

**APPROVED**  
**January 25, 2016**



**MINUTES**  
**of the Regular Meeting**  
**Monterey Regional Water Pollution Control Agency**  
**Board of Directors**  
**November 30, 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, November 30, 2015 in the Board Room at 5 Harris Court, Building D, Monterey, California, and Board Members Ron Stefani and Peter Le participated by telephone from the Lobby of the Miramonte Resort & Spa, 45000 Indian Wells Lane, Indian Wells, California.

**2. ROLL CALL**

**BOARD MEMBERS PRESENT:**

Gloria De La Rosa, Chair	Salinas
Linda Grier	Boronda County Sanitation District
Ron Stefani <i>[via phone]</i>	Castroville Community Services District
John M. Phillips	County of Monterey
Dennis Allion	Del Rey Oaks
Peter Le <i>[via phone]</i>	Marina Coast Water District
Libby Downey	Monterey
Tom Razzeca	Moss Landing County Sanitation District
Dave Pendergrass	Sand City
Ralph Rubio	Seaside
Vacant – Ex-Officio	United States Army

**BOARD MEMBERS ABSENT:**

Rudy Fischer, Vice Chair	Pacific Grove
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**MRWPCA STAFF PRESENT:**

Paul A. Sciuto	General Manager
Stephen Hogg	Assistant General Manager
Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer

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Rob Wellington	Legal Counsel
Mike McCullough	Gov. Affairs Administrator
Jerry Valladao	Associate Engineer
Tom Kouretas	Assistant Engineer
Mark Malanka	Maintenance Manager
Jeff Condit	Storm Water Program Manager
James Dix	Operations Manager
Chayito Ibarra	Executive Assistant

**OTHERS PRESENT:**

Craig Lichty – Kennedy/Jenks

**3. PLEDGE OF ALLEGIANCE**

Mr. Phillips 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 Phillips, to approve Consent Agenda Items 5-A through 5-M and carried by the following roll call vote:

**Ayes:** De La Rosa, Grier, Stefani, Phillips, Allion, Downey, Pendergrass, Rubio

**Noes:** None

**Absent:** Fischer

**Abstain:** Le

- A. Approve Board Minutes for Special Board Meeting of October 8, 2015
- B. Approve Board Minutes for Regular Board Meeting of October 26, 2015
- C. Receive Schedule of Cash and Investments as of October 31, 2015
- D. Receive Comparison Percentage of FY 2015/16 Budget Expended through October 2015
- E. Receive Check Register for October 2015
- F. Receive Waste Discharge Report for October 2015; NPDES Monitoring Report for October 2015; and Plant Flows and Effluent Quality for Connected Agencies, plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for October 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 October 2015
- H. Approve Proposed Board Meeting Dates for 2016
- I. Approve MRWPCA Resolution NO. 2015-27, Authorizing Purchase of a Flyght Submersible Pump for Seaside Pump Station without a Formal Competitive Bidding Under Exception to Purchasing Resolution No. 87-19
- J. Approve Rejecting All Bids for Construction Contract for CP254 Seismic Upgrades Phase III Project
- K. Approve Contract for CP289 Class C Water Pump Station and Conveyance System Upgrades Study
- L. Approve Reallocation of Funds to FY 2015/16 CIP Budget and Amendment to Purchase Order for Biofloc Basin Improvements
- M. Authorize Staff to Submit a Prop 1 Planning Grant Application on Behalf of the Monterey Regional Stormwater Management Program (MRSWMP) toward Development of a Stormwater Resource Plan

**6. COMMITTEE REPORTS**

**A. BUDGET/PERSONNEL COMMITTEE – NOVEMBER 13, 2015**

- 1. Receive Budget/Personnel Committee Draft Minutes, November 13, 2015

**ACTION TAKEN: It was moved by Member Rubio, seconded by Member Allion, to receive the BPC Draft Minutes for November 13, 2015 and carried by the following roll call vote:**

**Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Le, Downey, Pendergrass, Rubio**

**Noes: None**

**Absent: Fischer**

**B. RECYCLED WATER COMMITTEE – NOVEMBER 19, 2015**

- 1. Receive Recycled Water Committee Draft Minutes, November 19, 2015

**ACTION TAKEN: It was moved by Member Allion, seconded by Member Grier, to receive the RWC Draft Minutes for November 19, 2015 and carried by the following roll call vote :**

**Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Le, Downey, Pendergrass, Rubio**

**Noes: None**

**Absent: Fischer**

**7. ACTION ITEMS**

**A. Receive Fiscal Year 2014/15 Financial Statements and Independent Auditors Report**

Ms. Hannah stated that the Agency's audit was performed by Lance, Soll & Lunghard, LLP. She provided the Board with a brief overview of the audit. She stated that Bryan Gruber, CPA and Partner with Lance, Soll, and Lunghard, LLP presented to the Budget/Personnel Committee where he reported that the Agency received an unmodified or "clean" opinion. She reported that the auditors identified the need for the Agency to prepare a comprehensive Capital Asset Policy which staff is in the process of preparing with full implementation anticipated in January.

Mr. Allion stated that the Budget/Personnel Committee had a vigorous discussion with the Auditor, Bryan Gruber, CPA/Partner. The Auditor answered the Committee's questions about the capital improvements that were necessary due to the aging infrastructure. He stated that there was nothing negative in the report that was noted.

**ACTION TAKEN: It was moved by Member Allion, seconded by Member Rubio, to receive the Fiscal Year 2014/15 Financial Statements and Independent Auditors Report and carried by the following roll call vote:**

**Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Le, Downey, Pendergrass, Rubio**

**Noes: None**

**Absent: Fischer**

**B. Consider Line of Credit Banking Proposals**

Ms. Hannah stated that the Agency requested proposals for a \$2 million line of credit to assist during the final design phase of the project, with a transition to a \$10 million line of credit during the construction phase. She reported that the Agency received proposals from three highly qualified lenders and provided the Board with a summary of the proposal results. All proposals were based on paying interest on the amounts drawn on the line of credit, as well as the undrawn funds; with a component of interest based on a variable London Interbank Offered Rate (LIBOR) rate. "Bank 1", who asked not to have their name disclosed unless chosen, provided the most favorable terms with a three-year tax-exempt cost projected to be \$109,630 at a 70% LIBOR + 0.50% interest rate on drawn funds and a 0.25% interest rate on the undrawn portion. This amount would increase to \$159,630 or 70% LIBOR +1.00% on borrowed funds, if the line of credit is determined to be taxable.

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Ms. Hannah stated that the actual costs will vary based on the timing and amount of funds needed, along with changes in the LIBOR rate. Additional costs that could incur include bank counsel and administrative fees that are estimated not to exceed \$60,000.

Discussion from the Board continued regarding reimbursement and Ms. Hannah stated that all costs would be applied to the Groundwater Replenishment Fund and submitted for reimbursement through the State Revolving Loan.

**ACTION TAKEN:** It was moved by Member Allion, seconded by Member Rubio, to authorize staff to enter into negotiations for a line of credit with Bank 1, with the final agreement anticipated to be brought to the Board in January, and carried by the following vote:

**Ayes:** De La Rosa, Grier, Stefani, Phillips, Allion, Le, Downey, Pendergrass, Rubio

**Noes:** None

**Absent:** Fischer

**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 an update on the Pure Water Monterey Project – 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 reported on the following:

- Ken Harris, Executive Officer for the Central Coast Regional Water Quality Control Board was appointed by Governor Brown as Supervisor of the California Department of Conservation Division of Oil, Gas and Geothermal Resources
- A Special Board Meeting and Strategic Planning Workshop will be held on Monday, December 14 at the Embassy Suites beginning at 8:00 am.

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**10. BOARD MEMBER COMMENTS/REPORTS**

In response to Member Downey's question, Mr. Wellington stated that abstentions are determined by the individual Board Members when they feel they have some reason that they should not vote or refrain from voting. He stated that it was an individual choice that Board Members could make.

[Chair De La Rosa recessed Open Session at 6:45 pm, and commenced Closed Session at 6:46 pm]

**11. RECESS TO CLOSED SESSION**

A. Public Employee Performance Evaluation  
*Pursuant to Government Code 54957*

Title: General Manager

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

**12. ANNOUNCEMENTS FROM CLOSED SESSION**

Mr. Wellington, Legal Counsel, reported that the Board came back into Open Session at 7:02 p.m. He announced that in the Closed Session the Board had only considered agenda Item 11-B and received information from its negotiator and no reportable action was taken.

**13. ADJOURNMENT**

At 7:03 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, January 25, 2016 at 6:00 p.m.



Paul A. Sciuto, General Manager  
Secretary to the Board



Gloria De La Rosa, Chair  
MRWPCA Board of Directors