

APPROVED
July 25, 2016



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
June 27, 2016

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 De La Rosa at 6:02 pm, on Monday, June 27, 2016 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. ROLL CALL

BOARD MEMBERS PRESENT:

Gloria De La Rosa, Chair	Salinas
Rudy Fischer, Vice Chair	Pacific Grove
Ron Stefani	Castroville Community Services District
John M. Phillips	County of Monterey
Dennis Allion	Del Rey Oaks
William Lee (<i>Alternate</i>)	Marina Coast Water District
Dave Pendergrass	Sand City
Ralph Rubio	Seaside
Vacant – Ex-Officio	United States Army

BOARD MEMBERS ABSENT:

Linda Grier	Boronda County Sanitation District
Libby Downey	Monterey
Tom Razzeca	Moss Landing County Sanitation District

MRWPCA STAFF PRESENT:

Paul A. Sciuto	General Manager
Stephen Hogg	Assistant General Manager

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Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer
Rob Wellington	Legal Counsel
Mike McCullough	Government Affairs Administrator
Michelle Bumgardner	Customer Service Rep II
Jennifer Gonzalez	Engineering Manager
Mark Malanka	Maintenance Manager
Jerry Valladao	Associate Engineer
James Dix	Operations Manager
Jarrold Levine	Operator III
Leara Sampson	HR Administrator
Jose Guzman	Operator III
Lindsay Synstebly	Customer Service Supervisor
Chayito Ibarra	Executive Assistant

OTHERS PRESENT:

Wayne Downey – Public Member
Gary Petersen – City of Salinas
Ava Reuter – Public Member
Ella Reuter – Public Member
Bryan Reuter – Public Member
Nancy Reuter – Public Member
Alex Miller – Public Member

3. PLEDGE OF ALLEGIANCE

Member Fischer led the Pledge of Allegiance.

4. PUBLIC COMMENTS

No public comments were received.

5. PUBLIC HEARINGS

A. Lien Hearing for Delinquent Sewer Service Billing

Ms. Hannah described the lien process and reported that outstanding amounts are placed as liens against the account's real property parcel number; and later collected as part of the property tax remittance process. She added that placing delinquent user fees on tax bills have resulted in a recovery rate of as much as 82% within the first year; and a 95% recovery rate in the second year. The majority of the remaining delinquent amounts are typically recovered within a ten-year period. The lien list presented at this meeting represents 2,492 accounts with an outstanding balance of \$882,923.

Chair De La Rosa opened the public hearing and called for comments from the public.

Public Comments:

Alex Miller, Seaside resident, asked if phone calls were made to those customers who were mailed delinquent notices and whether discounts are offered to those customers that are having trouble paying their mortgage.

Ms. Synstebly, Customer Service Supervisor, in answering Mr. Miller's question, stated that phone calls to customers are not made as the Agency does not keep the phone numbers to the 58,000 customer accounts it has. She added that delinquent notices are included with the bills that are mailed to the customers. With regard to offering discounts, she stated that because the Agency is grant funded they are not able to offer any discounts on the fees.

Legal Counsel Wellington added that because the user fees are levied pursuant to Prop 218, the fees have to be equitably charged to all of the customers. If a customer were allowed a discount the burden of that discount would have to be applied to another customer. He added that the Agency is not able to offer discounts like a public utility can, since these are user fees, and no discount can be given for any reason.

After hearing no further public comments, Chair De La Rosa closed the public comment period.

ACTION TAKEN: On a motion by Mr. Allion, seconded by Mr. Phillips, the Board approved Resolution No. 2016-06, Declaring Liens against real property for delinquent sewer user charges, subsequently to be filed with the Monterey County Tax Recorder's Office for collection of liens along with real property taxes and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

B. Proposed Fiscal Year 2016/17 Budget

Ms. Hannah provided a general overview of the budget highlights as discussed at the Budget Workshop on June 6. She provided a chart for operating revenues and expenditures. She also noted that Major O & M is at \$460,000 and provided an overview of the six-month Groundwater Replenishment Budget of \$1.74 Million.

Regarding operating expenditures, Ms. Hannah noted the increase in Wages and Benefits and provided a table summarizing the reserve funds. Reserve funds are anticipated to be \$2.4 million in Fiscal Year 15/16 and \$2.68 million at the end of

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Fiscal Year 16/17. The projected Fiscal Year 16/17 reserve balance is anticipated to be above the current Policy level of \$2.5 million.

Public Comments:

Chair De La Rosa called for comments from the public – none received.

ACTION TAKEN: On a motion by Mr. Rubio, seconded by Mr. Pendergrass, the Board approved the Proposed Fiscal Year 2016/17 MRWPCA Budget and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

5. CONSENT AGENDA

ACTION TAKEN: It was moved by Member Allion, seconded by Member Phillips, to approve Consent Agenda Items A through W and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

- A. Approve Board Minutes for Regular Board Meeting of May 26, 2016
- B. Approve Board Minutes for Budget Workshop of June 6, 2016
- C. Receive Financial Statements through May 31, 2016
- D. Receive Schedule of Cash and Investments as of May 31, 2016
- E. Receive Comparison Percentage of FY 2015/16 Budget Expended for May 2016
- F. Receive Check Register for May 2016
- G. Receive Waste Discharge Report and NPDES Monitoring Report for May 2016; and Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for May 2016
- H. Receive Actual vs. Budgeted Fiscal Year 2015/16 Expenditures for the Capital Improvement Program, Capitalized Equipment Fund, Urban Reclamation Program, and Capacity Fees for May 2016
- I. Approve Blanket/Open Purchase Orders to Vendors over \$35,000 for Fiscal Year 2016/17

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- J. Approve Wallace & Tiernan Chlorinator Purchase
- K. Approve Resolution No. 2016-07, Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Fees or Charges Levied as an Incident of Property Ownership
- L. Approve Resolution No. 2016-08, Re-Establishing the Agency/Investment Policy and Guidelines for Fiscal Year 2016/17
- M. Approve Settlement Terms for Dismissal of Protests to MCWRA Water Rights Application for Pure Water Monterey Project
- N. Approve Brine Discharge Settlement Agreement Under A.12-04-019
- O. Approve Return Water Settlement Agreement Under A.12-04-019
- P. Approve Resolution No. 2016-09, Approving a Two-Year Memorandum of Understanding Between MRWPCA and the Operations Employees' Bargaining Group
- Q. Approve Resolution No. 2016-10, Establishing Salary Classifications and Ranges for the Operations Employees' Bargaining Group for Fiscal Year 2016/17
- R. Approve Resolution No. 2016-11, Approving a Three-Year Memorandum of Understanding Between MRWPCA and the General Employees' Association
- S. Approve Resolution No. 2016-12, Establishing Salary Classifications and Ranges for the General Employees' Association for Fiscal Year 2016/17
- T. Approve Resolution No. 2016-13, Approving a Three-Year Memorandum of Understanding Between MRWPCA and the Mid-Management Employees' Group
- U. Approve Resolution No. 2016-14, Establishing Salary Classifications and Ranges for the Mid-Management Employees' Group for Fiscal Year 2016/17
- V. Approve Resolution No. 2016-15, Approving a Three-Year Memorandum of Understanding Between MRWPCA and the Management Employees' Group
- W. Approve Resolution No. 2016-16, Establishing Salary Classifications and Ranges for Management Employees Group for Fiscal Year 2016/17

7. COMMITTEE REPORTS

A. RECYCLED WATER COMMITTEE (RWC) – JUNE 16, 2016

- 1. Receive RWC Draft Minutes of June 16, 2016

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Phillips, to receive the RWC Draft Minutes of June 16, 2016 and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

8. ACTION ITEMS

A. Consider Awarding Contract to Denise Duffy & Associates for Wastewater and Recycled Water Regulatory Assistance

Mr. Holden stated that staff would like to move forward with Phase 6 of the Pure Water Monterey Project and have Denise Duffy & Associates (DD&A) continue with permitting and environmental services during the period of July 1, 2016 through December 31, 2016.

Mr. Holden noted that costs would not exceed \$220,253 and were included in the proposed six-month Department 58 (GWR) budget that was just approved by the Board.

ACTION TAKEN: It was moved by Member Fischer, seconded by Member Rubio, to approve a new contract with Denise Duffy & Associates for environmental and permitting services support, for an amount not to exceed \$220,253, and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

B. Consider Awarding Contract to Larry Walker Associates for Wastewater and Recycled Water Regulatory Assistance

Mr. Holden stated that as a result of Margie Nellor's retirement, of Nellor Environmental Associates Inc., a replacement is needed. Larry Walker Associates has been the Agency's consultant for many years assisting with permits and comes highly recommended by Ms. Nellor. Mr. Holden stated that the Recycled Water Committee recommended that the Board approve a contract with Larry Walker Associates to assist with wastewater and recycled water regulatory efforts for the period of July 1, 2016 through December 31, 2016.

ACTION TAKEN: It was moved by Member Allion, seconded by Member Rubio, to approve a new consultant agreement with Larry Walker Associates by a not to exceed amount of \$62,949 and to charge Cal Am through Exclusive Negotiation Agreement (ENA) for their portion of the work, and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

- C. Consider Awarding Contract to Trussell Technologies, Inc. for Continued Support for the Pure Water Monterey Advanced Water Treatment Demonstration Facility (AWTF)

Mr. Holden stated that this item is to approve a contract with Trussell Technologies, Inc. for a cost not to exceed \$19,092 for continued technical and operational support of the Advanced Water Treatment Demonstration Facility. He added that this would be an on-call contract and if their services are not needed no money would be expended.

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Stefani, to approve a contract with Trussell Technologies, Inc. for a cost not to exceed \$19,092 for continued technical and operational support of the Advanced Water Treatment Demonstration Facility, and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

- D. Consider Approving an Agreement with Trussell Technologies, Inc. for Assistance with an Updated Evaluation of California Ocean Plan Compliance

Mr. Holden stated that Trussell Technologies wrote the California Ocean Plan (COP) Compliance Assessment report that was used as an attachment by Environmental Science Associates (ESA) in the DEIR published in April 2015. ESA would like Trussell Technologies to update the COP report for the current EIR/EIS. The Agency authorized the original work, as it wanted the work performed efficiently since it affected the outfall, NPDES permit, and California Ocean Plan compliance. As part of the Long-Term Lease Exclusive Negotiating Agreement (ENA) with Cal Am, Cal Am deposited \$500,000 with MRWPCA to use for studies related to providing desalination brine into MRWPCA's outfall. Cal Am has authorized this work with funding coming from the ENA deposit. Staff time for document review is expected to be \$1,096 and will also be invoiced against the ENA deposit.

Mr. Holden noted that although all costs would be paid by Cal Am, staff believes this work is also helpful to MRWPCA and ESA. The new COP Compliance Assessment report will include new flow scenarios, updated diffuser dilution modeling results provided by ESA, and updated water quality data from the CEMEX test slant well.

ACTION TAKEN: It was moved by Member Phillips, seconded by Member Rubio, to approve an agreement with Trussell Technologies for a cost not to exceed

\$39,904 for assistance with an updated evaluation of California Ocean Plan Compliance and to charge Cal Am through the Exclusive Negotiation Agreement (ENA) for the total amount including the billable wages for all staff time, and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

E. Consider Approval of a Scope of Work Agreement with Kennedy Jenks for Grant Writing with Funding Assistance from the City of Salinas

Mr. Holden stated that the Agency and City of Salinas staff has jointly agreed to utilize Kennedy Jenks as the consultant to help develop the Stormwater grant application and the Stormwater Management Plan. The grant monies that are being sought would help in constructing the stormwater diversion structures near the Salinas Pump Station. Other items the grant monies would help to construct include the diversion structure at the Reclamation Ditch and the return pump station and pipeline lining project at the Industrial Wastewater Pond Facility. Kennedy Jenks is experienced with these type of processes and has been successful in writing winning grant applications. Kennedy Jenks scope of work to complete the application and Stormwater Management plan is \$145,059.

At the June 14, 2016 City Council meeting, the Salinas City Council approved a cost share agreement with our Agency for technical support services for the grant application. The maximum grant award is \$10 Million dollars and a 50% match is required. The City of Salinas and the Agency are using the expenditures for the joint projects as the source for the matching funds portion of the grant.

Public Comments:

Gary Petersen, City of Salinas, expressed support for this project and stated that the City of Salinas is happy to be a part of it and believes it will be beneficial in advancing the Pure Water Monterey Project.

Mr. Holden stated that the Agency's costs will not exceed \$45,100 of the contract with Kennedy Jenks. The City of Salinas agreed to pay the remaining \$100,000 of this contract.

ACTION TAKEN: It was moved by Member Allion, seconded by Member De La Rosa, to approve a Scope of Work Agreement with Kennedy Jenks for grant writing with funding assistance from the City of Salinas, and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

F. Approve Amendment of Construction Contract and Reallocation of Money within Fiscal Year 2015/16 for CP269 RTP Sewer Line Replacement Project

Mr. Valladao stated that the RTP Sewer Line Replacement Project was awarded to Monterey Peninsula Engineering (MPE) at the March 28 Board meeting to replace a failed cast iron sewage pipe on the north side of the treatment plant. At the time, the total project was estimated to cost \$285,000 including MPE's construction contract, HDR's Engineering Services during construction contract and in-house staff time. Due to unforeseen issues that arose during the construction, the contractor submitted three requests for change orders for the following:

- Street light conduit and wiring relocation
- Eliminating grouting of the annular space between HDPE pipe and the bored hole
- Replacing failed piping at two locations (between recycle sump no. 1 and new manhole MH1 and between secondary clarifier No. 3 Scum box and MH2)

Mr. Valladao stated that an additional \$103,616.91 is needed to complete the project, which includes \$8,000 for in-house staff time. Mr. Valladao provided an overview of which accounts the additional funding would be coming from as follows:

- NC404 (Facility Coating – Year 10): \$31,870
- 01-035-6075 (Janitorial Services): \$11,746.91
- 01-035-7440 (Garbage Disposal): \$30,000
- 01-035-7610 (Building & Grounds Maintenance and Repairs): \$30,000

Mr. Valladao stated the importance of moving forward with the project due to the sanitary sewer system needing to be placed back in operation including the Secondary Clarifier No. 3. drain lines. Staff would also like to take advantage of the two open pits that the Contractor has already excavated for the new manholes that can be used as the entry or exit pits for the pipe bursting operation.

ACTION TAKEN: It was moved by Member Fischer, seconded by Member Rubio, to approve an amendment to Monterey Peninsula Engineering's construction contract in the amount of \$95,616.91 and reallocation of \$103,616.91 from various

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project/accounts (NC404, 01-035-6075, 01-035-7440, and 01-035-7610) to Fiscal Year 2015/16 CIP Budget, and carried by the following vote:

Ayes: De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio

Noes: None

Absent: Grier, Downey

9. INFORMATIONAL ITEMS

A. Reclamation Highlights/Charts, Water Quality & Ops, Tours

No questions from the Board on the reported items.

B. Pure Water Monterey Update

Mr. Sciuto provided some highlights of the Pure Water Monterey Project.

C. Operational Report

Mr. Hogg introduced the Operations Report and provided some highlights.

10. STAFF REPORTS

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Sciuto provided a brief summary on the following:

- Agency has begun venturing out into social media (Facebook, Twitter)
- Staff has had a number of discussions with owners of a Farmworker Housing Complex in Salinas to connect their facilities into our Regional Treatment System. This item will be coming to the Recycled Water Committee in July.
- The Agency provided \$12,500 in matching funds to MRWMD to apply for a grant for outreach for pharmaceuticals drop off
- At the July BPC meeting, the Committee will be considering an item to recommend the Board amend the Joint Powers Agreement (JPA) to add necessary provisions to qualify for an SRF loan

B. Update on Strategic Planning Goals and Objectives

Mr. Sciuto reported on the internal Strategic Planning workshop that was attended by Supervisors and Managers on June 8, 2016. Mr. Sciuto stated that he will be providing an update on the Strategic Planning Goals and Objectives periodically to the Board.

C. Presentation: Annual Plant Performance, Jose Guzman, Operator III

Mr. Guzman presented an overview of the 2015 Annual Plant Operational Report. Mr. Guzman provided charts and information about the NPDES and WDR

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compliance, recycled water production, process optimization, and budgetary status and noted the following highlights:

- Recycled water production totaled 4.9 billion gallons during 2015
- 71.2 billion gallons of water for reclamation since 1999
- Process optimization has produced savings and continues to save in electrical costs and reduced chemical costs
- 100% NPDES and Title 22 permit compliance (RTP and SVRP)
- Recycled water record production of 14,968 AF

11. CORRESPONDENCE

A. Letter from Bureau of Reclamation informing the Agency that the feasibility study for the Groundwater Replenishment Project has been found to be in accordance with their Directives and Standards and meets the requirements of a feasibility study – June 15, 2016.

12. BOARD MEMBER COMMENTS/REPORTS

Mr. Rubio commended the leadership of the Agency for the work they do and for implementation of the strategic plan that the Board puts forward.

[Chair De La Rosa recessed Open Session at 7:16 pm, and commenced Closed Session at 7:20 pm]

13. RECESS TO CLOSED SESSION

A. Conference with Labor Negotiator

Pursuant to Government Code 54957.6

Agency Negotiator: Janet Cory Sommer

Employee Organization: Operations Employees Bargaining Group (OEBG)

B. Conference with Labor Negotiator

Pursuant to Government Code 54957.6

Agency Negotiator: Paul A. Sciuto, General Manager

Employee Organizations:

General Employees Association (GEA)

Mid-Management Employees Group (MMEG)

Management Employees Group (MEG)

C. Conference with Real Property Negotiators

Pursuant to Government Code 54956.8

Property: Recycled Water

Agency Negotiator: Paul A. Sciuto, General Manager

Negotiating Parties: California American Water and Monterey Peninsula Water Management District

Under Negotiation: All Terms and Conditions

D. Conference with Real Property Negotiators

Pursuant to Government Code 54956.8

Property: Ocean Outfall

Agency Negotiator: Paul A. Sciuto, General Manager

Negotiating Parties: California American Water


Under Negotiation: All Terms and Conditions

14. ANNOUNCEMENTS FROM CLOSED SESSION

Legal Counsel Wellington reported that the Board came back into Open Session at 7:28 p.m. He announced that in the Closed Session the Board considered the four items listed on the agenda, and that with regard to each of the four items, information was provided to the Board, discussion followed and general directions were given to the negotiators. No reportable action was taken as to any matter.

15. ADJOURNMENT

At 7:30 pm with no further business, Chair De La Rosa adjourned the meeting to the next regularly scheduled Board Meeting to be held in the Board Room at 5 Harris Court, Building D, in Monterey, California on Monday, July 25, 2016 at 6:00 pm.



Paul A. Sciuto, General Manager
Secretary to the Board



Gloria De La Rosa, Chair
MRWPCA Board of Directors