



APPROVED
August 30, 2010

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
July 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 Chair Calcagno at 7:00 p.m., on Monday, July 26, 2010 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. PLEDGE OF ALLIGENCE – Mayor Dave Pendergrass

3. ROLL CALL

BOARD MEMBERS PRESENT:

Lou Calcagno, Chair	Monterey County Supervisor
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
Libby Downey	Monterey, Councilmember
Chris Orman	Moss Landing County Sanitation District
Carmelita Garcia	Pacific Grove, Mayor
Gloria De La Rosa	Salinas, Councilmember
Dave Pendergrass	Sand City, Mayor
Ralph Rubio	Seaside, Mayor
Vacant – Ex-Officio	U.S. Army, Representative

BOARD MEMBERS ABSENT:

None

MRWPCA STAFF PRESENT:

Keith Israel	General Manager
Rob Wellington	Legal Counsel
Brad Hagemann	Assistant General Manager
John Tiernan	Dir of Admin Services, Deputy GM

Minutes
MRWPCA Regular Board Meeting
July 26, 2010
Page 2

Tom Buell
Lindsay Synstebly
Betty Nebb

Director of Finance
Customer Supervisor
Executive Assistant

OTHERS PRESENT:

Frank Aguayo – City of Salinas
Michael Bekker – Business Owner
Jack Cook – Safety/MRWMD
Tim O'Halloran – City of Seaside
Juan Morales – Intercontinental

4. PUBLIC COMMENTS

At 7:01 pm, Chair Calcagno opened and closed Public Comments. No comments received.

5. CONSENT AGENDA

Ms. De La Rosa stated she would abstain from approving the minutes of the June 28 Board meeting (Item A) because she was absent. She asked, however, for a small addition to the minutes on page 10 – Mr. Frank Aguayo indicated Ms. Barnes asked for further clarification to add that “she had been briefed” on information from the Budget Workshop regarding flow numbers presented by MRWPCA staff.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Ms. Garcia, the Board approved the Consent Agenda, Items A through P, (with corrections to Item A as requested) and with Ms. De La Rosa abstaining to Item A, as follows:

- A. Approve Minutes/Report for Regularly Scheduled Board Meeting of June 28, 2010
- B. Receive Financial Statements for May 2010
- C. Receive Comparison Percentage of Budget Expended Through June 2010 vs. 2009
- D. Receive Check Register – June 2010
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for June 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. Receive Residential Dwelling-Unit Aggregate as of June 30, 2010
- I. Approve Sole Source Purchase of Two (2) Square D 500 Horse Power Variable Speed Drives for Salinas Pump Station
- J. Approve Sole Source Purchase of Scum Dewatering Unit

6. EMPLOYEE RECOGNITION

A. Jesse Chacon – California Water Environment Association, Mechanical Technologist – Grade III

Mr. Hagemann stated that although Mr. Chacon was unable to attend the meeting this evening, he wanted to acknowledge his achievement. He noted that Mr. Chacon and Mr. William Franks manage the Castroville Seawater Intrusion Distribution System (CSIP). Mr. Chacon is a valuable staff member who is conscientious about furthering his education and training levels, and we congratulate him on his success.

7. PUBLIC HEARINGS

A. Staff Report on Proposed User Fee Increase

Mr. Tiernan explained the Board is being asked to adopt Ordinance 2010-02, to change the MRWPCA user fees by \$.90 from \$11.10 to \$12.00, effective August 1, 2010. Staff notified 55,000 customers by mail of the proposed rate increase 45 days in advance of tonight's Public Hearing. We have also updated our website to provide rate information and have published Notice of Public Hearing in The Herald and The Salinas Californian. As a result of the notification, Mr. Tiernan announced that we have received 11 written protests and have responded to each. The trigger point regarding Prop 218 to prevent this rate increase would be to receive 27,500 protests. He noted that Mr. Buell previously discussed options for member entities regarding connection assessment fees to remain in compliance with Prop 218.

Legal Counsel suggested that the Chair take questions from the members before opening the Public Hearing. In reviewing the protest letters and written responses, Board discussion followed. Mr. Allion suggested we should tout the fact that our rates are some of the lowest in the state. Mr. Israel noted there is a survey on sewer rates throughout the State providing this information on our website. To Ms. Garcia's question, Mr. Tiernan clarified that each letter qualifies as one response even if several accounts are listed. He also stated that responses to several protests had to do with vacant properties and explained that contrary to other utility services that can turn off service, we can not close the sewer line. Therefore, there is a nominal sewer charge even if the property is vacant.

Mr. Michael Bekker, resident of Pacific Grove, member of Pacific Grove Chamber of Commerce and representative of the Monterey County Hospitality Association,

Minutes
MRWPCA Regular Board Meeting
July 26, 2010
Page 4

stated that as a business owner he has many business accounts (more than 300) in Monterey, San Jose and Pacific Grove. Although he can be complimentary to the Agency in terms of the management, he is sad to see a rate increase. He noted there appears to be some unfairness in the business rate schedule particularly related to theaters, food services and hotel/motel businesses. As this is a difficult time for the hospitality industry, he stated that he hates to see rate increases especially if the actual effluent is on the decline, and noted that it is the same at the landfill as less trash seems to increase the tipping rates. He requested that the Board carefully consider the commercial rates.

Mr. Tiernan responded that a variance can be considered for businesses when they feel their rate could be lower. Based on water usage, an adjustment could be allowed for a commercial account. Discussion followed with Board members comparing the percentage of increase for various classifications of businesses. Mr. Israel stated that commercial rates are based on state averages as well as information this agency has collected. Chair Calcagno added that while he understands that any rate increase can be particularly difficult for businesses, he also knows that this Board must weigh the long-range financial obligations for this agency to maintain the equipment and facilities

Mr. Nishi asked about the vacant residential rate being raised \$1 per unit while the school rate remains \$10 per unit and noted that there are only 240 vacant residences and businesses. Ms. Synstebly reported that a recent survey showed that 40% of customers billed at the vacant rate were in fact occupied. Mr. Israel stated that unfortunately the cost to survey may exceed the potential revenue gained. In fact, at one time the Agency had a full-time staff person for field inspections but found the expense was too high.

Mr. Rubio announced that the Seaside County Sanitation District is currently working through a rate model that will change their rates and is coordinating with MRWPCA to further refine the numbers. Chair Calcagno noted that each entity has a different amount that is collected for their sewer bills because the cities/districts add in their additional fees for their collection system and other city charges. The actual charge for sewage treatment often is less than 50% of the total bill. Mr. Wellington explained that the monthly customer bill itemizes the charges to show the specific fees added to the sewer charge.

Mr. Pendergrass stated that in light of only 11 protests when 27,500 are needed to require a change, this Board should move forward. He added that staff has clarified that customers with questions or hardships do have recourse and can contact Customer Service for guidance.

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Mr. Allion, the Board, on a roll call vote, unanimously adopted MRWPCA Ordinance No.

2010-02, Amending Ordinance No. 2008-02, in part, to Change the MRWPCA User Fees, effective August 1, 2010.

8. INFORMATIONAL ITEMS

A. Reclamation Project Status Summary

Mr. Israel indicated an updated report is provided in the agenda.

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

Mr. Israel noted the report has been updated.

9. STAFF REPORTS

A. General Manager/Assistant General Manager/ Legal Counsel

Mr. Israel stated that staff had a good meeting with Mr. John Fair and Salinas City Manager Artie Fields regarding the Salinas interceptor capacity issue. We are making progress to develop a plan and will continue to keep the dialogue going with the City staff to bring a good solution that can be included in the long-term Capital Improvement Plan presented to the Board in January 2011.

Mr. Israel announced that the California Association of Sanitation Agencies (CASA) will be holding their Annual Conference in Monterey in August. They have asked us to develop a presentation that will feature the water projects in our County. The presentation will include: Sand City Desal Plant Project, MCWRA Rubber Dam Project, the Regional Water Project and MRWPCA Outfall for Brine Disposal. The presentation will be given on August 19 at 3:15 pm and any members who are interested are invited to attend.

Mr. Israel also noted that Ethics Training would also be available at the CASA Conference for our members and staff on August 19 and anyone interested can contact staff regarding details.

B. Department Heads

No reports.

C. Presentation: Safety Update – James Coleman, Safety Coordinator

Mr. Hagemann explained that Mr. Coleman prepared the information for the presentation, but unfortunately a family emergency prevented him from being here tonight. Mr. Coleman deserves a lot of credit for updating our safety programs after being with the Agency for only two years. Mr. Hagemann provided a review of the safety training program, our affiliation with CSRMA and an update on what is planned for 2010/11.

Minutes
MRWPCA Regular Board Meeting
July 26, 2010
Page 6

- workman's comp experience modification factor (ex-mod) has ranged between 0.85 and 0.90 and is currently at 0.90 - usually agencies our size and larger are at 1.00 or higher.
- reportable injuries are trending downward - goal is always zero missed time
- injury/illness and prevention program is updated annually
- great job by Safety Officer to initiate in-house CPR training
- sets up special training sessions in-house and in the field
- encourages and monitors online training courses through CSRMA
- initiated reimbursement for safety clothing and equipment through CSRMA Safety and Wellness Reimbursement Incentive program
- fabricating a rescue equipment trailer for use at the RTP and community as needed
- concentrated efforts to update materials safety data sheet program and risk management plan associated with chlorine system

Mr. Hagemann concluded the presentation by congratulating James for his efforts in improving our record keeping and significantly upgrading our in-house training programs. He has become an integral part of our staff and is an asset to our agency.

Board discussion followed with Mr. Hagemann clarifying comments about CPR training and oversight by Monterey County Health Department, CSRMA and OSHA.

10. CORRESPONDENCE

No additional questions or comments.

11. BOARD MEMBER COMMENTS

Mr. Israel clarified that an updated CASA Conference program would be available to anyone who is interested.

Mr. Frank Aguayo, Salinas Public Works, stated he applauds the Board for approving the new Salinas conveyance pipeline at the Board meeting in June. He referred to the letter from Salinas Unified High School District and noted that they are planning to build their new high school in the future growth area and so growth in that area may not be far behind.

Minutes
MRWPCA Regular Board Meeting
July 26, 2010
Page 7

12. ADJOURNMENT

With no further business, Chair Calcagno adjourned the meeting at 8:00 pm to the regularly scheduled Board Meeting on August 30, 2010.

Keith E. Israel, General Manager
Secretary to the Board

Louis Calcagno, Chair
MRWPCA Board of Directors