



**ACTION  
MINUTES**

**Regular Meeting  
Monterey One Water  
Board of Directors**

***June 25, 2018***

**1. CALL TO ORDER**

The Regular Meeting of the Board of Directors of the Monterey One Water was called to Order by Chair Fischer at 6:00 p.m., on Monday, June 25, 2018 in the Board Room of the Monterey One Water Administrative Office located 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
John M. Phillips <i>[arrived at 6:04 pm]</i>	County of Monterey
Dennis Allion	Del Rey Oaks
Tom Moore	Marina Coast Water District
Timothy Barrett	Monterey
Gloria De La Rosa	Salinas
Mary Ann Carbone	Sand City
Ralph Rubio	Seaside

**BOARD MEMBERS ABSENT:**

Linda Grier	Boronda County Sanitation District
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**MRWPCA STAFF PRESENT:**

Paul A. Sciuto	General Manager
Fred Marsh	Business Services Manager/CFO
Bob Rathie	Assistant Legal Counsel
Alma Garcia	Administrative Support Specialist
Bob Holden	Principal Engineer
Lindsay Synstebly	Customer Service Supervisor
Leara Sampson	Human Resources Manager
Mike McCullough	Government Affairs Administrator
Jennifer Gonzalez	Engineering Manager
Dave Lindow	Pure Water Monterey Program Manager
Yohana Vargas	Contracts Administrator

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Richard Gilliam  
Eric Synstebly  
Becky Crout  
Tiffany Wheeler  
Chayito Ibarra

Interim Plant O&M Manager  
Prevention Maintenance Coordinator  
Senior Customer Service Rep  
Customer Service Rep II  
Executive Assistant/Board Clerk

**OTHERS PRESENT:**

Peter Munteer, Pacific Grove Chamber of Commerce

**3. PLEDGE OF ALLEGIANCE**

Member Moore led the pledge of allegiance.

**4. PUBLIC COMMENTS**

Chair Fischer called for Public Comments.

Peter Munteer, Pacific Grove Chamber of Commerce, spoke in support of a need for a desal plant to meet the Peninsula's water supply problems.

**5. CONSENT AGENDA**

**ACTION TAKEN: It was moved by Member Rubio, seconded by Member Allion, to approve Consent Agenda Items A through M, and carried by the following vote:**

**Ayes: Fischer, Stefani, Allion, Moore, Barrett, De La Rosa, Carbone, Rubio**

**Noes: None**

**Absent: Grier, Phillips**

- A. Consider Approval of Board Minutes for Regular Board Meeting of May 24, 2018
- B. Consider Approval of Board Minutes for Budget Workshop of June 4, 2018
- C. Receive Schedule of Cash and Investments as of April 2018
- D. Receive Check Register for May 2018
- E. Receive WDR and NPDES Reports; Plant and Community Influent Flows; and Effluent Water Quality for May 2018
- F. Consider Approval of Blanket/Open Purchase Orders to Vendors over \$75,000 or more for FY 2018/19
- G. Consider Approval of M1W Resolution No. 2018-07, 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

- H. Consider Approval of Resolution No. 2018-08 Authorizing the General Manager to File an Application and Execute a Grant Agreement with the United States Bureau of Reclamation for a Title XVI Water Infrastructure Improvements for Nation Act (WIIN) for the Pure Water Monterey Project
- I. Consider Approval of M1W Resolution No. 2018-09, Establishing Salary Classifications and Ranges for General Employees Association FY 2018/19
- J. Consider Approval of M1W Resolution No. 2018-10, Establishing Salary Classifications and Ranges for Mid-Management Employee Group & Confidential Employees FY 2018/19
- K. Consider Approval of M1W Resolution No. 2018-11, Establishing Salary Classifications and Ranges for Operations Employees Bargaining Group FY 2018/19
- L. Consider Approval of M1W Resolution No. 2018-12, Approving a One-Year Memorandum of Understanding Between Monterey One Water and the Operations Employees' Bargaining Group
- M. Consider Approval of M1W Resolution No. 2018-13, Establishing Salary Classifications and Ranges for Management Employees' Group, Confidential Employees, and Executive Employees FY 2018/19

*Member Phillips was seated at 6:04 pm*

## **6. PUBLIC HEARINGS**

### **A. Lien Hearing for Delinquent Sewer Service Billing**

Chief Financial Officer Marsh described the lien process and reported that outstanding amounts are placed as liens against the account's real property parcel number; and later collected as part of the property tax remittance process. He added that placing delinquent user fees on tax bills have resulted in a recovery rate of as much as 87% within the first year; and a 98% recovery rate within a five-year period. The majority of the remaining delinquent amounts are typically recovered within a ten-year period.

Chair Fischer opened the floor for Public Comments, hearing none, closed the public comment period.

**ACTION TAKEN: It was moved by Member Allion, seconded by Member Rubio to approve Resolution No 2018-14, Declaring Liens Against Real Property for Delinquent Sewer User Charges, and carried by the following vote:**

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

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**Noes: None**

**Absent: Grier**

**B. Consider Approval of Proposed Fiscal Year 2018/19 Budget & Capital Improvement Program**

Chief Financial Officer Marsh provided a general overview of the budget highlights as discussed at the June 4 Budget Workshop. Budget highlights include the following:

- Estimated net operating difference of \$4.7 million before capital projects has been allocated to significant maintenance projects, capital equipment, and capital projects.
- Proposed budget numbers include the rate increase to be enacted for Fiscal 2018-19
- Total proposed budget for fiscal year 2018-19 is approximately 100 million, of which \$45.3 million is for the General Fund and \$54.3 million for the Pure Water Monterey (PWM) Fund
- The Agency's General Fund available reserve level is projected to be approximately \$6 million by the end of Fiscal Year 18/19

Mr. Marsh provided an overview of the proposed position changes and additions for FY 18/19. With a total projected annual cost of \$312,500 and a total cost for FY 18/19 of \$243,500, additional position transitions or reclassifications include:

- Engineering: Addition of Regular Full-time Engineering Technician
- Information Technology: Addition of Part-time or contract IT Technician I
- Environmental Services: Reclassification Limited Term Lab Assistant to Full-time
- RTP Administration: Reclassification Administrative Support Specialist to an Analyst
- Field Maintenance: Addition of a Senior Field Mechanic
- Cogeneration: Reclassification of a Cogen Specialist II to a Senior

Mr. Marsh noted that the General Fund Operating expenses are projected to be a total of \$27.2 million in FY 18/19, a projected increase of \$1.6 million over the revised budget for FY 17/18. He noted that the increase in expenses is due to wages and benefits increasing due to the new positions that were outlined above, the 2.9% COLA, the rising PERS costs as well as rising medical rates and projected increases in the costs of chemical and utilities by \$568,000 and Maintenance and Repairs by \$144,000.

Chair Fischer opened the floor for Public Comments, hearing none he closed the public comment period.

**ACTION TAKEN:** It was moved by Member Phillips, seconded by Member De La Rosa to Approve Resolution No. 2018-15, approving the Proposed Fiscal Year 2018/19 operating budget and capital improvement program for the Agency, and carried by the following vote:

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

**Noes:** None

**Absent:** Grier

**7. COMMITTEE REPORTS**

A. BUDGET/PERSONNEL COMMITTEE (BPC) – JUNE 8, 2018 (CANCELLED)  
Chair Fischer announced that the Budget/Personnel Committee meeting of June 8, 2018 was cancelled due to lack of items for the Committee's consideration.

B. RECYCLED WATER COMMITTEE (RWC) – JUNE 14, 2018  
1. Receive RWC Draft Minutes of June 14, 2018

**ACTION TAKEN:** It was moved by Member Phillips, seconded by Member Allion to receive the RWC Draft Minutes of June 14, 2018 and carried by the following vote:

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

**Noes:** None

**Absent:** Grier

**8. ACTION ITEMS**

A. Consider Award of a Professional Services Contract to PinnacleART in the amount of \$200,000  
Engineering Manager Gonzalez and Interim Plant Operations Maintenance Manager Gilliam presented this item and answered questions from the Board.

**ACTION TAKEN:** It was moved by Member Allion, seconded by Member Moore to award a Professional Services Contract to PinnacleART in the amount of \$200,000, and carried by the following vote:

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

**Noes:** None

**Absent: Grier**

**9. INFORMATIONAL ITEMS**

**A. Pure Water Monterey Update**

Pure Water Monterey Program Manager Lindow provided an update on the Pure Water Monterey Project.

**10. STAFF REPORTS**

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

General Manager Sciuto reported on a near miss incident associated with the excavation around the 21 KV line.

**11. Board Member Comments/Reports (None)**

Chair Fischer recessed Open Session and commenced Closed Session at 6:52 PM

**12. CLOSED SESSION**

**A. Conference with Legal Counsel – Anticipated Litigation**

*Pursuant to Government Code 54956.9 (d)(2)*

Significant exposure to Litigation – One Potential Case

**B. Conference with Legal Counsel – Existing Litigation (Administrative Proceeding)**

*Pursuant to Government Code Section 54956.9(d)(1)*

Case: Application of CalAm Water for Approval of Monterey Peninsula Water Supply Project, CPUC No. A.12-04-019

**C. Public Employee Performance Evaluation**

*Pursuant to Government Code 54957*

Title: General Manager

**13. ANNOUNCEMENTS FROM CLOSED SESSION**

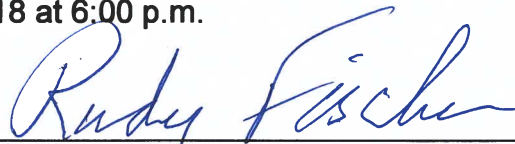
The Board came back into open session at 7:43 p.m. and Assistant Legal Counsel Rathie announced that the Board had taken up and considered each of the three items listed on the closed session, no reportable action was taken.

**14. ADJOURNMENT**

At 7:45 pm with no further business, Chair Fischer adjourned the meeting to the next regular meeting on Monday, July 30, 2018 at 6:00 p.m.



Paul A. Sciuto, General Manager  
Secretary to the Board



Rudy Fischer, Board Chair  
M1W Board of Directors