



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
January 29, 2001

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, January 29, 2001, 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
Ramiro Cortez	Boronda County Sanitation District
Carlo Cortopassi	Castroville Service Area 14
Jack D. Barlich	Del Rey Oaks
Marion Bryson [Interim Appointment]	Marina Coast Water District
Judy Pennycook [7:08 p.m.]	Monterey County
Peggy Shirrel	Moss Landing County Sanitation District
Janet Barnes [Alternate]	Salinas
David Pendergrass	Sand City
Dewey J. Baird	U.S. Army - Ex-Officio

BOARD MEMBERS ABSENT:

Tom Moore	Marina Coast Water District
Morris Fisher	Pacific Grove
Gloria De La Rosa	Salinas

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

Kay Bardin	Finance Manager
Mark Malanka	Operations & Maintenance Program Coordinator
Ed Oyama	Project Engineer

OTHERS PRESENT: John Fair - City of Salinas
Les Turnbeaugh – City of Monterey

AUDIENCE: 0

Chair Choates recognized Marion Bryson as the appointed 'interim' representative, for this meeting only, from Marina Coast Water District. It was announced that Janet Barnes moves to the alternate position for Salinas and the newly appointed representative is Gloria De La Rosa.

4. CONSENT AGENDA

To an inquiry regarding the graph on Page 48 by Mrs. Canepa, Mr. Buell explained the Capital Equipment Fund is not over budget, but that expenditures are ahead of schedule, and would be shown in Item 8-C, "Mid-Year Budget Update."

ACTION TAKEN: On a motion by Mr. Barlich, seconded by Mrs. Canepa, with no comments from the public, the Board unanimously approved the Consent Agenda (A through J), as follows:

- A. Approve Minutes: Regular Meeting – November 27, 2000**
- B. Receive Financial Statements – October and November 2000**
- C. Receive Comparison Percentage of Budget Expended Through November and December 2000 vs. 1999**
- D. Receive Check Register – November and December 2000**
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Fort Ord and Marina – November and December 2000**
- F. Receive Actual vs. Budgeted Fiscal Year 2000/01 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund**
- G. Receive Actual vs. Anticipated Fiscal Year 2000/01 Revenues from Connection Fees**
- H. Receive Residential Dwelling-Unit Aggregate as of December 31, 2000**
- I. Adopt Resolution No. 2001-01, Amendment to Contract Between PERS and MRWPCA, Adding Option for Employee Purchase of Up to Four Years Service Credit for Continuous Active Military or Merchant Marine Service Prior to Employment**
- J. Adopt Resolution No. 2001-02, A Resolution Authorizing Purchase of an Upgrade to Cogen Heat Transfer System Without Formal Competitive Bidding Under Exception to Purchasing Resolution No. 87-19**

[NOTE: The correct Capital Improvement Project Number is 163, not 162 as reported in

the staff memorandum within the agenda packet.]

5. PUBLIC COMMENTS

[At 7:04 p.m., with no comments received, Chair Choates opened and closed Public Comments.]

6. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. RECYCLED WATER STORAGE COMMITTEE

1. Approve Committee Minutes/Report - Thursday, January 11, 2001

➤ Including the Following Agenda Item(s) and Recommendation(s):

- ◆ That the Board be advised the agenda for the joint meeting between MCWD and MRWPCA will be added to the Recycled Water Storage Committee agenda in February for discussion and approval.**

Mrs. Canepa noted a change to the Minutes/Report because her name didn't appear on Page 64, and she was present at the meeting.

ACTION TAKEN: On a motion by Mr. Barlich, seconded by Mrs. Shirrel, with no comments from the public, the Board unanimously approved the January 11 Recycled Water Storage Committee Minutes/Report, as amended, including the committee's recommendations.

7. INFORMATIONAL ITEMS

A. Fort Ord Issues Update

Mr. Buell noted no changes to report this month.

B. Reclamation Project Status Report Update

Mr. Israel reported that the report was updated for January.

C. Strategic Planning Goals and Objectives Update

There were no questions or comments for Mr. Israel on the updated goals.

D. Status Report on Highlights from January 2001 CASA Meeting

Mr. Israel reported that because the energy issues are so critical at this time, a lot of meeting time was spent on them. There will be further updates to the Board in the future.

To an inquiry by Chair Choates, Mr. Israel noted that the RTP does have the capacity for cogeneration for its electricity, but the pump stations use PG&E electricity, which will impact the budget. At present, staff is working on ways to reduce electrical costs. The energy issue will be brought to the Board in either February or March.

[At 7:08 p.m., Mrs. Pennycook entered the meeting.]

To an inquiry by Mrs. Canepa, Mr. Israel reported that the California Air Board's requirement for retrofitting emergency generators with special emission reduction equipment will be required by 2010 (i.e., a \$400,000 generator will typically require \$200,000 in emissions upgrading), which will all time to spread those costs over a number of years.

E. Appointment of Nomination Committee for Election of Board Officers for 2001

Chair Choates noted that the Committee Preferences Survey enclosed to each Board Member should be returned to Debbie so the results can be tallied for the Nomination Committee.

To the Nomination Committee, Chair Choates named Morrie Fisher (Chair), Ramiro Cortez, and Peggy Shirrel.

8. STAFF REPORTS/PRESENTATIONS

A. General Manager/Legal Counsel

Mr. Israel noted the Board was Faxed a notice for the next Strategic Planning Workshop. The best date that the facilitator, Marilyn Snider, had available is Friday, May 11, from 8 a.m. to 12:30 p.m.

Mr. Israel reported that in the near future, there would be a presentation to the Board on the successful Grease Reduction Program in Pacific Grove.

Both Mrs. Canepa and Mrs. Shirrel responded that Friday, May 11 would work on their schedules.

B. Department Head(s)

Mr. Mizerski reported that two weeks ago the Regional Treatment Plant took home three awards in state competition from the California Water Environmental Association (CWEA) Monterey Bay Section: 1) RTP -- Plant of the Year; 2) Mitch Southard -- Maintenance Technician of the Year; and, 3) Jennifer Ruddle -- Laboratory/Source Control Person of the Year.

C. Presentation(s)

1. Mid-Year Budget Update

Mr. Buell reported on five categories of the budget: (1) User Fees (Revenues Billed and Cash Receipts); (2) Operating Expenditures (by Department and Category); (3) Capitalized Equipment; (4) Capital Projects;

and (5) Reclamation.

User Fee revenues are within 50% of those items billed, and cash received is almost equal to that because we allow for advanced payments a year in advance at a 5% discount. Gratitude was expressed to the representatives in the Customer Service Department for their quick responses to inquiries from ratepayers.

In the area of Operating Expenditures by department, it was reported that all departments are under budget, with the exception of the maintenance budget. And, it is not anticipated that any department will be over budget by the end of the fiscal year. The only category \$10,000 over the 50% mark is operating supplies, but that's not material to the overall budget.

The larger expenditures of chemicals and utilities are under 50%. Billable services are over budget, but it was work performed for other entities that MRWPCA will be reimbursed for those expenses. Normally, that particular item is back to zero by the end of the fiscal year.

As of mid-year, we're under budget for utilities, so there is a buffer going into the second half of the fiscal year because we're expecting some increase in the utility cost, but there are sufficient reserves if it gets out of hand. The cogen facility supplies all the power for the Regional Treatment Plant, and the only PG&E electrical used is at the pump stations.

There were 33 budgeted capitalized equipment items, 20 items are closed under budget, and 13 items remain open and not anticipated to go over budget. Mr. Buell acknowledged credit to the Engineering Services Team for tracking capitalized equipment expenditures for the last two years. To a comment by Mrs. Canepa, Mr. Buell commented that there wasn't an emergency, simply items were purchased earlier in this fiscal year.

Mr. Buell introduced Mr. Malanka to explain three of the four capital improvement projects for the fiscal year.

Mr. Malanka reported the Monterey Pump Station Flow Equalization Project would add piping to two storage tanks to allow more capacity at that pump station. That part took about 50% of the budget. The second part of the budget is to install instrumentation and purchase additional spare parts that are harder to find for the aging drives, allowing quicker repair for breakdowns.

The second project, a 250 horsepower submersible pump for Castroville will prevent the flooding like the 1996 pump station flooding. At the present time,

all the parts and pump are on order, and on budget.

The third project, peak shaving generator, is now facing a problem with the Air Board regulations. Staff looked at purchasing used generators already retrofitted at \$200 per horsepower to meet the upcoming emission regulations. But, staff now has a purchasing service looking at buying new generators, which may be cheaper and still within budget. In February or March, staff will come back to the Board with a request to purchase that generator.

Mr. Buell explained the fourth project is a heat transfer system cogeneration upgrade, approved as part of Consent, because it's critical to keep the cogeneration plant running to avoid PG&E electrical costs. Also, within a month, a manual operation will be eliminated by installation of an automatic shut-off switch for times when PG&E shuts the power off to the RTP.

Monterey County Water Resources Agency is pleased that the SVRP and CSIP reclamation costs for operation are well below budget.

At the conclusion of the presentation, Mr. Buell commended all MRWPCA staff for their contributions in the success of the budget. And, Mrs. Shirrel thanked Mr. Buell for a nice report.

9. BOARD MEMBER COMMENTS

There were no further comments from the members of the Board.

At 7:23 p.m., Mr. Wellington confirmed there would be a Closed Session to update the Board with regard to the status of the Water Resources Agency matter.

At 7:24 p.m., Chair Choates adjourned Open Session to Closed Session, whereupon everyone left the room with the exception of the General Manager, Legal Counsel, and Boardmembers Cortez, Cortopassi, Barlich, Bryson, Canepa, Shirrel, Barnes, Pendergrass, Choates, and Baird. As was done in October, Mr. Wellington excused Mrs. Pennycook from the meeting.

10. CLOSED SESSION

A. Conference with Property Negotiator

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|---------------------------|---|
| 1. Property: | Recycled Water |
| Negotiating Party: | Monterey County Water Resources Agency |
| Under Negotiation: | All Terms and Conditions |

At 7:35 p.m., Chair Choates adjourned Closed Session and re-convened Open Session.

Mr. Wellington announced that in Closed Session, the Board was updated on the pending matter with Monterey County Water Resources Agency; no action was taken.

11. ADJOURNMENT

With no further business, Chair Choates adjourned the meeting at 7:38 p.m. to the next regularly scheduled meeting on Monday, February 26, 2001, at 7:00 p.m.

Keith E. Israel
General Manager/Secretary to the Board

Darryl Choates
Chair of the Board of Directors

Date Passed: February 26, 2001