

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
March 27, 2000

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 Choates at 7:00 p.m. on Monday, March 27, 2000, in the Board Room of the Administrative Offices at 5 Harris Court, Building D, in Ryan Ranch.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

BOARD MEMBERS PRESENT:

| | |
|----------------------------|---|
| Darryl Choates, Chair | Seaside |
| Theresa Canepa, Vice Chair | Monterey |
| Jack D. Barlich | Del Rey Oaks |
| Janet Barnes | Salinas |
| Tom Moore [Alternate] | Marina Coast Water District |
| Ramiro Cortez | Boronda County Sanitation District |
| Patricia Hopper | Castroville Service Area 14 |
| Morris Fisher [Alternate] | Pacific Grove |
| David Pendergrass | Sand City |
| Judy Pennycook | Monterey County |
| Peggy Shirrel | Moss Landing County Sanitation District |
| Dewey J. Baird | U.S. Army - Ex-Officio |

BOARD MEMBERS ABSENT:

Marion Bryson Marina Coast Water District

STAFF PRESENT:

| | |
|-------------------|--|
| Keith Israel | General Manager |
| Robert Wellington | Legal Counsel |
| Tom Buell | Director of Finance |
| Bob Jaques | Director of Engineering Planning and Technology |
| Dan Mizerski | Director of Wastewater Facilities |
| John Tiernan | Director of Administrative Services |
| Deborah Fortune | Executive Assistant |
| Victoria Bowen | WWTP Operator II-C |
| Bob Holden | Project Engineer – Special Assignment: Reclamation |
| Karen Kupel | Accountant III |
| Mark Malanka | Field Maintenance Supervisor |
| Marie Ono | Administrative Support Specialist I |
| Ed Oyama | Project Engineer |
| Deborah Shifflett | Project Specialist |

OTHERS PRESENT:

Don Betts - City of Seaside – Public Works Department
John Fair - City of Salinas - Public Works Department
Les Turnbeaugh - City of Monterey – Public Works Department

AUDIENCE:

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Chair Choates welcomed Morris Fisher, alternate representative from Pacific Grove, and Tom Moore, alternate representative from Marina Coast Water District.

4. CONSENT AGENDA

Mr. Moore requested that Consent Agenda Item Nos. 4-A, 4-B, 4-H, and 4-J be pulled for questions and individual consideration by the Board.

ACTION TAKEN: On a motion by Mrs. Shirrel, seconded by Mrs. Canepa, the Board unanimously approved the Consent Agenda Item Nos. 4-C, 4-D, 4-E, 4-F, 4-G, and 4-I, as follows:

- C. Receive Comparison Percentage of Budget Expended Through February 2000 vs. 1999**
- D. Receive Check Register – February 2000**
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Fort Ord and Marina – February 2000**
- F. Receive Actual vs. Budgeted Fiscal Year 1999/00 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund**
- G. Receive Actual vs. Anticipated Fiscal Year 1999/00 Revenues from Connection Fees**
- I. Receive Request for Grant Funding**

Addressing the audience, Mr. Choates advised that every item is open for public comments.

4-A. Approve Minutes: Regular Meeting – February 27, 2000

Referring to the middle of Page 6, Mr. Moore noted confusion as to whether or not the Board actually approved publication of the amendment for changes to MRWPCA's Ordinance No. 92-02. Mr. Wellington clarified that established procedure requires the Board's subcommittee(s) Minutes/Report include recommendations to the full Board, and a motion for approval includes the committee recommendations. The recommendation of the Source Control Committee for the February 27 meeting was to approve publication of the amendment for changes to MRWPCA's Ordinance No. 92-02, followed by a public hearing that has been postponed to the April 24 meeting.

Mrs. Canepa reiterated it's clearly shown under the "action taken" (Page 6) that "...the Board unanimously approved the Source Control Committee Minutes/Reports of February 14, 2000, which included the following recommendation(s)..." and, the (four) recommendations are listed.

To a question by Chair Choates as to the subcommittee recommendations being legally acceptable, Mr. Wellington pointed out it could be made more clear. Staff will take a look and see if we can come up with better language.

ACTION TAKEN: On a motion by Mr. Barlich, seconded by Mrs. Canepa, the Board unanimously approved the Regular Board Meeting Minutes of February 28, 2000.

4-B. Receive Financial Statements: January 2000

Referring to the "Equity" category on the Balance Sheet (Page 11), Mr. Moore inquired as to the minus \$4.3 million dollars of equity.

Mr. Buell explained MRWPCA has a loan with the Monterey County Water Resources Agency (MCWRA). The Bureau of Reclamation money comes in and is, in turn, passed on to MCWRA. That number will show as a negative amount for a number of years, and was highlighted in MRWPCA's last audited statements. Mr. Buell offered to provide a copy of the audited statements to Mr. Moore.

Referring to Page 13, Mr. Moore noted a net income for January of minus \$1.6 million, which was more than half of the total including the previous six months and wondered what happened in January.

Referring to the line item of non-operating expense depreciation, Mr. Israel explained that from year 1999 to 2000 there is over a million dollars difference. Depreciation is a non-cash expense, so we're not operating at a loss. Mr. Buell noted that staff would check into it and follow up with an explanation.

Mr. Fisher noted that in his city the agenda is delivered a week before the meeting, which gives plenty of time for review of the packet, and if there are any questions, staff is called prior to the meeting so that they are not caught off guard.

Although questions are welcome to keep communication open, Chair Choates stressed that the MRWPCA Board receives agendas early enough to formulate any questions so staff can be called for answers over the phone to avoid delays at the meeting.

ACTION TAKEN: On a motion by Mrs. Canepa, seconded by Mr. Barlich, the Board unanimously approved the Financial Statements: January 2000.

4-H. Approve MRWPCA Resolution No. 2000-01, A Resolution Authorizing the Purchase of a Boomtruck Crane Without Formal Competitive Bidding Under Exception to Purchasing Resolution No. 87-19

Referring to Page 38, Mr. Moore questioned a phrase that implies the boomtruck to be purchased is not new. Mr. Buell reassured that the boomtruck to be purchased is a new truck.

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Mrs. Canepa, the Board unanimously approved MRWPCA Resolution No. 2000-01, A Resolution Authorizing the Purchase of a Boomtruck Crane Without Formal Competitive Bidding Under Exception to Purchasing Resolution No. 87-19.

4-J. Approve Board Committee Assignments from March 2000 through February 2001

Mr. Moore noted there are 20 positions on the four subcommittees, excluding the Chairs Committee, to be split between 12* members of the Board. An equal distribution would be about two committees per person. The proposed assignments show four or more members of the Board with four or more committees, two three or more, and two on no committee, and three with just one. Mr. Moore pointed out that appears to be a highly unequal distribution, with some shouldering a much heavier load than others.

[*Note: The U.S. Army representative is an ex-officio position.]

Mr. Moore pointed out that Mr. Bryson requested to be placed on the Recycled Water Storage Committee, which makes sense with regard to Marina's urban reclaimed project. And, because Mr. Bryson was not placed on the Recycled Water Storage Committee, he will depart the Board. On Marina's behalf, Mr. Moore raised objection to not having their representative on the Recycled Water Storage Committee.

Mrs. Canepa emphasized that Marina already gets its recycled water and is not involved in the (regional) urban recycle (project) because it covers only the cities of Monterey, Seaside, Sand City, and Del Rey Oaks.

Chair Choates pointed out that Board committee assignments* are made by the chair (per MRWPCA Resolution No. 91-09) utilizing the Committee Preferences Survey circulated annually to each Board member. There were members of the Board that selected more than one committee to serve on, others selected none. The selection was based on the written responses from the Board, and rotation of committee chairs was taken into consideration. Chair Choates noted that the chair and vice chair fill in the gaps on any committee where there is a need.

[*Note: MRWPCA committees are also structured taking into account the assigned "weighted vote" according to member entity population size.]

ACTION TAKEN: On a motion by Mrs. Canepa, seconded by Mr. Barlich, with a "No" vote by Mr. Moore, the Board approved Chair Choates' Board Committee Assignments from March 2000 through February 2001, as presented.

5. PUBLIC COMMENTS

[At 7:20 p.m., with no comments received, Chair Choates opened and closed Public Comments.]

6. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. ADJOURNED RECYCLED WATER STORAGE COMMITTEE - FROM FEBRUARY 17

1. Questions Directed to Committee Chair [Theresa Canepa]

Referring to Page 47, Mr. Moore noted there is a recommendation to concur with adding back original language (into the 1992 Agreement with MCWRA) with regard to the 15% reclaimed water that belongs to MRWPCA. Mr. Moore stated he's not prepared to support this item, as he hasn't seen evidence to substantiate the claim for 15% that belongs to MRWPCA. Mr. Moore requested the substantiating evidence to determine his own level of support.

2. Approve Committee Minutes/Report – February 28, 2000

3. Consider Recommendation(s) of the Committee Regarding:

a. Update on Recycled Water Storage Project

ACTION TAKEN: On a motion by Mr. Barlich, seconded by Mr. Fisher, with a “No” vote by Mr. Moore, the Board approved the Recycled Water Storage Committee Minutes/Report of February 28, 2000, which included the following recommendation(s):

- That the Board concur that the original language regarding the 15% reclaimed water that belongs to MRWPCA that was taken out of the 1992 Agreement at the request of MCWRA in order to acquire Bureau of Reclamation funding, now be added back, by amendment, based on that 1992 mutually-agreed upon arrangement. And, if that 15% language is not negotiated back through addendum, then MRWPCA will commence the 1992 Agreement's Dispute Resolution Procedure (Section XII).

B. RATE COMMITTEE

(1) Questions Directed to Committee Chair [Darryl Choates]

Referring to Page 51, Agenda Transmittal Form, Mr. Moore referred to a clarity issue regarding approval of the connection fee revisions to MRWPCA Ordinance No. 99-1 (adopted June 1999), per the proposed Implementation Plan as reported in the Minutes/Report dated March 9. But, in fact, the Implementation Plan doesn't call for approval of the (new) ordinance until June 2000. Mr. Moore didn't want anyone to go away feeling that the ordinance was being approved at this meeting.

Mr. Buell reported this item would be going back to the Rate Committee over the next few months, and when the ordinance is revised, it will be brought before the entire Board at a public hearing, allowing the Board plenty of time to review the revisions.

Mr. Fisher explained that just the changes to the ordinance were being approved, not adoption of an ordinance. He noted that in Pacific Grove, normally changes are approved, then the ordinance is brought back at a public hearing for approval.

2. **Approve Committee Minutes/Report – March 9, 2000**
3. **Consider Recommendation(s) of the Committee Regarding:**
 - a. **Update on Revisions of Connection Fees**

ACTION TAKEN: On a motion by Mrs. Canepa, seconded by Mrs. Barnes, the Board unanimously approved the Rate Committee Minutes/Report of March 9, 2000, which included the following recommendation(s):

- That it is recommended that the Board concur on approval of the connection fee revisions to MRWPCA Ordinance No. 99-1, per the implementation plan presented by staff, and as reported in the March 9, 2000, Minutes/Report.

C. BUDGET/PERSONNEL COMMITTEE

1. **Questions Directed to Committee Chair [Theresa Canepa]**

Mr. Moore pointed out, and staff confirmed, that the emergency addition of a Closed Session shown on the Agenda was listed, in error, below the Budget/Personnel Committee instead of under the Recycled Water Storage Committee. Although it was confirmed that the agenda item addition was correctly reported in the Minutes/Report dated March 16, 2000.

Mr. Wellington confirmed that the committee meeting agenda did not list a closed session. At the time of the meeting, a matter came up and it was indicated that it came under the urgency provisions of the Brown Act as a matter that had come up since the time the notice and agenda was prepared. So, the committee took action to add closed session to the agenda. No action is required by the Board to approve anything that took place in the closed session, because there was no action taken, only information received.

2. **Approve Committee Minutes/Report – March 16, 2000**
3. **Consider Recommendation(s) of the Committee Regarding:**
 - a. **Approve Selection of Design consultant for Multiple Pump Station VFD Replacement Project**
 - b. **Update on FEMA Audit**

ACTION TAKEN: On a motion by Mr. Fisher [amended to move Closed Session to D below, and Budget/Personnel Committee Item Nos. b and d renumbered as a and b], seconded by Mrs. Canepa, the Board unanimously approved the Budget/Personnel Committee Minutes/Report of March 16, 2000, which included the following recommendation(s):

- **In regards to the Approval of Selection of Design Consultant for Multiple Pump Station VFD Replacement Project:**
That the Board concur on the selection of HDR Engineering, Inc., to develop an implementation plan for replacement of electric drives and motors at the Seaside, Fort Ord, and Salinas Pump Stations, and that staff is authorized to negotiate the final cost of the study (at approximately \$75,000). [Note: \$50,000 was budgeted in 1999/00, and \$25,000 will come from the Field Maintenance budget.]
- **In regards to the Update on FEMA Audit:**
That the Board concur that staff be authorized to resolve the FEMA audit for an amount not to exceed \$100,000, with the final decision ultimately coming from the Board once FEMA responds to MRWPCA's appeal.

D. RECYCLED WATER STORAGE COMMITTEE

1. **Questions Directed to Committee Chair [Theresa Canepa]**
To an inquiry by Mr. Fisher, Mr. Wellington responded that when the committee minutes/report is accepted, it also includes any actions recommended. In this case, Mr. Moore's point is correct on this agenda item, because we are not considering any recommendations
2. **Approve Committee Minutes/Report – March 16, 2000**
3. **Consider Recommendation(s) of the Committee Regarding:**
 - a. **Recycled Water Contract**
 - b. **EMERGENCY ADDITION TO THE AGENDA:**
CLOSED SESSION
 - (i) **Conference with Property Negotiator**
Property: _____ Reclaimed Water
Negotiating Party: MCWRA
Under Negotiation: Urban Project Water

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Mr. Barlich, the Board unanimously approved the Budget/Personnel Committee Minutes/Report of March 16, 2000.

7. OTHER ACTION ITEMS BEFORE THE BOARD

A. Approve and Adopt MRWPCA Resolution No. 2000-02, A Resolution of Appreciation for Michelle Knight

ACTION TAKEN: On a motion by Mrs. Canepa, seconded by Mr. Fisher, the Board unanimously approved MRWPCA Resolution No. 2000-02, A Resolution of Appreciation for Michelle Knight.

Mr. Fisher stated he's really sorry that Michelle has resigned from the Pacific Grove City Council, and hopes she elects to run again in November for another seat on the council. She was just becoming accustomed to this Board and would have become an outstanding member.

At Chair Choates request, Mr. Fisher graciously agreed to present the framed resolution and convey MRWPCA's thanks to Michelle.

8. INFORMATIONAL ITEMS

A. Fort Ord Issues Update

Mr. Buell reported no changes this month.

B. Reclamation Project Status Report Update

There were no questions directed to Mr. Israel.

C. Strategic Planning Three-Year Goals and One-Year Objectives Update

Mr. Israel reported the goals/objectives presented in the agenda are now last year's version. The Strategic Planning Workshop was held on Friday, March 24, at the Monterey Marriott Hotel. The three-year goals (1999 – 2002) have new objectives. The record of the workshop was distributed to each Board member.

Mrs. Canepa noted it was a great workshop where those in attendance saw how much we've actually accomplished. The objectives that were set at the workshop will take us one step farther on the three-year goals.

D. Technical Advisory Committee Update

There were no questions or comments on the draft minutes in the packet.

9. STAFF REPORTS

A. General Manager/Legal Counsel

There were no further reports.

B. Department Head(s)

There were no further reports from the four Department Heads.

C. Presentation(s)

1. Presentation of 1999 Annual Treatment, Operation, and Monitoring Report for the Regional Treatment Plant and Salinas Valley Reclamation Projects

Mr. Mizerski reported that 1999 was another year of outstanding plant performance, and highlighted the following categories:

- 1) Reduction in Plant Staffing (23% Reduction from 1996);
- 2) 1999 Year Highlights (WEF Recognition, No Spills/Fines/Y2K disasters; Good Safety/Emergency Response; Reliable Delivery of Safe Recycled Water)
- 3) Reduction of Annual Carbonaceous Biochemical Oxygen Demand (BOD) to Bay (only 5% of projected amount went into the Bay);
- 4) Annual Suspended Solids Loading to the Bay (less than projected amount);
- 5) Outfall Fecal Coliform Monitoring (maximum of 400 MPN allowed, highest was 4 MPN);
- 6) Recycled Water Produced (3.2 billion gallons);
- 7) Recycled Water Plant Coliform Monitoring (daily limit of 23, highest peak monthly median was less than two);
- 8) Power Produced (cogeneration produced 9.4 million kilowatt hours of power and increased the reliability of the system); and,
- 9) Loads of Trucked-In Waste Received (\$43,000 revenues in 1993 vs. \$426,000 in 1999)

Mr. Mizerski reported that nearly 46% of the plant's total annual flow was recycled.

To an inquiry by Mr. Fisher, Mr. Jaques responded that the 29.6 MGD treatment plant is far from maximum capacity, but because of water conservation, the solids concentration has increased.

Mrs. Shirrel commented and congratulated staff because at the last couple Special District Administration meetings she heard good comments about MRWPCA and how we're on the cutting edge of technology.

Mrs. Canepa asked that staff be congratulated on a great job and told how much the Board appreciates the work they are doing, because it shows in reports like these.

When asked about why the revenues have increased tenfold on liquid waste, Mr. Mizerski cited that staff worked hard to meet the customers' needs, reduce the overhead and cut costs. One of the biggest complaints is how far back the plant is from the highway, so staff is looking at the possibility of remote sites. Mrs. Hopper commented that one major thing that contributed to the increase is because we lowered the rates in the early 90's, which encouraged more trucks to come in.

2. Presentation on the Customer Service Survey

Mr. Tiernan reported that at MRWPCA, performance measures are stressed to see how we're doing. More importantly, we want to know how our customers think we're doing.

The last time we surveyed our customers was 1996 and there were four areas to target for improvement: 1) How we interact with the customers; 2) Readability of our bill, 3) More information about reclaimed water, and 4) Confusion about who we are – water or wastewater.

In the four areas we were most concerned about from the 1996 survey results, we targeted using bill inserts, newsletters, public relations and public outreach through our Community Relations Program.

In the last few months, Ryan Shaw of Communication Planners worked with us to send out another customer service survey to 2,000 randomly-selected ratepayers, of which, 584 (30%) surveys were completed and returned.

When comparing the 1996 and 2000 surveys, our bill is now easier to read (70% vs. 91%), and in contacts with MRWPCA, ratepayer concerns have been courteously and promptly resolved (40% vs. 70%). There are still 63% of our ratepayers who do not know MRWPCA has not raised its base rate of \$9.30 per month in seven years, and only 41% think this rate is still too high. The percentage in favor of using recycled wastewater for irrigating food crops remains at 54%. When questioned if the use of recycled water is safe, in 1996 only 47% answered yes, this year 63% feel it is safe. Of the surveys returned, 82% responded that they did not have a water softener, and 77% didn't know that sodium phosphate is safer for the environment than sodium chloride. Out of 350 comments received this year, 86% were positive in nature.

As a result of this survey, it can be concluded that MRWPCA should 1) Continue to educate the public about what we do; 2) Address confusion over bill breakdown (MRWPCA, plus city fees); 3) Promote fact of rate stabilization (\$9.30 for seven years); 4) Continue to promote safety of recycled water; and, 5) Continue plans to reduce salt from water softeners.

Mr. Fisher commented that the discount for paying a year in advance needs to be highlighted, because it's a great savings.

Mrs. Canepa agreed the discount needs to be emphasized because it's a savings to seniors.

Mr. Moore congratulated staff and the Board on the successful execution of an excellent survey.

To an inquiry by Mr. Moore, Mr. Tiernan responded that the strategy on water softeners is still being developed so as to not promote installation of new units, but encourage the use of the alternative sodium product in existing units.

To an inquiry by Mrs. Barnes regarding senior discounts, Mr. Buell responded that because MRWPCA is grant funded, we are bound by the State Water Resources Control Board's (SWRCB) revenue program, which does not allow us to subsidize any one group of customers.

To an inquiry by Mrs. Pennycook, Mr. Tiernan reported that a response is being sent to individual customer comments received.

10. BOARD MEMBER COMMENTS

Mrs. Shirrel commented this was a good meeting.

Chair Choates advised that the alternates present go back to their Council or Board and urge appointments to be made to the MRWPCA Board.

Also, the Board has a copy of the Strategic Planning Workshop proceedings for review. If there are any comments or questions, contact Keith.

11. CLOSED SESSION

[At 7:58 p.m., Mr. Wellington confirmed to Chair Choates there would be no Closed Session.]

12. ADJOURNMENT

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With no further business, Chair Choates adjourned the meeting at 7:59 p.m. to the next Regular Meeting on April 24, 2000, at the Admin Offices.

Keith E. Israel
General Manager/Secretary to the Board

Darryl Choates
Chair of the Board of Directors

Date Passed: April 24, 2000