

APPROVED
February 27, 2017



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
January 30, 2017

1. CALL TO ORDER

The Regular Meeting of the Board of Directors of the Monterey Regional Water Pollution Control Agency was Called to Order Chair De La Rosa at 6:04 p.m., on Monday, January 30, 2017 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
Linda Grier	Boronda County Sanitation District
Eric Tynan, Alternate	Castroville Community Services District
Dennis Allion	Del Rey Oaks
Thomas P. Moore	Marina Coast Water District
Libby Downey	Monterey
James R. Cochran	Moss Landing County Sanitation District - Ex-Officio
Dave Pendergrass	Sand City
Ralph Rubio	Seaside
Vacant – Ex-Officio	United States Army

BOARD MEMBERS ABSENT:

John M. Phillips	County of Monterey
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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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Bob Rathie	Assistant Legal Counsel
Bill Ragsdale-Cronin	Plant Maintenance Supervisor
Lindsay Synstebly	Customer Service Supervisor
Mike McCullough	Government Affairs Administrator
Jennifer Gonzalez	Engineering Manager
Jerry Valladao	Associate Engineer
Leara Sampson	HR Administrator
Robert Locke	Operator III
Michelle Bumgardner	Customer Service Rep II
Chayito Ibarra	Executive Assistant

OTHERS PRESENT:

Alex Handlers, Bartle Wells Associates
Gary Petersen, City of Salinas
Libby Downey
Wayne Downey
Troy Bumgardner

3. PLEDGE OF ALLEGIANCE

Member Barrett led the Pledge of Allegiance.

4. PUBLIC COMMENTS

Alexander Miller spoke in regards to communication he has had with staff regarding liens and fees and feels he is being discriminated against.

5. INTRODUCTION OF NEW BOARD MEMBERS AND SPECIAL ACKNOWLEDGEMENTS

A. New Representatives appointed to the MRWPCA Board:

City of Monterey

Representative: Director Timothy Barrett

Alternate: Director Alan Haffa

Chair De La Rosa introduced and welcomed new Board Member Timothy Barrett, representing City of Monterey. Mr. Barrett stated that it was a pleasure to be on appointed to this Board and acknowledged the good work that Libby Downey had done on the Council and on the MRWPCA Board.

B. Approve Resolution 2017-01, Resolution of Appreciation for Libby Downey, Outgoing City of Monterey Representative

Chair De La Rosa presented a resolution of appreciation to Libby Downey for all of the great work she had done while serving on the MRWPCA Board. Ms. Downey thanked the Board and stated that the MRWPCA Board was her favorite Board to

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serve on. She commended Mr. Sciuto for representing the Agency well during his recent presentation to the Rotary and added that under Mr. Sciuto's leadership, the Board will continue to do good work.

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Fischer, to approve Resolution No. 2017-01, Resolution of Appreciation for Libby Downey, Outgoing City of Monterey Representative, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Tynan, Moore, Barrett, Pendergrass, Rubio

Noes: None

Absent: Allion, Phillips

6. CONSENT AGENDA

Mr. Barrett requested to pull Item M, Consider Approval of Four Resolutions to Purchase Pre-Selected Equipment and Submittals without Formal Competitive Bidding and Amend the Design Services Contract with V.W. Housen for the CP297 Pump Station No. 13 Valve Replacement and Upgrades Project, from the consent agenda.

Mr. Tynan stated that he wanted to make a statement about Item N, Consider Approval of a Seagull Abatement Service Contract with Falcon Air Bird Abatement, LLC. Mr. Tynan stated that he was in support of this item but noted that Castroville had a big problem with pigeons and what worked for them was to combat the pigeons using a rain sprinkler because pigeons don't get used to the sprinklers.

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

Ayes: De La Rosa, Fischer, Grier, Tynan, Moore, Barrett, Pendergrass, Rubio

Noes: None

Absent: Allion, Phillips

- A. Approve Board Minutes for Regular Board Meeting of November 28, 2016
- B. Receive Schedule of Cash and Investments as of December 31, 2016
- C. Receive Quarterly Financial Reports for Second Quarter FY 16/17
- D. Receive Check Register for November and December 2016
- E. Receive Waste Discharge Report and NPDES Monitoring Report for December

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2016; and Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for December 2016

- F. Establish Nomination Committee for Election of Board Officers for 2017
- G. Consider Approval of a Contract for Banking Services with Bank of the West Bank
- H. Consider Approval of a Contract with Fastenal for a Locker Lease
- I. Consider Authorizing the General Manager to Sign a Purchase Order with Tyler Technologies for Annual Software Maintenance and Support
- J. Consider Approval of a Contract for Design Services for the Farmworker Housing Wastewater Service Extension Project
- K. Consider Approval of Hiring an Administrative Support Specialist I/II Position
- L. Consider Approval of the Creation of Two Senior Operator Positions
- N. Consider Approval of a Seagull Abatement Service Contract with Falcon Air Bird Abatement, LLC
- O. Consider Approval of a Contract to Extend the Rental of a Dump Truck to Haul Solid Waste through January 31, 2017
- P. Consider Approval of a One-Year Contract with Keith Day for Biosolids Hauling
- Q. Consider Approval of Resolution No. 2017-06, Approving Supplements to Issuance Documents of Outstanding Bonds of the Agency
- R. Consider Approval of a Contract with Kennedy/Jenks Consultants for Engineering Services During Construction for the Injection Wells Facilities
- S. Consider Approval of an Increase to the Contract with Kennedy/Jenks Consultants for Phase 1 Hydropower Generation Evaluation for the Injection Wells Facilities
- T. Consider Approval of an Increase to the Contract with E2 Consulting Engineers for Design of the Blanco Drain and Reclamation Ditch Diversion Facilities
- U. Consider Approval of an Increase to the Contract with Schaaf and Wheeler for Engineering Services in Support of Pure Water Monterey
- V. Consider Approval of an Amendment to Perkins Coie Contract for CPUC Legal Support
- W. Consider Approval of an Increase to the Contract with Denise Duffy & Associates for Environmental and Permitting Services Support
- X. Consider Approval of an Increase to the Contract with Best Best & Krieger for Legal Services Support of Pure Water Monterey

ITEMS PULLED FROM CONSENT AGENDA:

M. Consider Approval of Four Resolutions to Purchase Pre-Selected Equipment and Submittals without Formal Competitive Bidding and Amend the Design Services Contract with V.W. Housen for the CP297 Pump Station No. 13 Valve Replacement and Upgrades Project

Mr. Valladao explained that due to a number of long lead-time items, that would push the projects construction phase into the 2017 wet weather season, it would be in the best interest of the Agency for this project to be completed during the dry weather season and forego the competitive bidding process.

Mr. Sciuto, referencing Resolution No. 87-19, stated that the Board can make that determination when there is an emergency or if they find it is in the public best interest to forego the competitive bidding process.

Mr. Allion arrived at 6:19 pm

Public Comments:

Alexander Miller, stated that staff was trying to trick them and the Board should go out to bid.

ACTION TAKEN: It was moved by Member Pendergrass, seconded by Member Rubio, to approve Consent Agenda Item M, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Tynan, Moore, Barrett, Pendergrass, Rubio

Noes: None

Absent: Phillips

Abstain: Allion

Mr. Barrett stated that he did not feel that staff was tricking the Board and was comfortable with the action that was taken.

7. COMMITTEE REPORTS

A. BUDGET/PERSONNEL COMMITTEE (BPC) – JANUARY 13, 2017

1. Receive BPC Draft Minutes of January 13, 2017

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Allion, to receive the BPC Draft Minutes of January 13, 2017 and carried by the following vote:

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Ayes: De La Rosa, Fischer, Grier, Tynan, Allion, Moore, Barrett, Pendergrass, Rubio

Noes: None

Absent: Phillips

B. RECYCLED WATER COMMITTEE (RWC) – JANUARY 19, 2017

1. Receive RWC Draft Minutes of January 19, 2017

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Fischer, to receive the RWC Draft Minutes of January 19, 2017, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Tynan, Allion, Moore, Barrett, Pendergrass, Rubio

Noes: None

Absent: Phillips

8. ACTION ITEMS

A. Receive Information on Comprehensive Rate and Fee Study

Ms. Hannah stated that the Agency is in the last year of a three-year Proposition 218 rate increase. She introduced Alex Handlers, Vice President/Principal, from Bartle Wells Associates who provided an overview of fee study objectives and also reviewed some financial benchmarks. In his presentation, Mr. Handlers compared the Agency's rates and finances to benchmarks, as well as similar entities. He noted that the purpose of the benchmarks was to assist the Board in evaluating different funding priorities, such as capital improvements and reserve levels.

Mr. Handlers and Ms. Hannah answered questions from the Board regarding the Agency's current reserve policy levels and CIP investments compared to other organizations of similar size. Mr. Handlers stated that while organizations need to assess specific circumstances that are unique to their operations, the the Agency's current reserve policy levels and CIP investments are below the average amount invested by similar agencies.

Ms. Hannah noted that the presentation provided by Mr. Handlers also indicated that an increase in reserve levels will also place the Agency in better position for debt financing based on rating agency criteria, as well as provide a stronger alignment with the general Government Finance Officers Association (GFOA) recommendations.

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Ms. Hannah stated that the comments received from the Board was helpful and would be taken into consideration when working on the Comprehensive Rate and Fee Study.

ACTION TAKEN: It was moved by Member Moore, seconded by Member Allion, to receive information on the Comprehensive Rate and Fee Study, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Tynan, Allion, Moore, Barrett, Pendergrass,

Noes: None

Absent: Phillips, Rubio

- B. Consider Approval of Resolution No. 2017-07, Authorizing the General Manager to Enter into a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB) for the Implementation of Stormwater Projects for the Salinas Region

Mr. McCullough stated that the Agency was successful in obtaining a \$10,000,000 Prop 1 Stormwater Grant to implement Stormwater Diversion Projects in cooperation with the City of Salinas. In order to receive the funds to pursue this project, the Agency must enter into a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB). Staff is requesting that the Board approve a resolution to authorize the General Manager to enter into a financial assistance agreement with the SWRCB.

ACTION TAKEN: It was moved by Member Moore, seconded by Member Allion, to approve Resolution No. 2017-07, Authorizing the General Manager to Enter into a Financial Assistance Agreement with the SWRCB for the Implementation of the MRWPCA and City of Salinas Stormwater Projects for the Salinas Region, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Tynan, Allion, Moore, Barrett, Pendergrass, Rubio

Noes: None

Absent: Phillips

- C. Consider Approval of Resolution No. 2017-08, Authorizing the Board to Execute a Joint Powers Authority Agreement Establishing the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA)

Mr. McCullough provided an overview of this item and the process that has gotten them to this point. He noted that in 2015, the City of Salinas along with the County of Monterey, the Water Resources Agency, the Monterey County

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Farm Bureau, the Growers-Shippers Association, and Salinas Valley Water Coalition retained a professional facilitator, the Consensus Building Institute (CBI) to bring together a Collaborative Working Group (CWG) to build consensus amongst key stakeholders and make recommendations to the various entities eligible to be GSAs in the Basin concerning the formation of a governance for the GSA. After months of deliberation, the CWG recommended a Joint Powers Authority ("JPA") to be the GSA in the Basin.

Mr. McCullough noted that the CWG has reached consensus on the remaining material issues concerning the terms of a JPA agreement. These include finalizing the description of and qualifications for the various director positions on the JPA board, finalizing the nomination and appointment process for the board of directors, and the length of terms for directors. He referenced the draft JPA agreement that was included in the board packet.

He stated that the JPA requires advance funding by the entities executing the JPA agreement ("Members") for the first two full fiscal years of its existence, until such time that the JPA can levy fees or otherwise raise revenue to fund its operations. Representatives of a number of the proposed Members (the City of Salinas, County and City of Gonzales) have met and discussed a contribution formula for that purpose. Also, the City of Gonzales staff has collaborated with the representatives of Soledad, Greenfield, and King City on these issues. Contributions from the Members would start in fiscal year 2017 – 2018. The MRWPCA Board should consider its willingness and ability to contribute funds for the initial start-up costs for the GSA formation. The amount that is needed for 2 years is \$40,000 or \$20,000 a year.

Mr. McCullough noted that both the County and the City of Salinas have approved joining the JPA back in December 2016. Other potential Members are expected to join the JPA in early 2017. The goal set by the CWG was to have enough jurisdictions adopt the JPA so that the formation of a new Board of Directors of the JPA can be established by early spring of 2017. The new JPA Board can then commence the business of the JPA and implementing the important work of adopting and filing a Notice of Intent no later than June 30, 2017.

The Board had lengthy discussion and had many questions with regard to this item including cost, which entities are considered members, termination of member entities and unanimous voting. Mr. McCullough and Mr. Sciuto answered questions from the Board.

Member Moore stated that MCWD had many concerns and would not be voting in favor of this item.

Public Comments:

Gary Petersen, City of Salinas, spoke in support of this item.

Mr. Barrett stated that the language in the JPA is a bit harsh and sees the challenges in obtaining a unanimous vote from all of its members. He noted that because he was new to this Board, he would be abstaining from voting on this item.

ACTION TAKEN: It was moved by Member Allion, seconded by Member Rubio, to approve Resolution No. 2017-08, Authorizing the Board to Approve the Joint Powers Authority Agreement Establishing the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Tynan, Allion, Pendergrass, Rubio

Noes: Moore

Absent: Phillips

Abstain: Barrett

9. INFORMATIONAL ITEMS

A. Pure Water Monterey Update

Mr. Sciuto provided an update on the Pure Water Monterey Project and reviewed some of the highlights.

10. STAFF REPORTS

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Sciuto provided an update to the Board on presentations he has made in the community and meetings he has attended.

Mr. Hogg stated that the County of Monterey issued a Request for Qualifications (RFQ) to take on some of the small utility systems. He added that staff did a site visit and considers it the right thing for the Agency to do for the region.

11. CORRESPONDENCE

December 9, 2016 Letter from Patrick Cotter, Adjunct Faculty at Middlebury Institute of International Studies at Monterey, recognizing Michelle Bumgardner for an outstanding student presentation and tour of the Regional Treatment Plant

Mr. Sciuto commended Ms. Bumgardner on the great job she does giving tours.

12. BOARD MEMBER COMMENTS/REPORTS (None)

Chair De La Rosa recessed Open Session and commenced Closed Session at 8:15 p.m.

12. RECESS TO CLOSED SESSION

- A. 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

Chair De La Rosa adjourned Closed Session at 8:35 p.m., and commenced Open Session.

13. ANNOUNCEMENTS FROM CLOSED SESSION

Legal Counsel Wellington reported that in the Closed Session the Board considered Agenda Item 12-A (Conference with Real Property Negotiators) and stated that no reportable action was taken.

14. ADJOURNMENT

At 8:37 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, February 27, 2017 at 6:00 p.m.



Paul A. Sciuto, General Manager
Secretary to the Board



Gloria De La Rosa, Chair
MRWPCA Board of Directors