



APPROVED

(as revised)

October 26, 2009

**MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
September 28, 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 Calcagno at 7:04 p.m., on Monday, September 28, 2009 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. ROLL CALL

BOARD MEMBERS PRESENT:

Lou Calcagno, Chair
Gloria De La Rosa
Ramiro Cortez
Ron Stefani
Dennis Allion
Kenneth Nishi
Libby Downey
Chris Orman
Carmelita Garcia
Dave Pendergrass
Ralph Rubio
Vacant – Ex-Officio

Monterey County, Supervisor
Salinas, Mayor Pro Tem
Boronda County Sanitation District
Castroville Community Services District
Del Rey Oaks, Councilmember
Marina Coast Water District, Member
Monterey, Councilmember
Moss Landing County Sanitation District
Pacific Grove, Mayor
Sand City, Mayor
Seaside, Mayor
U.S. Army, Representative

BOARD MEMBERS ABSENT:

None

MRWPCA STAFF PRESENT:

Keith Israel
Brad Hagemann
Rob Wellington
John Tiernan
Tom Buell
Bob Holden
Betty Nebb

General Manager
Assistant General Manager
Legal Counsel
Director of Admin Services, Deputy GM
Director of Finance
Principal Engineer
Executive Assistant

ADDITIONAL MRWPCA STAFF PRESENT:

Tom Kouretas	Associate Engineer
Garrett Haertel	Compliance Engineer
James Dix	WWTP Supervisor
David Wong	WWTP Operator III

OTHERS PRESENT:

Carl Niizawa – Salinas
Tim O'Halloran - Seaside
Alison Imamura – Denise Duffy & Associates
Mike Casterline – Solar City
2 others

3. PLEDGE OF ALLEGIANCE

Chair Calcagno asked Ms. De La Rosa to lead the Pledge of Allegiance.

4. INTRODUCTION OF NEW BOARD MEMBERS AND SPECIAL ACKNOWLEDGEMENTS

Mr. Israel introduced Mr. Dennis Allion of Del Rey Oaks and Mr. Wellington added that as a Councilmember for the City, Mr. Allion has shown a strong financial background that will serve as a benefit to this Board.

Mr. Israel introduced the new Mayor of Pacific Grove, Ms. Carmelita Garcia who explained that relying on her eleven years of public service with the City; she looked forward to serving on this Board.

Chair Calcagno acknowledged the service provided by the departing Board Director Dan Cort and after reading Resolution 2009-10, Certificate of Appreciation for Mayor Cort, called for a motion to accept the resolution.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Mr. Orman, the Board unanimously approved Resolution 2009-10, Certificate of Appreciation for Director Dan Cort.

Chair Calcagno acknowledged the service provided by the departing Board Director Joseph Russell and after reading Resolution 2009-11, Certificate of Appreciation for Mayor Russell, called for a motion to accept the resolution.

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Mr. Allion, the Board unanimously approved Resolution 2009-11, Certificate of Appreciation for Director Joseph Russell.

Mr. Hagemann presented the SWRCB Certification to Mr. David Wong for completing his certification to Grade III, Wastewater Treatment Plant Operator.

Mr. Wong was present for the acknowledgement of his achievement and accepted congratulations from Chair Calcagno and the MRWPCA Board members.

5. PUBLIC COMMENTS

At 7:19 p.m., Chair Calcagno opened and closed Public Comments.

6. CONSENT AGENDA

Mr. Orman asked about Item G and Mr. Hagemann explained that MRWPCA has been asked to join this MOU to recognize the mutual understanding among entities in the greater Monterey County area regarding their joint efforts toward Integrated Regional Water Management (IRWM) planning. The purpose is to encourage integrated regional strategies for management of water resources and to provide funding through competitive grants for projects that protect communities from drought, protect and improve water quality and improve local water security by reducing dependence on imported water. He added that this MOU has been expanded to include not only Pajaro River Watershed, Monterey Peninsula, Carmel Bay, South Monterey Bay and Salinas Valley but also Northern Santa Cruz County, San Luis Obispo County and Santa Barbara County.

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

- A. Approve Board Meeting Minutes/Report for Regularly Scheduled Board Meeting of August 31, 2009**
- B. Receive Comparison Percentage of Budget Expended Through August 2009 versus 2008**
- C. Receive Check Register – August 2009**
- D. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for August 2009**
- E. Receive Actual vs. Budgeted Fiscal Year 2008/09 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund**
- F. Receive Actual vs. Anticipated Fiscal Year 2008/09 Revenues from Capacity Charges**
- G. Approve MOU for Greater Monterey County Integrated Regional Water Management Plan and Authorize General Manager to Sign the MOU**
- H. Authorize Bids for Bar Screen Replacement Project with Intent to Award Contract and Begin Construction this FY 2009/10**

I. Receive Preliminary Draft Summary Minutes from Technical Advisory Committee Meeting of August 26, 2009

7. PUBLIC HEARING

A. Public Hearing on the Negative Declaration for the 2009 Allocation Plan

Mr. Israel explained staff considered pulling this item because some questions have been raised by a member entity. The extension for approving a new Allocation Plan is due by October 30, 2009; so Mr. Israel suggested that it could be brought back next month with all questions addressed. Mr. Wellington noted that because this is a scheduled Public Hearing, the staff report could be given and public comments received, and then the Board could decide whether to proceed or defer consideration to the October Board meeting. Chair Calcagno determined the public hearing should go forward at this time.

Mr. Haertel, Compliance Engineer, provided a review of the development and consideration of the proposed 4-Year Allocation Plan that started March 4, 2009. He stated that MRWPCA is required to produce a short-term allocation plan as part of its Permit to Operate from MBUAPCD and that the driver for the permit conditions is Rule 216 that states “. . . induced growth external to the service area to be fully consistent with the population projects.” There are currently revisions to Rule 216 pending and it is unclear how any changes would impact the new allocation plan.

Mr. Haertel explained that the Allocation Plan Ordinance is consistent with the MBUAPCD Air Quality Monitoring Plan and is based on AMBAG Housing Unit Forecasts in the MRWPCA service area. The allocation plan housing units available through 2016 is 4,805. Discussion followed regarding whether certain areas were included in the numbers and how the available units are distributed to member entities. Mr. Israel added that, over the last 20 years, the highest use of our allocation has been about 50% and the Agency has flexibility to change/revise the Allocation Plan if needed. Mr. Niizawa stated that the Allocation Plan was discussed thoroughly at the August TAC meeting and that the allocations would be available on a first-come, first-serve basis. He concurred with staff that this Ordinance should be adopted.

Mr. Wellington stated that MCWD has some question about their allocation pursuant to their annexation agreement in 1989 and the entitlement they have is well within the air quality plan. Mr. Nishi added that MCWD is the only agency that has bought capacity. Mr. Rubio noted that there is a lot of work for the TAC to review and consider and suggested that the committee meet on a more regular basis. The expertise of the committee members is valuable when considering the Agency's capital improvement program, groundwater replenishment, RUWAP and other recycled water issues.

ACTION TAKEN: On a motion by Mr. Nishi, seconded by Mr. Rubio, the Board unanimously agreed to continue the Public Hearing on the Negative Declaration for the 2009 Allocation Plan and consider adoption of the Ordinance at the next Board meeting.

8. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. Recycled Water Committee (RWC)

1. Receive Committee Recommendations from RWC Meeting of September 10, 2009

Item 1 – Consider Environmental Requirements Associated with the Water Augmentation Pumping Plant (WAPP) Component of Regional Urban Water Augmentation Project (RUWAP)

Mr. Israel provided some history on the RUWAP and indicated plans are to expand delivery of recycled water to Monterey. Originally an allocation was approved by FORA for 1727 AF of water to be supplied from the Regional Treatment Plant (RTP). The largest customers for this water include the golf courses and CSUMB. Del Rey Oaks needs 300 AF and there is a 300 AF set aside for Monterey. The rest of the available recycled water would go to parks in Marina, fields in Fort Ord with some water to the East Garrison site. An EIR review for our portion of this project (WAPP - pump station, electrical building and pipeline within the RTP boundaries) is needed and we contracted with Denise Duffy & Associates (DDA) to complete this work by the end of the month.

Ms. Imamura of DDA explained that within five days of the Board's approval of an implementation resolution with a WAPP specific Mitigation Monitoring and Reporting Plan (MMTP), a Notice of Determination will be filed with the County which will meet MRWPCA's environmental requirements for this project.

Some discussion followed with Board members asking Ms. Imamura questions about the RUWAP pipeline and laterals and potential users of the recycled water. Mr. Israel confirmed staff efforts to have MCWD provide a presentation to the Board that would address their questions and have received tentative confirmation from MCWD that a presentation will be given at the October Board meeting. Mr. Rubio indicated that the RWC reviewed the resolution and documents and recommends full approval by the Board.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Ms. Downey, the Board unanimously approved, allowing some clarification of language by consultant and review by legal counsel, the Water Augmentation Pumping Plant Resolution 2009-12 and the Mitigation Monitoring and Reporting Plan (MMRP).

Item 2 – Review Compliance Requirements of Joint MOUs with Marina Coast Water District (MCWD)

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Mr. Israel explained there are two items in the RUWAP MOU (Section 4.1) requiring action by MRWPCA: The first, addressed in Agenda Item 1, is to analyze feasibility of elements of the RUWAP EIR for the RTP Additions. A letter has been sent to MCWD confirming compliance with the requirements of Section 4.1 of the MOU. Mr. Israel explained that our second requirement is to "seek a preliminary financing commitment for RTP Additions when notified by MCWD." MCWD has a much larger financial obligation for development of the delivery system, and so staff is currently assisting to secure funding for the major costs of this project.

Regarding the use of the MRWPCA Outfall for Brine Disposal, an environmental analysis to use the outfall for desalination brine disposal is required. DDA has prepared a scope of work with a contract for services at \$25,000. As soon as MCWD approves the scope and agrees to pay for the work, an agreement can be signed with DDA. Mr. Israel stated a General Technical Feasibility Analysis to use the outfall for brine discharge must also be completed and staff is working with MCWD to meet their requirements to get this study started. Preliminary conclusions indicated that there will be no problem handling the level of brine necessary.

Discussion followed regarding the importance of coordination with MCWD for determining the level of studies needed and the timeframe for completion. Mr. Israel stated that staff has done everything they can to this point and is waiting for response from MCWD to proceed. To prevent delays, follow up on this work will be on the RWC agenda each month and will be discussed at each Ad Hoc Water Committee meeting.

Chair Calcagno asked about dilution water that might be necessary to send the increased brine levels out to the bay, and Mr. Israel explained our consultant had considered the higher concentration of brine due to the desalination plant and feels that the diffusers in the outfall pipeline will allow the brine to be mixed completely (diffused) with the ocean water upon release. Chair Calcagno suggested that coordination with the regional board regarding the outfall will be very important. Mr. Israel noted that MRWPCA has an advantage due to our Assistant General Manager's previous experience with the state regional board and that communication with that board will be ongoing.

➤ **Information only – No action taken.**

Item 3 – Update on Regional Urban Augmentation Project (RUWAP) Funding

Mr. Israel indicated that Mr. Weeks is working to prepare the authorization documents that are needed to apply for Federal funding. There is also State stimulus money available that is being administered by the State Revolving Fund. The Ad Hoc Water Committee will be considering a strategy to seek this available funding and Mr. Rubio stated he would follow up with Mr. Weeks prior to the

meeting on the authorization document in order to report progress to the committee.

➤ **Information only – No action taken.**

Item 4 – Update on Regional Water Supply Program

Mr. Israel suggested that using value engineering to reduce costs for RUWAP could be an advantage in the pursuit of funding. Consideration could also be given to initially limiting the recycled water hook ups to the larger users just to get the project going. He announced that there would be presentation to provide an update by MCWD on the recycled water component of the Regional Urban Water Augmentation Project at the October Board meeting.

➤ **Information only – No action taken.**

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Ms Downey, the Board unanimously approved the Recycled Water Committee Minutes/Report of September 10, 2009.

9. ADDITIONAL ACTION ITEM

A. Presentation of Qualifications of Proposed Solar Power Provider

Mr. Hagemann provided an update on the solar project for Salinas Valley Reclamation Project. Staff retained Whitley Burch and Engineering consulting firm to assist with the evaluation of four proposals with top analysis of credentials given to Solar City. The power purchase agreement to contract with Solar City allows them to design, install, own, operate and maintain a solar photovoltaic facility at the RTP and provides power at an agreed upon price in order to stabilize SVRP's future energy costs. This proposal has no out-of-pocket costs to the Agency.

Discussion followed regarding the power credits available to the vendor for this project and the urgency of getting a contract in place in order for the Agency to benefit with a lower energy cost. Mr. Hagemann reviewed charts that showed comparison of costs for PG&E power versus the solar power. Members also asked about some of the language in the contract. Mr. Hagemann introduced Mr. Casterline, Solar City, who was able to explain some of the contract terms.

Mr. Orman suggested approving the concept for the solar project and to appropriate \$20,000, which would be later reimbursed to the Agency, in order to secure the PG&E rebate.

ACTION TAKEN: On motion by Mr. Orman, seconded by Mr. Pendergrass, the Board approved the concept of the solar project and instructed legal counsel to review the contract language prior to final approval.

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) and One-Year Objectives Update

Mr. Israel indicated the progress on goals had updated. There were no questions or additional comments.

11. STAFF REPORTS

A. General Manager/Assistant General Manager/ Legal Counsel

Mr. Israel stated the WaterReuse Annual Symposium was held on September 14-16 in Seattle. It was well attended and offered an excellent opportunity to learn about recycled water projects around the world. MRWPCA staff participated as speakers and offered excellent presentations. The Board concurred with having a short briefing at future Board meeting.

B. Department Heads

Mr. Hagemann announced staff is preparing contingency plans to ensure operations at the RTP can continue efficiently with minimum staffing levels should the swine flu become widespread.

C. Presentation: None

12. CORRESPONDENCE

Chair Calcagno noted the correspondence included in the agenda packet.

Mr. Pendergrass acknowledged the letter of September 22 from the California Regional Water Quality Control Board responding to the inquiry from the City of Monterey regarding groundwater recharge reuse project. He commended the City for their interest in groundwater replenishment and encouraged all the Board members to review the letter.

13. BOARD MEMBER COMMENTS

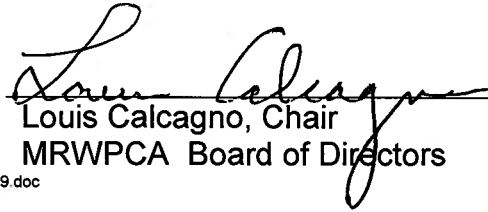
Mr. Nishi requested a copy of Ordinance 1987-06. ~~[that Ordinance had been provided to each Board member prior to the meeting]~~ **REVISED:** [The Ordinance was placed on the dais for each Board member immediately prior to the meeting.]

14. ADJOURNMENT

With no further business, Chair Calcagno adjourned the meeting at 8:51 p.m. to the next regularly scheduled Board Meeting on October 26, 2009.



Keith E. Israel, General Manager
Secretary to the Board



Louis Calcagno, Chair
MRWPCA Board of Directors