

APPROVED
July 31, 2017



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
June 26, 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 6:05p.m., on Monday, June 26, 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
Juanita Perea (Alternate)	Boronda County Sanitation District
John M. Phillips	County of Monterey
Dennis Allion	Del Rey Oaks
Timothy Barrett	Monterey
James R. Cochran	Moss Landing County Sanitation District - Ex-Officio
Gloria De La Rosa (left at 7:40 PM)	Salinas
Mary Ann Carbone	Sand City
Dennis Alexander (Alternate)	Seaside
Vacant – Ex-Officio	United States Army

BOARD MEMBERS ABSENT:

Thomas P. Moore Marina Coast Water District

MRWPCA STAFF PRESENT:

Paul A. Sciuto	General Manager
Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer
Rob Wellington	Legal Counsel
Alison Imamura	Associate Engineer

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Mike McCullough	Government Affairs Administrator
Leara Sampson	HR Administrator
Yohana Vargas	Contracts Administrator
Lindsay Synstebly	Customer Service Supervisor
Bill Kocher	Pure Water Monterey Program Manager
Alma Garcia	Admin Support Specialist
Larry Stowbunenko	IT Administrator
Jeff Condit	Program Manager
Laura Voss	Lab Analyst II

OTHERS PRESENT:

None

3. PLEDGE OF ALLEGIANCE

Member Alexander led the pledge of allegiance.

4. PUBLIC COMMENTS

Chair Fischer called for Public Comments - none received.

5. PUBLIC HEARINGS

A. Lien Hearing for Delinquent Sewer Service Billing:

1. Staff Report on Lien Hearing for Delinquent Sewer Service Billing
2. Board Questions/Comments
3. Public Comments
4. Approve MRWPCA Resolution No 2017-18, Declaring Liens Against Real Property for Delinquent Sewer User Charges

Ms. Hannah introduced this item, explained the process it takes in issuing liens and the transferring to the tax rule. The Board was also informed of the change to a two-billing cycle method, which is more of an internal process and not within the ordinance.

Chair Fischer opened the floor for Public Comments and there were none, so Chair Fischer closed the floor.

ACTION TAKEN: It was moved by Member Phillips, seconded by Member De La Rosa to approve Resolution No 2017-18, Declaring Liens Against Real Property for Delinquent Sewer User Charges, and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander

Noes: None

Absent: Moore

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B. Consider Approval of Proposed Fiscal Year 2017/18 Budget:

1. Staff Report on Proposed Fiscal Year 2017/Budget
2. Board Questions/Comments
3. Public Comments
4. Adopt the Proposed Fiscal Year 2017/18 Budget

Ms. Hannah provided an abbreviated version of the presentation that was given at the June 5 Budget Workshop meeting. One of the highlights is the estimated reserve balance ending in fiscal year 17/18 of \$6.7 million which puts the agency within its new reserve policy levels. The fiscal year 17/18 budget includes the projected rate increases as well as those for the miscellaneous fees. An adjustment from the Budget Workshop presentation was made for the phase-in of the interruptible rates which reduced revenues by approximately \$35,000.

Ms. Hannah provided an overview of the position changes and additions for FY 17/18. She noted the following additions and transitions of positions along with the financial impact it would have on the FY 17/18 budget. Additional position transitions or reclassifications included:

- Addition of Regular Full-time Public Outreach Coordinator (\$122,000 estimated annual cost)
- Addition of Regular Full-time Automation programmer (\$111,000 estimated annual cost)
- Addition of Full-time Limited Term Laboratory Assistant (\$79,000 estimated annual cost)
- Transition of a Limited Term Contracts Administrator assigned to Pure Water Monterey Project to a regular full-time position (this position is anticipated to be funded through the PWM budget over the next two years, the estimated annual cost to the General Fund in future years is estimated to be \$109,000)
- Transition of a ¾ time Limited Term Lab Technician to a full-time regular Lab Technician (\$20,000 estimated annual cost)
- Addition of a full-time Operator-in-Training to assist in the Operations Department. (\$42,000 estimated annual cost)
- Addition of a half-time temporary Account Clerk or Account Technician (\$32,000 estimated annual cost)

Expenditures, wages and benefits are increasing due to the new positions that were outlined above, the 3.9% COLA, the rising PERS costs as well as rising medical rates. Another item that is increasing is information systems and office expenses. Some of the office expenses is related to \$50,000, for the electronic bill payment system to improve the customer payment experience. Information system transition to Office 365 with cloud storage and some technical electrical service at the plant and new software maintenance costs. Professional and billable services have increased and that is largely due to some safety compliance training. There are some decreases in costs for contract services, chemicals and utilities. Those are

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due to the process improvements. Also included in the budget is \$100,000 for the state assessment spill. At this time, not certain of the amount, but it could be higher.

- Capital Equipment: \$714,000.
- Major O&M: Nine projects this year at \$802K, which includes some annual or periodic maintenance including the digester cleaning and the annual coating project as well as some retrofits. Also included some costs for improvement in the customer service area related to safety.
- Capital Improvement Program: \$13 million (includes an estimated \$8.7 million in grant funding for a Farmworker Housing Connection Pipeline Project and the Salinas Stormwater Conveyance Project).

Chair Fischer opened the floor for Public Comments and there were none, so Chair Fischer closed the floor.

ACTION TAKEN: It was moved by Member Phillips, seconded by Member Allion to Adopt the Proposed Fiscal Year 2017/18 Budget, and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander

Noes: None

Absent: Moore

6. CONSENT AGENDA

ACTION TAKEN: Member Phillips requested Item K be pulled to discuss further, and Member Allion requested Item B be pulled as well. It was moved by Member Carbone, seconded by Member Allion to approve the Consent Agenda minus Items B and K, and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander

Noes: None

Absent: Moore

ACTION TAKEN: Member Allion stated that the number of protests received was not noted in Item B: Consider Approval of Budget Workshop Minutes of June 5, 2017. After further discussion, it was decided to indeed revise and include in the abovementioned minutes the 41 protest letters received, as well as to correct the Board Members Present section to include Member Gloria De La

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Rosa. It was moved by Member Barrett, seconded by Member De La Rosa to approve Consent Agenda Item B and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander

Noes: None

Absent: Moore

ACTION TAKEN: Member Barrett indicated his concern with Consent Agenda Item K: Approve MRWPCA Resolution No. 2017-23, Re-Establishing the Agency/Investment Policy and Guidelines for Fiscal Year 2017/18, to include language excluding firms that have participated in predatory lending practices. It was moved by Member Barrett and seconded by Member Allion to move passage of this item back to the Budget Personnel Committee, and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander

Noes: None

Absent: Moore

- A. Consider Approval of Board Minutes for Regular Board Meeting of May 22, 2017
- B. Consider Approval of Budget Workshop Minutes of June 5, 2017
- C. Receive Schedule of Cash and Investments as of May 31, 2017
- D. Receive Check Register for May 2017
- E. Receive Waste Discharge Report for May 2017; NPDES Monitoring Report for May 2017; and Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for May 2017
- F. Approve Resolution No. 2017-19, Establishing Salary Classifications and Ranges for General Employees' Association for FY 2017/18
- G. Approve Resolution No. 2017-20, Establishing Salary Classifications and Ranges for Operations Employees Bargaining Group for FY 2017/18
- H. Approve Resolution No. 2017-21, Establishing Salary Classifications and Ranges For Mid-Management Employees Group and Confidential Employees for FY 2017/18
- I. Approve Resolution No. 2017-22, Establishing Salary Classifications and Ranges for Management Employees Group, Confidential Employees and Executive Employees for FY 2017/18
- J. Approve Blanket/Open Purchase Orders to Vendors over \$75,000 or more for FY

2017/18

- K. Approve MRWPCA Resolution No. 2017-23, Re-Establishing the Agency/Investment Policy and Guidelines for Fiscal Year 2017/18
- L. Approve MRWPCA Resolution No. 2017-24, Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Fees or Charges Levied as an Incident of Property Ownership
- M. Consider Approval of an Increase to the Contract with Schaaf and Wheeler for Engineering Services, in the Amount of \$30,000, in Support of Pure Water Monterey
- N. Consider Approval of an Amendment to the Contract with Larry Walker Associates, in the Amount of \$60,000, for Assistance with Pretreatment Program Update
- O. Consider Approval of a 10% Contingency Increase for Executed Pure Water Monterey Construction

7. COMMITTEE REPORTS

- A. RECYCLED WATER COMMITTEE (RWC) – JUNE 15, 2017
 - 1. Receive RWC Draft Minutes of JUNE 15, 2017

ACTION TAKEN: It was moved by Member Allion, seconded by Member De La Rosa to receive the RWC Draft Minutes of June 15, 2017 and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander
Noes: None
Absent: Moore

8. ACTION ITEMS

- A. Consider Approval of Resolution NO. 2017-25 – Appointing Trustees to the Monterey Regional Water Pollution Control Agency 457(b) Plan, MRWPCA 457(b) Plan Document Trust Agreement, Resolution NO. 2017-26 – Approval and Adoption of the 457(b) Plan 2012 Required Amendment, and Resolution No. 2017-27 – Approval and Adoption the 457(b) Plan Summary of Material Modifications.

Mr. McCullough introduced this item. The current 457(b) Deferred Compensation Plan had not been reviewed for a long time. A committee made up of employees was formed and they decided to have the financial advisor send out an RFP to institutions that handle 457(b) plans. The committee selected Principal Financial Group. The Board expressed concern with the Trust Agreement:

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- 3.01 (a) – Investment Asset Classes
- 3.01 (l) – Banking Department of the Trustee
- 6.01 – Compensation of the Trustee

Staff will work with the Plan Advisor and Agency Legal Counsel on potential revisions to the Trust Agreement, and will review with the Board at the July 10th. Special Board meeting.

B. Consider Approving Resolution 2017-28, Authorizing the Agency's Name Change, Logo and Tagline, and Directing Staff to Proceed with All Steps Required to Make the Change

Mr. McCullough introduced this item and reminded the Board that the name change was discussed as an informational item at the May Board meeting. Mr. McCullough presented a couple slides with potential signage and listed the following items that would need to be updated: business cards, promotional materials, envelopes, letterhead, and other things that are used on regular basis. This is something that can take four to six months to officially implement, and \$20,000 of leftover fiscal year 16/17 money will help jump start the process.

ACTION TAKEN: It was moved by Member Barrett, seconded by Member Carbone to Approve Resolution 2017-28, Authorizing the Agency's Name Change, Logo and Tagline, and Directing Staff to Proceed with All Steps Required to Make the Change, and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander
Noes: None
Absent: Moore

C. Consider Award of Contract to Geosyntec Consultants in the Amount of \$418,298,60, for the Development of a Stormwater Resource Plan for the Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management Planning Region.

Mr. Condit provided background information on this item and included the breakdown of the three proposals received and how they were ranked. Mr. Condit recommended that the Board approve a contract led by Geosyntec Consultants.

ACTION TAKEN: It was moved by Member Barrett, seconded by Member Allion to Award Contract to Geosyntec Consultants in the Amount of \$418,298,60, for the Development of a Stormwater Resource Plan for the Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management Planning Region, and carried by the following vote:

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Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander

Noes: None

Absent: Moore

- D. Consider Approval of an Amendment to the Contract with Denise Duffy & Associates for Environmental Monitoring, Condition Compliance, and Associated Reporting Services in FY 2017/2018 for Construction of the Pure Water Monterey Project, by a Not to Exceed Amount of \$479,341.

Ms. Imamura provided background information on this item and went over the amendment to the Duffy and Associates contract for continuing their environmental service for the Pure Water Monterey Project, since there is a transition from planning, design and environmental review into implementation. This is one of the critical phases in changing project direction in terms of project planning and soft costs to actual implementation. She asked the Board to approve the contract amendment for Denise Duffy and Associates for the next fiscal year.

ACTION TAKEN: It was moved by Member Barrett, seconded by Member Allion, to approve an Amendment to the Contract with Denise Duffy & Associates for Environmental Monitoring, Condition Compliance, and Associated Reporting Services in FY 2017/2018 for Construction of the Pure Water Monterey Project, by a Not to Exceed Amount of \$479,341, and carried by the following vote:

Ayes: Fischer, Stefani, Phillips, Perea, Allion, Barrett, De La Rosa, Carbone, Alexander

Noes: None

Absent: Moore

9. INFORMATIONAL ITEMS

A. Capital Improvement Projects Quarterly Report

Ms. Imamura provided an update on the Budget, CMMS Implementation, Electronic Operations and Maintenance Manual, GIS, Moss Landing Pump Station Upgrades, Primary 5 Sludge Lines Cleanout, Salinas Pump Station PLC to Ethernet, Ocean Outfall Protection, Station 13 Valve Replacement, Monterey Pump Station Drives, Trickling Filter Area Rehab, and the Pump Station & Conveyance Optimization Analysis.

B. Pure Water Monterey Update

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

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C. Possible Engagement of Pinnacle Advanced Reliability Technologies to Assist Staff with Implementation of Asset Management, On-site Transition Management Team, and Technical Transition Management Plan

Mr. Sciuto provided the Board with an update on PinnacleArt, and indicated that a proposal from PinnacleArt will be brought to the Board very soon to address the implementation of asset management, the on-site transition management team and technical transition management plan.

10. STAFF REPORTS

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Sciuto provided an update on the conversion to LED lights.

Mr. Sciuto let the Board know of Mr. McCullough's presentation to the One Water Conference in New Orleans.

Mr. Sciuto will be traveling to Long Beach in late July to present at the IWA Conference with Todd Reynolds of Kennedy Jenks Consulting.

B. Presentation: Network Security/Board Agenda Management, Larry Stowbunenko, IT Administrator

Mr. Stowbunenko gave a detailed presentation on the network upgrade. The aging firewalls were replaced and now work is on virtual networks, which makes security easier to manage. Homeland Security provides a service that is a cyber hygiene where they scan the outside sources/servers for any threats. This is done weekly. Upgrading to the email system to Office 365 will take place soon.

Mr. Stowbunenko also gave a demonstration on agenda management which was well received by the Board. The cost is about \$299 per month, which would be offset by time savings of agenda submittals, packet preparation, agenda requests and minutes preparation.

Member De La Rosa left at 7:40 PM.

11. BOARD MEMBER COMMENTS/REPORTS (none)

Chair Fischer recessed Open Session and commenced Closed Session.

12. 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: Conveyance Pipeline

Agency Negotiator: Paul A. Sciuto, General Manager

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Negotiating Parties: Marina Coast Water District
Under Negotiation: All Terms and Conditions


- C. Conference with Legal Counsel – Existing Litigation (Administrative Proceeding)
Pursuant to Government Code 54956.9(d)(1)
Case: Application of CalAm Water for Approval of Monterey Peninsula Water Supply Project; CPUC No. A. 12-04-019

13. ANNOUNCEMENTS FROM CLOSED SESSION

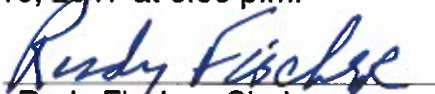
Legal Counsel Wellington reported that the Board came back into Open Session at 8:42 PM. He announced that in Closed Session the Board considered Items 12-A (Public Employee Performance Evaluation), 12-B (Conference with Real Property Negotiators), and 12-C (Conference with Legal Counsel – Existing Litigation - Administrative Proceeding)

14. ADJOURNMENT

At 8:43 PM with no further business, Chair Fischer adjourned the meeting to the next Special Board Meeting to be held in the Board Room at 5 Harris Court, Building D, in Monterey, California on Monday July 10, 2017 at 6:00 p.m.



Paul A. Sciuto, General Manager
Secretary to the Board



Rudy Fischer, Chair
MRWPCA Board of Directors