



APPROVED
November 30, 2015

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
October 26, 2015

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, October 26, 2015 in the Conference Room at 14811 Del Monte Blvd, Marina, California.

2. ROLL CALL

BOARD MEMBERS PRESENT:

Gloria De La Rosa, Chair	Salinas
Rudy Fischer, Vice Chair	Pacific Grove
Linda Grier	Boronda County Sanitation District
Ron Stefani	Castroville Community Services District
John M. Phillips <i>[left at 8:18 pm]</i>	County of Monterey
Jerry Edelen <i>[Alternate]</i>	Del Rey Oaks
Libby Downey	Monterey
Dave Pendergrass	Sand City
Ralph Rubio <i>[arrived at 6:43 pm]</i>	Seaside
Vacant – Ex-Officio	United States Army

BOARD MEMBERS ABSENT:

Peter Le	Marina Coast Water District
Tom Razzeca	Moss Landing County Sanitation District

MRWPCA STAFF PRESENT:

Paul Sciuto	General Manager
Stephen Hogg	Assistant General Manager
Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer
Rob Wellington	Legal Counsel
Jennifer Gonzalez	Engineering Manager

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Mike McCullough
Bill Cronin
Bret Boatman
Chayito Ibarra
Betty Nebb

Gov. Affairs Administrator
Maintenance Supervisor
Maintenance Supervisor
Executive Assistant
Executive Assistant

OTHERS PRESENT:

Wayne Downey – public member
Dave Chardavoyne – MCWRA
Cathy Paladini – MCWRA
Gary Petersen – City of Salinas

3. PLEDGE OF ALLEGIANCE

Mr. Fischer led the Pledge of Allegiance.

4. PUBLIC COMMENTS

No public comments were received.

5. CONSENT AGENDA

ACTION TAKEN: It was moved by Member Pendergrass, seconded by Member Fischer, to approve Consent Agenda Items 5-A through 5-J and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass

Noes: None

Absent: Le, Rubio

- A. Approve Board Minutes for Regular Board Meeting of September 28, 2015.
- B. Approve Board Minutes for Special Joint Meeting/Workshop with MRWPCA and MCWRA Board of Directors of October 8, 2015
- C. Receive Schedule of Cash and Investments as of September 30, 2015.
- D. Receive Comparison Percentage of FY 2015/16 Budget Expended through September 2015.
- E. Receive Check Register for September 2015.
- F. Receive Waste Discharge Report for September 2015; NPDES Monitoring Report for September 2015; and Plant Flows and Effluent Quality for Connected Agencies, plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for September 2015.

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- G. Receive Actual vs. Budgeted Fiscal Year 2015/16 Expenditures for the Capital Improvement Program, Capitalized Equipment Fund, Urban Reclamation Program, and Capacity Fees for September 2015.
- H. Receive Residential Dwelling-Unit Aggregate as of September 30, 2015
- I. Approve Contract for the Salinas Valley Reclamation Project (SVRP) Annual Chlorination System Maintenance
- J. Approve Design Contract for Moss Landing Pump Station Upgrades Project

6. COMMITTEE REPORTS

A. RECYCLED WATER COMMITTEE – OCTOBER 8, 2015

- 1. Receive Recycled Water Committee Draft Minutes, October 8, 2015

ACTION TAKEN: It was moved by Member Phillips, seconded by Member Stefani, to receive the RWC Draft Minutes for October 8, 2015 and carried by the following vote :

Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass

Noes: None

Absent: Le, Rubio

B. BUDGET/PERSONNEL COMMITTEE – OCTOBER 9, 2015

- 1. Receive Budget/Personnel Committee Draft Minutes, October 9, 2015

ACTION TAKEN: It was moved by Member Grier, seconded by Member Stefani, to receive the BPC Draft Minutes for October 9, 2015 and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass

Noes: None

Absent: Le, Rubio

7. ACTION ITEMS

A. Consider Revision of Cost-Sharing Agreement with City of Salinas for Salinas Source Water Diversion Projects

Ms. Gonzalez provided the Board with an overview of the cost-sharing agreement with the City of Salinas for the Salinas Source Water Diversion Projects. The project was originally expected to be completed by the end of September and the

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completion date is now expected to be in December in order to correct the following unforeseen conditions:

- Early in the construction of the agricultural wash water shunt, a large amount of underground water was encountered in the excavation.
- A large crack was discovered in the bottom of the fiberglass manhole where all of the sewer lines converge before entering the Salinas Pump Station; and
- The excavation area where the agricultural wash water structure will be constructed was found to have unstable soil conditions due to saturation

Ms. Gonzalez stated that these conditions have resulted in a significant change to the original contract. The proposed change orders total \$425,000 for additional construction and \$35,400 for additional design and construction oversight. She stated that the City of Salinas constructed and owns the fiberglass manhole that was the source of these issues. The proposed change orders total \$425,000 for additional construction and \$35,400 for additional design and construction oversight.

In answering questions from the Board, Ms. Gonzalez stated that the City of Salinas has verbally agreed to pay the costs that have been expended.

Public Comments:

Gary Petersen, City of Salinas, stated that City staff has analyzed the charges and they agree with them. They realize that if this would not have happened now, it would have eventually failed and would have cost the City millions. He stated that the Salinas City Council will consider this item for approval in two weeks.

ACTION TAKEN: It was moved by Member Downey, seconded by Member Phillips, to approve a revision to the E2 Consulting Engineers Contract of an additional \$35,400 contingent on the City of Salinas agreeing to pay that amount. Additionally, approved contract change orders to the agreement with Monterey Peninsula Engineers in an amount up to \$425,000 contingent on the City of Salinas agreeing to pay that amount and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass

Noes: None

Absent: Le, Rubio

B. Consider and Award Contract for SVRP Chlorine Scrubber Refurbishment Project

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Ms. Gonzalez stated that the Board was notified of an employee-driven OSHA complaint that was made in May of 2015. As a result of the complaint, Cal/OSHA Inspectors met with Agency staff to investigate three areas at the Regional Treatment Plant and Agency pump stations. In August, a citation was received which called for repairs to be made to the Scrubber System by September 25 and a penalty of \$875 was assessed to the Agency. At the request of Agency staff, Cal/OSHA agreed to an extension of the abatement date until early February to allow the Agency to make the necessary repairs to the scrubber.

Ms. Gonzalez stated that staff issued a bid specification package requesting bids for the repairs and one bid was received from Picon FRP, Inc in the amount of \$67,587. Ms. Gonzalez stated that there is no fiscal impact to the Agency as the repairs will be paid for by MCWRA as part of the SVRP budget. Staff is recommending that the Board approve a contract with Picon FRP, Inc.

ACTION TAKEN: It was moved by Member Downey, seconded by Member Phillips, to approve a contract with Picon FRP, Inc. in the amount of \$67,587 for the Chlorine Scrubber Refurbishment Contract and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass

Noes: None

Absent: Le, Rubio

C. Consider Approving an Agreement between the City of Salinas and MRWPCA for Conveyance and Treatment of Agricultural Produce Wash Water

Mr. McCullough stated that the City of Salinas and MRWPCA have been working together over the past two years to utilize the agricultural wash water for maximum beneficial use. He provided the Board with an overview of the items that this agreement will accomplish which include the following:

- MRWPCA will take over the operation and maintenance of the industrial waste water facilities and pay the City a \$300,000 lease starting in 2017 (with escalator)
- The City and MRWPCA will continue to negotiate terms of the operation and maintenance regarding the terms and improvements to be made at the facilities
- Allow MRWPCA to continue to move forward with the SRF loan application

Mr. McCullough noted that this agreement will also provide a water source for the Pure Water Monterey Project. The agreement would extend the rights to the agricultural wash water for 30 years with automatic extension provisions.

Mr. Wellington added that while both Agencies have been working hard on the details of this agreement there are still minor edits and revisions that need to be made. He suggested that the motion include a phrase that states that staff and legal counsel may make further non-substantive revisions and edits as are deemed necessary or appropriate.

Ms. Downey stated that she would make a motion to approve, including the addition from Mr. Wellington with regards to allowing non-substantive revisions and edits.

ACTION TAKEN: It was moved by Member Downey, seconded by Vice Chair Fischer, to approve the Agreement between the City of Salinas and MRWPCA for Conveyance and Treatment of Agricultural Produce Wash Water including the additional condition that staff and legal counsel may make further non-substantive revisions and edits as are deemed necessary or appropriate and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass

Noes: None

Absent: Le, Rubio

D. Consider Approving the Amended and Restated Water Recycling Agreement between MRWPCA and MCWRA

Mr. Sciuto provided the Board with an overview of the amended and restated water recycling agreement between MRWPCA and MCWRA. He noted that the proposed Water Recycling agreement provides among other things, new source water from the Blanco Drain, Reclamation Ditch and the City of Salinas (produce wash water) for CSIP and the Pure Water Monterey (PWM) Project. The agreement was developed by combining provisions of 1) the MRWPCA agreement with MCWRA dated June 15, 1992 and its three amendments 2) agreement between MRWPCA and MCWRA entitled "Operation and Maintenance of the Salinas River Diversion Facility" dated February 3, 2011 (SRDF Agreement) and 3) the MOU. He stated that the following are specific to the Water Recycling Agreement:

- 4,320 AFY for PWM (49.6%)
- 4,381 AFY for CSIP (50.4%)
- New Source Water Facilities Capital (44% WRA, 56% MRWPCA)
- Growers have minimum volume of all wastewater flows going to the plant, except MCWD flows and 650 AF that go to MRWPCA)
- MRWPCA has first 4,320 AFY of new source waters
- Revised accounting protocols at MRWPCA
- 30-year term with automatic extensions

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- Provisions for Phase II – 4,665 AFY for CSIP

Member Rubio arrived at 6:43 pm

Mr. Sciuto stated that although the MCWRA Board did not approve this agreement at their meeting today, staff is recommending approval by this Board. He stated that approval of this agreement is critical as they compete for a 1% State Revolving Fund Loan.

Dave Chardavoyne, MCWRA, stated that the concerns that the MCWRA Board have are non-substantive. Public members suggested to the Board that they not act on any document that is not signed, sealed and delivered. The Board is also concerned that as a result of this project the growers will be paying more for the water. He noted that these issues need to be straightened out before a Special Board meeting to consider the agreement is scheduled.

Mr. Sciuto stated that Mr. Wellington would like to add a statement in the agreement that although stormwater is mentioned, there is no allocation or promises for it. He requested that the motion include a phrase that states that staff and legal counsel may make further non-substantive revisions and edits as are deemed necessary or appropriate.

Cathy Paladini, MCWRA, expressed MCWRA Board's concern about some growers paying more for the water than others depending on the zone they are located in.

Discussion from the Board continued with regards to what the cost of the water will be if this project does not move forward and the financial impact that will occur if this agreement is not approved soon and we miss the opportunity to obtain a 1% State Revolving Fund loan.

After some discussion regarding the concerns that the MCWRA Board has, it was the consensus of the Board that the agreement be approved and hopes that this causes the MCWRA Board to call for a Special Board meeting soon to approve the agreement.

ACTION TAKEN: It was moved by Member Pendergrass, seconded by Member Rubio, to approve the Amended and Restated Water Recycling Agreement between MRWPCA and MCWRA including the additional condition that staff and legal counsel may make further non-substantive revisions and edits as are deemed necessary or appropriate and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass, Rubio

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Noes: None

Absent: Le

E. Consider Authorizing Staff to Initiate Consultant Selection for Preparation of Pure Water Monterey-Related Construction Design Documents

Mr. Holden stated that the Pure Water Monterey Project consists of seven components that need to be designed and built. The five components that are MRWPCA's responsibility are Salinas Pond Water Return Facilities, Reclamation Ditch, Blanco Drain, Advanced Water Treatment Facility (AWTF) and Injection Well Facilities. Some are proposed to be built as Construction Management at Risk (CMAR) and some by the traditional Design/Bid/Build (DBB) method. The components to be built by CMAR require a 30% design in order to select the consultant builder. The DBB components require 100% designs to be ready for bid by a contractor.

Mr. Holden stated that the revised CPUC schedule includes a decision point for the inclusion of GWR in July 2016. The plan had been to wait for that CPUC approval, get an SRF loan, and begin the design necessary to get the various Pure Water Monterey projects out to bid. Under pressure from the MPRWA and others, staff wished to see if we could pursue design before receiving the SRF loan. Staff has determined that in order to get the construction design documents ready to bid it will cost approximately \$3,700,000. \$100,000 of this cost is for in-house labor to prepare documents. He noted that no funds would be expended prior to Board approvals of contracts and a budget increase either at the regular November Board meeting or at a Special Board meeting in early December. He noted that in order to get the projects ready to receive design proposals in the shortened time frame that will be necessary, it is anticipated that all Engineering staff will temporarily be assigned to work on developing and managing Requests for Proposals. In order to do this, there may be other Capital Projects currently budgeted that will experience delays. Mr. Holden stated that it is anticipated that the 30% or 100% design documents would be ready to go out to bid (traditional or alternative construction methods) by June 2016. Bids could be ready for Board review and action in July 2016.

Mr. Fischer asked staff to look at different ways to move forward and accelerate the process.

ACTION TAKEN: It was moved by Member Pendergrass, seconded by Member Downey, to authorize staff to: 1) Initiate the Consultant selection process to develop bidding documents by CMAR or DBB processes, and 2) Enter formal discussion with MPWMD on cost sharing and 75% reimbursement of consultant costs and carried by the following vote:

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Ayes: De La Rosa, Fischer, Grier, Stefani, Phillips, Edelen, Downey, Pendergrass, Rubio

Noes: None

Absent: Le

8. 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 the Board with a brief overview of items related to the Pure Water Monterey Project. There were no questions from the Board.

C. Operational Report

Mr. Hogg introduced the Operation Report – no questions from the Board.

9. STAFF REPORTS

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Sciuto stated that historically at the conclusion of the November Board meeting the Board is invited to a Board dinner; he asked the Board if they wanted to continue to do that. It was the consensus of the Board that the tradition of the Board dinner continues.

With regards to the preparation of minutes, Mr. Sciuto stated that the Board and Committee minutes are very lengthy and verbose which require a lot of work. He asked the Board if they would consider allowing the minutes to be prepared closer to action minutes and only capturing pertinent points.

Ms. Ibarra added that the audio from each Board meeting is posted on the website after every Board meeting. Additionally, the staff reports and attachments from each of the Committee meetings are included in the board packet. She noted that none of the local Agencies prepare lengthy minutes while many prepare action minutes.

After some discussion from the Board, it was the consensus that the Board and Committee minutes be written closer to action minutes and only capture pertinent points. Ms. Ibarra stated that she would begin preparing condensed versions of the Board and Committee minutes beginning with the November meetings.

10. BOARD MEMBER COMMENTS/REPORTS

No Board Comments/Reports

[Chair De La Rosa recessed Open Session at 7:44 pm, and commenced Closed Session at 7:51 pm]

11. RECESS TO CLOSED SESSION

- A. Conference with Real Property Negotiators
Pursuant to Government Code 54956.8

Property: Recycled Water
Agency Negotiator: Paul A. Sciuto, General Manager
Negotiating Parties: Monterey County Water Resources Agency
Under Negotiation: All Terms and Conditions

- B. Conference with Real Property Negotiators
Pursuant to Government Code 54956.8

Property: Wastewater/Pipeline
Agency Negotiator: Paul A. Sciuto, General Manager
Negotiating Parties: Marina Coast Water District
Under Negotiation: All Terms and Conditions

Member Phillips left at 8:18 pm

12. ANNOUNCEMENTS FROM CLOSED SESSION

Mr. Wellington, Legal Counsel, reported that the Board came back into Open Session at 8:19 p.m. He announced that in the Closed Session the Board had considered agenda Items 11-A and 11-B and received information from its negotiator and no reportable action was taken.

13. ADJOURNMENT

At 8:21 p.m. 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, November 30, 2015 at 6:00 p.m.



Paul A. Sciuto, General Manager
Secretary to the Board



Gloria De La Rosa, Chair
MRWPCA Board of Directors