



**APPROVED**  
April 24, 2017

**MINUTES**  
**of the Regular Meeting**  
**Monterey Regional Water Pollution Control Agency**  
**Board of Directors**  
**March 27, 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 by Chair Fischer at 6:05 p.m., on Monday, March 27, 2017 in the Board Room at 5 Harris Court, Building D, Monterey, California.

**2. ROLL CALL**

**BOARD MEMBERS PRESENT:**

Rudy Fischer, Chair	Pacific Grove
Ron Stefani, Vice Chair	Castroville Community Services District
Linda Grier	Boronda County Sanitation District
John M. Phillips	County of Monterey
Dennis Allion	Del Rey Oaks
Thomas P. Moore	Marina Coast Water District
Timothy Barrett <i>[arrived at 6:25 pm]</i>	Monterey
Gloria De La Rosa	Salinas
Dave Pendergrass	Sand City
Ralph Rubio	Seaside
Vacant – Ex-Officio	United States Army

**BOARD MEMBERS ABSENT:**

James R. Cochran	Moss Landing County Sanitation District - Ex-Officio
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**MRWPCA STAFF PRESENT:**

Paul A. Sciuto	General Manager
Steve Hogg	Assistant General Manager
Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer
Rob Wellington	Legal Counsel
Bob Rathie	Assistant Legal Counsel

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Mary Beth Coburn	Construction Counsel
Mike McCullough	Government Affairs Administrator
Yohana Vargas	Contracts Administrator
Bill Kocher	PWM Program Manager
Bill Ragsdale-Cronin	Plant Maintenance Supervisor
Tom Kouretas	Associate Engineer
Alison Imamura	Associate Engineer
Jarrold Levine	Operator III
Michelle Bumgardner	Customer Service Rep II
Chayito Ibarra	Executive Assistant

**OTHERS PRESENT:**

Vinod Badani, E2  
Sean McBurney, Anderson Pacific  
Gary Skrel, Covello Group

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

Chair Fischer called for Public Comments on Closed Session Items: none received.

Chair Fischer recessed Open Session and commenced Closed Session at 6:06 p.m.

**4. RECESS TO CLOSED SESSION**

A. Significant Exposure to Litigation  
*Pursuant to Government Code 54956.9(d)(2) or (3)*  
One Potential Case

*Member Barrett arrived at 6:25 pm*

**5. RECONVENE OPEN SESSION**

Chair Fischer adjourned Closed Session at 6:27 p.m., and commenced Open Session.

**6. ANNOUNCEMENTS FROM CLOSED SESSION**

Legal Counsel Wellington reported that in the Closed Session the Board considered Agenda Item 4-A (Significant exposure to Litigation), received information from Legal Counsel and stated that no reportable action was taken.

**7. PLEDGE OF ALLEGIANCE**

Member Pendergrass led the pledge of allegiance.

**8. PUBLIC COMMENTS**

Chair Fischer called for Public Comments: none received.

**9. CONSENT AGENDA**

Mr. Moore stated that he would be abstaining from voting on Item 9-A (Board minutes from February 27, 2017) as he was not present at that meeting.

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**ACTION TAKEN:** It was moved by Member Moore, seconded by Member De La Rosa, to approve Consent Agenda Items A through I, and carried by the following vote:

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

**Noes:** None

**Absent:** None

**Abstain:** Moore (Item 9-A only)

- A. Consider Approval of Board Minutes for Regular Board Meeting of February 27, 2017
- B. Receive Schedule of Cash and Investments as of February 28, 2017
- C. Receive Check Register for February 2017
- D. Receive NPDES Monitoring Report for February 2017; and Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for February 2017
- E. Receive Board Committee Assignments for April 2017 through March 2018
- F. Consider Award of Construction Management Contract to Covello Group for Blanco Drain and Reclamation Ditch Diversion Facilities
- G. Consider Approval of an Increase to the Contract with E2 Consulting Engineers for Engineering Services During Construction for the Blanco Drain and Reclamation Ditch Diversion Facilities
- H. Consider Approval of a Contract Amendment for E2 Consulting Engineers, Inc. for Continued Engineering Services for Salinas Storm Water Diversion Project (Phase 1A of Prop 1 Storm Water Grant); and Approve Budget Amendment to Support the Continued Engineering Services
- I. Consider Approval of an Increase to the Contract with Kennedy/Jenks Consultants for Phase 1 Support Bid Services for the Injection Wells Facilities Second Bid Process

**10. COMMITTEE REPORTS**

- A. BUDGET/PERSONNEL COMMITTEE (BPC) – MARCH 10, 2017
  1. Receive BPC Draft Minutes of March 10, 2017

**ACTION TAKEN:** It was moved by Member De La Rosa, seconded by Member Allion to receive the BPC Draft Minutes of March 10, 2017 and carried by the following vote:

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

**Noes:** None

**Absent:** None

**B. RECYCLED WATER COMMITTEE (RWC) – MARCH 16, 2017**

1. Receive RWC Draft Minutes of March 16, 2017

**ACTION TAKEN:** It was moved by Member Allion, seconded by Member De La Rosa, to receive the RWC Draft Minutes of March 16, 2017, and carried by the following vote:

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

**Noes:** None

**Absent:** None

Chair Fischer asked the Board to consider moving Item 11-D to the first action item because Mary Beth Coburn, Construction Counsel, has a flight later this evening. All Members agreed.

**11. ACTION ITEMS**

**D. Consider Rejection of March 15, 2017 Bid Protest and Award of Contract to Anderson Pacific for the Construction of the Pure Water Monterey Groundwater Replenishment Project Blanco Drain and Reclamation Ditch Diversion Facilities**

Mr. Kouretas provided the Board with a summary of this item and answered questions from the Board.

In answering Member Moore, Mr. Kouretas stated that the bid documents are good for 90 days.

Mr. Sciuto stated that staff anticipates receiving the SRF loan funding agreement by April 14.

**ACTION TAKEN:** It was moved by Member Barrett, seconded by Member Rubio, to reject Sierra Mountain Construction's March 15, 2017 bid protest as without merit and award the contract for construction of the Pure Water Monterey Groundwater Replenishment Project – Blanco Drain and Reclamation Ditch Facilities to Anderson Pacific, as the lowest responsive, responsible bidder, in the amount of \$7,337,750, subject to the express requirement that the issuance of the Notice to Proceed for the Project be withheld until the Board approves the appropriation of loan proceeds from the SRF Initial Funding Agreement, and carried by the following vote:

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

**Noes: None**

**Absent: None**

**A. Consider Directing Staff to Prepare and Issue a Proposition 218 Notice for an Increase in Wastewater User Fees**

Ms. Hannah presented this item and stated that at the March 10, 2017 Budget/Personnel Committee meeting, the Committee recommended a maximum rate increase that was between Options C and D. This new alternative, Option E, identifies an increase of \$1.59 - \$1.92 a month over a three year period, with a combined three-year increase of \$5.25. This increase is estimated to yield the following CIP budget:

- Fiscal Year 17/18: \$4.4 million
- Fiscal Year 18/19: \$6.2 million
- Fiscal Year 19/20: \$7.4 million

The Board discussed the pros and cons of going with Option E. In the end, it was the consensus of the Board to approve Option E. The Board stressed the importance of doing public outreach to provide rate payers additional information regarding the proposed increase. Mr. Sciuto noted that the 218 Notice that will be provided to the rate payers will have a statement indicating that Pure Water Monterey Project is not funded by rate increases.

**ACTION TAKEN: It was moved by Member Moore, seconded by Member Grier, to approve Option E (increase of \$1.59 - \$1.92 a month over a three year period, with a combined 3 year increase of \$5.25) and direct staff to prepare and issue a Proposition 218 Notice to increase wastewater user fees, and carried by the following vote:**

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

**Noes: None**

**Absent: None**

**B. Consider Approval of Revised Agency Reserve Policy**

Ms. Hannah provided a summary of this item and stated that the Budget/Personnel Committee recommended approval with an effective date of July 1, 2017.

**ACTION TAKEN:** It was moved by Member Moore, seconded by Member Grier, to approve the revised Agency Reserve Policy effective July 1, 2017, and carried by the following vote:

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

**Noes:** None

**Absent:** None

C. Consider Approval of Staff Comments to the MPWSP Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) and Direct Staff to Submit Them

Mr. Holden provided a summary of this item and answered questions from the Board.

Member Barrett commended staff for the valuable comments that were included in the letter.

**ACTION TAKEN:** It was moved by Member Allion, seconded by Member Moore, to direct the General Manager to sign and send a letter to the CPUC and MBNMS with specific comments to the MPWSP draft EIR/EIS, and carried by the following vote:

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

**Noes:** None

**Absent:** None

**12. INFORMATIONAL ITEMS**

**A. Capital Improvement Projects Quarterly Update**

Mr. Hogg provided a summary of the Capital Improvement Projects to the Board.

**B. Pure Water Monterey Update**

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

**13. 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.

Member Allion provided a summary to the Board of the Agency repositioning meetings he has attended and provided an overview of the six organizational pillars.

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**14. BOARD MEMBER COMMENTS/REPORTS**

Member Moore stated that MRWPCA and MCWD staff has been in communication with the State with regard to the SRF Loan. Both Agencies have received different answers as they are working with different staff at different levels at the State. Member Moore stated that due to the uncertainty, MCWD staff is looking into a bridge loan until they receive the SRF loan. He stated that MCWD staff believes they can still meet the deadlines.

Member Barrett stated that the Monterey City Council has been receiving conflicting information about the alternative route with regard to the pipeline that is under construction. He asked if PCA staff could talk to Monterey City staff to clear up some gray areas.

Chair Fischer recessed Open Session and commenced Closed Session at 7:51 p.m.

**15. 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 Fischer adjourned Closed Session at 8:15 p.m., and commenced Open Session.

**16. ANNOUNCEMENTS FROM CLOSED SESSION**

Legal Counsel Wellington reported that in the Closed Session the Board considered Agenda Item 15-A (Conference with Real Property Negotiators) and stated that no reportable action was taken.

**17. ADJOURNMENT**

At 8:16 p.m. with no further business, Chair Fischer 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 April 24, 2017 at 6:00 p.m.



Paul A. Sciuto, General Manager  
Secretary to the Board



Rudy Fischer, Chair  
MRWPCA Board of Directors