reports showed high efficiency for removal of suspended solids and CBOD and our filter turbidity levels exceed requirements. Mr. Israel asked Mr. Dix to compare the regular filter turbidity level with what was experienced when the river water was pumped into the RTP system. Mr. Dix commented the average daily turbidity level of recycled water is about 1.6 NTU; the river water, a result of the recent rains, was a level 150 NTU.

Mr. Dix noted the new screw presses have resulted in a drier “cake” which has saved about \$250,000 annually in biosolids disposal costs. He also commented that continuing analysis of chemical utilization for odor/hydrogen sulfide control has resulted in annual savings of \$250,000. Mr. Dix also highlighted the cost savings as a result of staff’s effort on chemical optimization and encouraged the members to review the Chemical Optimization Report that was included in the Agenda packet materials.

Mr. Nishi suggested that if the belt press is no longer in used, perhaps it could be given to another district/facility for use in the County. To Mr. Allion’s questions, Mr. Dix explained that operations staff works to get the best quality effluent while minimizing the amount of chemicals. Too much chemical on the filters requires that they be backwashed more often resulting in water lost during the peak flows. Ms. Parker asked him to describe what happens with the chemicals and he explained that the bulk of chemicals and the solids are captured in the filters and then the clear water is disinfected with a minimum of 2-hours of contact time in the contact basins before going to the pond and then to the growers. Solids that are

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backwashed off the filters typically end up in the biosolids and are disposed of at the landfill.

10. BOARD MEMBER COMMENTS

No comments.

11. ADJOURNMENT

With no further business, Vice Chair Stefani adjourned the meeting at 8:17 p.m. to the next regularly scheduled Board Meeting on May 24, 2010.



Keith E. Israel, General Manager
Secretary to the Board



Ron Stefani, Vice Chair
MRWPCA Board of Directors