



**APPROVED**  
January 25, 2016

**MINUTES**  
**of the Special Meeting**  
**Monterey Regional Water Pollution Control Agency**  
**Board of Directors**  
**December 14, 2015**

**1. CALL TO ORDER**

The Special Meeting of the Board of Directors of the Monterey Regional Water Pollution Control Agency was Called to Order by Chair De La Rosa at 1:15 pm, on Monday, December 14, 2015 in the Embassy Suites, Del Mar Room located at 1441 Canyon Del Rey Boulevard, Seaside, CA 93955.

**2. ROLL CALL**

**BOARD MEMBERS PRESENT:**

Gloria De La Rosa, Chair	Salinas
Rudy Fischer, Vice Chair	Pacific Grove
Linda Grier [ <i>left at 3:29 pm</i> ]	Boronda County Sanitation District
Ron Stefani	Castroville Community Services District
John M. Phillips	County of Monterey
Dennis Allion	Del Rey Oaks
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:**

Peter Le	Marina Coast Water District
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**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  
Mark Malanka  
Chayito Ibarra

Gov. Affairs Administrator  
Maintenance Manager  
Executive Assistant

**OTHERS PRESENT:**

Keith Vandermaaten – Marina Coast Water District

**3. PUBLIC COMMENTS ON CLOSED SESSION ITEMS**

No public comments were received.

**4. ADJOURN TO CLOSED SESSION**

Chair De La Rosa recessed Open Session at 1:17 pm, and commenced Closed Session at 1:18 pm

A. 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

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

**5. RECONVENE OPEN SESSION**

Chair De La Rosa recessed Closed Session at 2:38 pm, and commenced Open Session at 2:39 pm

**6. ANNOUNCEMENTS FROM CLOSED SESSION**

Legal Counsel reported that in the Closed Session the Board had considered agenda Items 4-A and 4-B and received information from its negotiator and no reportable action was taken.

**7. PLEDGE OF ALLEGIANCE**

**8. PUBLIC COMMENTS**

Chair De La Rosa called for public comments, none were received.

**9. CONSENT AGENDA**

**ACTION TAKEN:** It was moved by Member Downey, seconded by Member Rubio, to approve Consent Agenda Items 9-A and 9-B and carried by the following vote:

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

**Noes:** None

**Absent:** Le

- A. Consider Award of Contract to TJC & Associates for Pump Station and Member Agency Facilities ArcFlash Hazard Analysis
- B. Consider Approving the Issuance of Open Purchase Orders for Anthem Blue Cross and Lincoln Financial

**10. ACTION ITEMS**

**A. Consider Approval of a Contract with Denise Duffy & Associates (DD&A) for Permits**

Mr. Holden stated that on June 29, 2015, the Board awarded a contract to DD&A in the amount of \$490,563 to complete the CEQA process and start the Federal permitting process. Staff is requesting approval of a new contract with DD&A to complete the Federal, State, and local permitting process needed for GWR. Mr. Holden stated that staff is proposing to cancel the \$150,613 remaining in DD&A's existing purchase order (No. 008864) and use that money as well as the existing budget to cover the \$435,971.

**ACTION TAKEN:** It was moved by Vice Chair Fischer, seconded by Member Rubio, to authorize staff to sign the contract with Denise Duffy & Associates (DD&A) for a cost not to exceed \$435,971 after closing the existing purchase order with \$150,613 remaining and carried by the following vote:

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

**Noes:** None

**Absent:** Le

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**B. Consider Approval of an Amendment to Perkins Coie Contract for Legal Services for California Public Utilities Commission (CPUC)**

Mr. Holden stated that on August 31, 2015 the Board approved a contract with Perkins Coie in the amount of \$160,000 to complete the CEQA process. Staff is requesting to add \$100,000 to the existing Perkins Coie contract to assist staff in preparing for the GWR CPUC testimony scheduled for January 22, 2016. He explained that the goal of this work will be the Administrative Law Judge's (ALJ) proposed decision in July 2016 and the Commission's action on that decision in August 2016.

**ACTION TAKEN: It was moved by Vice Chair Fischer, seconded by Member Downey, to authorize staff to amend the contract with Perkins Coie for a cost not to exceed \$100,000 and carried by the following vote:**

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

**Noes: None**

**Absent: Le**

**C. Consider Approval of a Contract for Alternate Delivery Method and Contract Specification Legal Support**

Mr. Wellington stated that he and four staff members interviewed the following four firms to obtain special construction litigation transaction advice related to alternative delivery methods and review of contract specifications:

- BakerHostetler
- Farella Braun & Martel
- Best, Best & Krieger
- Perkins Coie

Mr. Wellington reported that the firm Nossaman, withdrew from the interview citing a conflict of interest. He explained that staff was unanimous in selecting Mary Beth Coburn with the Law Firm Best, Best & Krieger (BB&K) out of San Diego. Mr. Wellington recommended that the Board authorize him to contract with BB&K and authorize staff to issue a purchase order not to exceed \$50,000.

**ACTION TAKEN: It was moved by Vice Chair Fischer, seconded by Member Rubio, to authorize Legal Counsel to contract with Best, Best & Krieger and Authorize Staff to issue a purchase order not to exceed \$50,000 to that firm and carried by the following vote:**

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

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**Noes: None**

**Absent: Le**

**D. Consider Approval of the Advanced Treated Water Delivery and Supply Project Agreement between MRWPCA and MCWD**

Mr. Sciuto stated that MCWD and MRWPCA have been negotiating for almost a year to jointly construct a pipeline from the MRWPCA facilities in Marina to the Seaside Basin. He stated that MCWD has an existing design for a substantial portion of that alignment. He explained that the proposed Advanced Treated Water Delivery and Supply Project Agreement defines the proportional capacity and financial responsibilities for a transmission pipeline for advanced treated water and potential future expansion of the Advanced Water Treatment Facility. With reference to the agreement, he stated that there are a number of conditions that need to be met for the agreement to remain in effect which include but are not limited to:

- MCWD must receive SRF funding to construct the pipeline
- MCWD must have water purchase agreement in place for a revenue stream
- MRWPCA must receive CPUC approval of the Pure Water Project

Mr. Sciuto, in answering Member Rubio's question, stated that while he has discussed capacity ownership with Keith Vandermaaten, MCWD General Manager, it was not defined in the agreement.

With regards to milestones, Mr. Sciuto stated that the agreement includes off-ramps at several decision points including the inability to secure water user agreements, inability to gain easements, and denial by the CPUC of the Pure Water Monterey Project.

Board discussion continued regarding protection from shutoff and Mr. Sciuto stated that the agreement includes a 30 year and 5 year renewal provision. He explained that they need to focus on that section more and ensure that there are earlier provisions in the document that state that MCWD will maintain the pipeline and MRWPCA will maintain the advanced treatment facilities. Mr. Allion stated that ensuring there would be no interruptions could be added to section 8.02 which talks about automatic extensions.

Mr. Wellington stated that the agreement includes a provision which states that either party can terminate the agreement which could be problematic and that section needs to be reviewed.

Mr. Allion made a motion to approve the staff recommendation and remove the word "non-substantive" from the recommendation.

**ACTION TAKEN:** It was moved by Member Allion, seconded by Member Pendergrass, to approve the Advanced Treated Water Delivery and Supply Project Agreement Between MRWPCA and MCWD subject to changes and legal review and carried by the following vote:

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

**Noes:** None

**Absent:** Le

**E. Consider Approval of Budget Adjustment for Pure Water Monterey Project**

Mr. Sciuto stated that the Board approved the existing Pure Water Monterey GWR budget at the June 29, 2015 Board meeting. The budget amount of \$3,814,209 was intended to cover completion of the CEQA process, preparation of the Engineering report, completion of the demonstration project, public outreach, externality study and major start on permits. Staff was waiting for the SRF loan to advance the designs to the level that they could go to an alternate delivery method like Design/Build (D/B) or Construction Management at Risk (CMAR) or to the traditional bid process (Design/Bid/Build or DBB). The CPUC is expected to approve the Water Purchase Agreement with Cal Am in August 2016. Loan money for design will not be available until September 2016, at the earliest.

Mr. Sciuto stated that staff has been pursuing what it would take to accelerate the design process so that we could produce water sooner. He provided the following summary of the Pure Water Monterey components and award recommendations:

Advanced Water Treatment Facility	Award – \$1,361,109
Blanco Drain & Reclamation Ditch	Award – \$511,566
SVRP Winter Operation	Award – \$135,731
Salinas Pond Return	REJECT
Advanced Water Conveyance Pipeline	REJECT
Injection Facilities	Award – \$390,909
Total	\$2,399,315

Mr. Sciuto stated that from the existing budget, \$530,000 is available for this work as follows: \$400,000 for RFP Design Build Procurement, \$100,000 for Lobbyist and Grant Writers and \$30,000 for demo facility quenching and stabilizing. He stated that MPWMD has budgeted \$1,800,000 additional for Pure Water Monterey budget. If MRWPCA budgets an additional \$600,000 that would

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result in \$2,930,000 for the above listed projects and additional labor to manage the design contracts.

Discussion from the Board continued regarding the deadline for qualifying for the 1% State Revolving Fund loan. Mr. Sciuto stated that the application has been completed, but do not yet know if we qualified for the 1% loan. If we did not qualify for the 1% loan, the interest rate would be 1.8%.

With response to questions from the Board regarding what would happen if the Board did not approve the additional \$600,000, Mr. Sciuto responded that the design portion would get put on hold. If the CPUC gives approval in July, we could start the design portion then but would be 8 months behind. Instead of delivering water in early 2018 it would be at the end of 2018.

Ms. Hannah answered questions from the Board regarding the current reserve level and the process for obtaining reimbursement from the SRF fund loan.

**ACTION TAKEN:** It was moved by Vice Chair Fischer, seconded by Member Phillips, to authorize the GWR (Department 50) budget to be increased by \$2,400,000 and that the additional MRWPCA funds, \$600,000, would come from this Fiscal Year's CIP and reduction in reserves until reimbursed by the SRF loan and carried by the following vote:

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

**Noes:** None

**Absent:** Le

F. Consider Approval of Exclusive Negotiation Agreement (ENA) with California American Water Company (Cal-Am) and MRWPCA

Mr. Wellington stated that the Board approved an Exclusive Negotiating Agreement (ENA) on March 24, 2014 and a short-term lease on December 10, 2014 with California American Water. The ENA and short-term lease allows Cal Am to discharge water from their pilot slant well into MRWPCA's ocean outfall. Mr. Wellington stated that Cal Am would now like to negotiate a long-term lease allowing them to discharge desalination brine from the Monterey Peninsula Water Supply Project (MPWSP) into MRWPCA's Land and Ocean Outfalls. Negotiations are currently underway with Cal Am regarding the amount of reimbursements they will provide as part of the agreement. He stated that the ENA protects MRWPCA against lawsuits during the negotiating period and provides an avenue for Cal Am to reimburse MRWPCA for expenses made related to the ENA and long-term lease.

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*Ms. Grier left at 3:29 pm*

With regards to the end of the term of the temporary agreement, Mr. Wellington answered that the present agreement continues until it is replaced.

Mr. Wellington recommended that the motion include not only the amount of reimbursements but “other terms of agreement”.

Mr. Phillips made a motion to approve the staff recommendation, including adding the wording “other terms of agreement” to the motion.

**ACTION TAKEN:** It was moved by Member Phillips, seconded by Member Rubio, to approve the Exclusive Negotiation Agreement (ENA) with Cal-Am as soon as the agreement is reached with Cal-Am about the amount of reimbursements Cal-Am will provide as part of the agreement and other terms of the agreement and carried by the following vote:

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

**Noes:** None

**Absent:** Le, Grier

Mr. Sciuto stated that the following presentation is for Agenda Items 10-G through 10-L. At the end of the presentation, the Board could approve the following items with one single motion or consider them separately:

G. Consider Award of Design Contract to E2 Consulting Engineers, Inc. for Blanco Drain and Reclamation Ditch Diversion Facilities

Staff Recommendation: That the Board Authorize the General Manager to finalize negotiations and enter into an agreement with E2 Consulting Engineers in an amount not to Exceed \$511,566 at such time that Budget is made available for this project

H. Reject all Proposals for Salinas Industrial Wastewater Facilities Return Pipeline and Pump Station

Staff Recommendation: That the Board reject the proposal from E2 Consulting Engineers for the design of the Salinas Industrial Wastewater Facilities Return Pipeline and Pump Station Project



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I. Consider Award of Design Contract to Kennedy/Jenks Consultants for Advanced Water Treatment Facility (AWTF) and Pump Station

Staff Recommendation: That the Board Authorize the General Manager to finalize negotiations and enter into an agreement with Kennedy/Jenks in an amount not to exceed \$1,361,109

J. Consider Award of Design Contract to E2 Consulting Engineers, Inc. for Salinas Valley Reclamation Plant Winter Operation Modifications

Staff Recommendation: That the Board Authorize the General Manager to finalize negotiations and enter into an agreement with E2 Consulting Engineers, Inc. in an amount not to exceed \$135 and enter into an agreement with E2 Consulting Engineers, Inc. in an amount not to exceed \$135,731 at such time that budget is made available for this project

K. Consider Award of Design Contract to Carollo Engineers for Groundwater Replenishment Injection Well Facilities

Staff Recommendation: That the Board Authorize the General Manager to finalize negotiations and enter into an agreement with Carollo Engineers in an amount not to exceed \$390,909

L. Consider Award of Design Contract to Carollo Engineers for Advanced Water Treatment Facility (AWTF) Product Water Conveyance System

Staff Recommendation: That the Board Authorize the General Manager to finalize negotiations and enter into an agreement with Carollo Engineers in an amount not to exceed \$832,741

Mr. Sciuto stated that six requests for proposals were issued for the Pure Water Monterey Groundwater Replenishment Project on November 4, 2015. He stated that only one proposal was received for each of the six requests for proposals issued. He provided the Board with a summary of the proposals received and staff recommendation as follows:

<b>AGENDA ITEM</b>	<b>DESIGN CONTRACT</b>	<b>CONSULTANT</b>	<b>NOT TO EXCEED AMOUNT</b>	<b>RECOMMENDATION</b>
10-G	Blanco Drain and Reclamation Ditch Diversion Facilities	E2 Consulting Engineers, Inc.	\$511,566	Award

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10-H	Salinas Industrial Wastewater Facilities Return Pipeline and Pump Station	E2 Consulting Engineers, Inc.	-	Reject Proposal
10-I	Advanced Water Treatment Facility (AWTF) and Pump Station	Kennedy/Jenks Consultants	\$1,361,109	Award
10-J	Salinas Valley Reclamation Plant Winter Operation Modifications	E2 Consulting Engineers, Inc.	\$135,731	Award
10-K	Groundwater Replenishment Injection Well Facilities	Carollo Engineers	\$390,909	Award
10-L	Advanced Water Treatment Facility (AWTF) Product Water Conveyance	Carollo Engineers	\$832,741	Award

**ACTION TAKEN:** It was moved by Member Rubio, seconded by Member Phillips, to approve the staff recommendations for Agenda Items 10-G through 10-L and carried by the following vote:

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

**Noes:** None

**Absent:** Le, Grier

**11. INFORMATIONAL ITEMS**

**A. Update on Project Management Needs for the Pure Water Monterey Project**

Mr. Sciuto stated that the Pure Water Monterey (PWM) Project is at a point where awarding of contracts for design and construction of various components of the PWM project is quickly approaching. In order to be prepared for the oncoming increase in project related work activities, staff is exploring the possibility of hiring additional employees to assist in the overall management of this next phase of the project. Mr. Sciuto stated that the proposed positions are the Pure Water Monterey Program Manager and Contracts Support. He provided the Board with an overview of the possible duties of the positions. He noted that other possible project components which could need oversight include: SVRP modifications, Injection Facilities, Pipeline construction and source water diversion facilities (Blanco Drain,

Reclamation Ditch etc.). These components may or may not need additional staffing requirements depending upon when the SRF loan is approved and when these other components are constructed.

Mr. Sciuto stated that staff would be developing job descriptions and a budget and would bring this item to the BPC and Board in January.

**12. STAFF REPORTS**

**A. General Manager/Assistant General Manager/Legal Counsel**

Mr. Sciuto stated that he is scheduled to present at an American Water Works Association (AWAA) Conference in Long Beach on January 25 and would not be present at the January Board meeting.

**13. BOARD MEMBER COMMENTS/REPORTS**

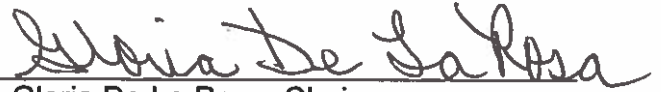
No Board Comments/Reports

**14. ADJOURNMENT**

At 3:58 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