



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
April 30, 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 Canepa at 7:00 p.m. on Monday, April 30, 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:

Theresa Canepa, Chair	Monterey
Ramiro Cortez	Boronda County Sanitation District
Carlo Cortopassi	Castroville Service Area 14
Jack D. Barlich	Del Rey Oaks
Tom Moore	Marina Coast Water District
Judy Pennycook	Monterey County
Peggy Shirrel	Moss Landing County Sanitation District
Gloria De La Rosa	Salinas
Darryl Choates	Seaside
David Pendergrass	Sand City

BOARD MEMBERS ABSENT:

Morris Fisher, Vice-Chair	Pacific Grove
Dewey J. Baird	U.S. Army - Ex-Officio

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

Dan Burns
Ken Burtech

Operations Manager
Wastewater Operator II-LNS

OTHERS PRESENT: Les Turnbeaugh - City of Monterey
Roy Tilly - City of Seaside

AUDIENCE: 1 (Mr. Raymond Dandridge - Resident of Seaside)

4. CONSENT AGENDA

Mr. Moore requested that Item 4-A be pulled for amendment to add clarification language to the minutes (as distributed to the Board).

[At 7:02 p.m., Mrs. Pennycook entered the meeting.]

ACTION TAKEN: On a motion by Mr. Moore, seconded by Mr. Barlich, with Item 4-A amended by Mr. Moore, the Board unanimously approved the Consent Agenda (A through K), as follows:

- A. Approve Minutes: Regular Meeting - March 26, 2001 [PULLED BY TOM MOORE FOR AMENDMENT TO ADD CLARIFICATION LANGUAGE, AS DISTRIBUTED TO THE BOARD]**
- B. Receive Financial Statements – February 2001**
- C. Receive Comparison Percentage of Budget Expended Through March 2001 vs. 2000**
- D. Receive Check Register – March 2001**
- E. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Fort Ord and Marina – March 2001**
- 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**
- I. Authorize Signing of Memorandum of Agreement for Central Coast's Long-Term Environmental Assessment Network**
- J. Rescind MRWPCA Resolution No. 2001-01, and Adopt Resolution No. 2001-08, A Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration of California PERS and the Board of Directors of the MRWPCA for Employee Purchase of Military Service Credit**
- K. Approve Purchase of a 740 kW Generator for Peak Shaving and Emergency Standby at Pump Stations and the Regional Treatment Plant**

5. PUBLIC COMMENTS

[At 7:03 p.m., with no comments received, Chair Canepa opened and closed Public

Comments.]

[At 7:06 p.m., Mrs. De La Rosa entered the meeting.]

6. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. RECYCLED WATER STORAGE COMMITTEE

1. Receive and Approve Committee Minutes/Report - Thursday, April 12, 2001

ACTION TAKEN: On a motion by Mr. Barlich, seconded by Mrs. Shirrel, the Board unanimously approved the April 12, 2001, Recycled Water Storage Committee Minutes/Report, including the following recommendations.

- That staff be directed to immediately prepare a letter highlighting those businesses already participating in the salt reduction program (i.e., Monterey Bay Aquarium), to be signed by the Board Chair, to encourage additional commercial salt reduction, and that staff continue working on a rebate program to be presented at a future date.

7. INFORMATIONAL ITEMS

A. Fort Ord Issues Update

Mr. Buell stated that Mr. Israel would be providing an update later in the meeting (see Item 8-C).

B. Reclamation Project Status Report Update

Mr. Israel noted the report has been updated through the third week of April, and that the reclamation plant is running very well and is now at full output, producing almost 20 million gallons per day.

C. Strategic Planning Goals and Objectives Update

There were no questions or comments for Mr. Israel on the updated goals. Mr. Israel noted the next Strategic Planning Workshop is scheduled for 8:00 a.m. on Friday, May 11, 2001, at the DoubleTree Hotel in Monterey.

D. Regional Storm Water Permitting Update

There were no comments or questions for Mr. Jaques on the updated progress report provided in the agenda packet.

To an inquiry by Mr. Choates, Mr. Jaques stated that the Navy and Army are still missing as participants. They report they are still considering their options, and others have made no formal commitment.

E. Comments Regarding Annual Selection of Board Officer Procedures

At the last meeting, a member of the public (Raymond Dandridge) noted he had sent us an E-mail, but it wasn't in time to be included in the agenda packet. Consequently, it appears in this agenda, but will be discussed further in the future. Staff would like to perform a survey of other agencies and provide staff information for the Board so that the resolutions can be reviewed and/or any changes made that the Board deems necessary.

Mr. Choates stated he supports rotation of the chair and vice-chair positions. But, feels the chair (/vice-chair) position should be held for two years, and vice-chair should become the chair following the two-year term, and that process should be rotated throughout the Board.

Mrs. Pennycook commented that the County has started its General Plan update, as are many of the cities. With projections and mandates by the state, as far as housing numbers, it's very important for MRWPCA to be in the position that it was formed to do, which is to be prepared to receive expansion areas. A few years ago, there was an opportunity to work with an area that had cash available to come in and a neighboring city was willing to do the transfer, but it was not completed due to lack of time for the MRWPCA committees to make a determination.

Mr. Moore stated that he supports the staff's intent to survey other political jurisdictions and see how they handle this same issue.

F. Receipt of State Plant of the Year Award

Mr. Mizerski reported that MRWPCA won the State Plant of the Year, which was only possible through the tremendous efforts of the employees, because we were up against some stiff competition. In addition, Dan Burns received the "5-S" award for 25 years of service, honoring his significant contribution to the wastewater field. Mrs. Canepa requested the introduction of Dan Burns, who was then congratulated and applauded.

Mr. Mizerski noted that the plaque will be presented at the May 21 Board meeting (and photos taken). Also denoting the achievement, there is a flag flying at the Regional Treatment Plant. Mr. Israel noted a press release was distributed on Friday (April 27).

Mr. Mizerski announced that MRWPCA is also making application for the National Plant of the Year Award.

8. STAFF REPORTS/PRESENTATIONS

A. General Manager/Legal Counsel

Mr. Israel reported he provided a tour for the newest Board member from Salinas, Gloria De La Rosa. And, although the time was short, a lot of issues were covered.

Mr. Israel encouraged the Board members to feel free to call him at any time with questions so he can provide input.

B. Department Head(s)

There were no further comments.

C. Presentation(s)

1. Update on Army Transfer and Capacity to FORA and Use of EDU's

In an update on the Board presentation from September 2000, Mr. Israel reported on the capacity transfer to FORA, which included the key issues: A) Tracking Wastewater Capacity Using EDU's (Equivalent Dwelling Units); B) Distribution of Army Capacity Using EDU's; C) Problems Continuing With Flow Measurement; D) Historical Wastewater-to-Flow Ratios; and E) EDU Projections.

The Army purchased 3.3 MGD of treatment capacity from MRWPCA in 1985. Since that time, the highest Army annual usage has not exceeded 2.7 MGD for barracks and housing, with commercial/industrial contributing only a small part of the overall usage.

The 1985 contract with the Army requires that both parties (MRWPCA and DOA) must approve any re-assignment of capacity, and at this time, the Army is requesting of the MRWPCA to transfer 2.22 MGD to FORA, and retain 1.08 MGD.

Mr. Israel showed graphs that revealed how the flow has changed over time from when the Army bought in (2.7 to 2.8 MGD) to when the base closure began in the early 1990's, and down to the current flow (less than 1 MGD).

Inventories of the wastewater categories on the former Fort Ord were performed by MRWPCA. The relationship between existing flow and proposed EDU's has been verified. EDU's avoid the need for installing additional flow meters (only two at present), costly segregation of sewer lines, and/or estimating flows. EDU's also will allow FORA customers to be billed like other MRWPCA commercial/residential customers. EDU's can be distributed, as needed, and allow for consideration of strength and solids capacity components for future commercial customers. And, EDU's do not require periodic adjustments due to changes in water conservation practices.

To an inquiry from Mr. Choates, Mr. Israel responded that the property the

Army is leasing back will be accounted for when the billing process is established.

To an inquiry from Mr. Moore, Mr. Israel responded that presently there are two meters measuring the aggregate flow on the former Fort Ord property. These will be left in place to monitor the overall flow. Future conservation efforts will affect flows, and the amount of gallons per EDU will vary over time. However, EDU's remain revenue and capacity neutral.

In 1985, each EDU at the former Fort Ord was equivalent to about 250 gallons per day of residential sewage without conservation. In 2000, each MRWPCA EDU is equivalent to 210 gallons per day because of conservation. By using EDU's, the capacity the Army purchased in 1985 is equivalent to that available in 2001.

Looking at both the flow and EDU basis, if 2.22 MGD was transferred to FORA and 1.08 was retained by the Army, there would be a reserve of about 6,572 EDU's out of a total of 8,981. In the case of the Army, they're using about 400,000 GPD now, which means they would have reserves of about 2,684 EDU's. The total EDU's of 13,313 equitably equates to the 3.30 MGD of capacity.

Something that's been discussed is the ratio of the wastewater utilized at Fort Ord as compared to water consumption. The FORA Reuse Plan is based on 6,600 acre-feet of water per year. That plan shows there is not enough wastewater capacity to match the water capacity. The Army has an excess reserve of 2,700 EDU's and could transfer capacity at some point in the future, to more than make up for the deficit.

The discussions with the Army and their representative started in May 1998 on the distribution and use of the EDU concept. Following that, there were presentations to FORA and the MRWPCA Board in 1999; three presentations to the FORA Administrative Committee in 2000; another update presentation to the MRWPCA Board in September 2000; and, again, the FORA Administrative Committee in April 2001. Despite all the presentations and discussions, there still seems to be some questions preventing a consensus on the use of EDU's.

The FORA Admin Committee has indicated an interest in seeing the wastewater capacity match the water capacity. The MRWPCA staff response is that when the Army bought capacity, they only bought 3.3 MGD in 1985. Prior to that, the Army had a plant that was rated for 4.2 MGD. So, we think that's probably the primary reason the numbers don't match. As a matter of

fact, the Army had talked to us about getting additional capacity to better match water utilization. Further comments from FORA staff are that they'd like to see the use of flow meters instead of EDU's. And, the final point, if we stayed with flow or tried to give enough EDU's to match the water, it would mean there would be a shortfall of about 2,500 EDU's, at a cost of \$5 million dollars. From MRWPCA's perspective, this would amount to an unfair subsidy while we want to be revenue neutral and expedite the process. So, staff feels compelled to recommend that if we have to add additional capacity, it may be capacity that others would have to make up. The best option is to focus on the capacity that FORA would receive, which is enough capacity to last at least ten years, and between now and then there would be no impact on development plans. We would work with others over time to encourage the Army to release excess capacity.

To add clarification to this issue, Mr. Wellington reported that he had heard someone mention that MRWPCA is holding up the transfer issue in getting this capacity transferred from the Army. Referring to the letter on page 67-68, he noted that in March there was a letter from William Koon requesting that we contact Lynn Topete. In a telephone conversation with Lynn Topete, Mr. Buell reported she stated they don't have the funding yet to begin the contract negotiations. Mr. Buell then wrote the letter (pp 67-68) dated April 20 as a follow-up to the phone conversation. Mr. Buell indicated he had not yet heard back from the Army, but would be contacting them again.

9. CORRESPONDENCE

There were no comments or questions.

10. BOARD MEMBER COMMENTS

Mr. Moore reported that on April 25 the Marina Coast Waster District passed Resolution 2022, in which they offer to pay for half of the estimated \$16,000 costs for the Recycled Water Demonstration Project at the Seaside Golf Courses and also provide staff time.

To an inquiry by Mr. Moore regarding the comment in the March 27 minutes regarding the Source Control Committee appointments, Mrs. Canepa stated that resolution of that issue would be forthcoming.

Mr. Moore noted there were questions at last month's meeting regarding the rate-making process for MCWD's contract with FORA on the former Fort Ord, and stated he has a packet showing the eminently reasonable water and wastewater rates set by FORA in 1999, 2000, and at the most recent meeting. To an inquiry by Mr. Choates, Mr. Moore stated that the FORA Board requested information about the MCWD estimated costs, and they reviewed the cost estimations. The water rates

are eminently reasonable and considerably lower, but the sewer rates are a little higher overall than some of the adjoining communities.

To another inquiry from Mr. Choates regarding bottom line cost for sewer, Mr. Wellington answered this is simply a collection system charge, an extra charge. He noted that Pacific Grove has a fee that is relatively high, and is based upon the MRWPCA fee. But, each individual entity charges for their own system as MCWD is doing here, and MRWPCA has no jurisdiction over them.

At 7:49 p.m., Mr. Wellington confirmed there would be a quick update on the status of negotiations in Closed Session, whereupon Mrs. Pennycook dismissed herself from the meeting.

11. 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 7:54 p.m., Chair Canepa adjourned Closed Session and reconvened Open Session.]

Mr. Wellington announced that in Closed Session, the Board received information and that no action was taken in Closed Session.

13. ADJOURNMENT

With no further business, Chair Canepa adjourned the meeting at 7:55 p.m. to the next special meeting (Strategic Planning Workshop) on Friday, May 11 at the DoubleTree Hotel in Monterey, from 8 a.m. to 12:30 p.m., and the regularly-scheduled meeting on Monday, May 21, 2001, at 7:00 p.m.

Keith E. Israel
General Manager/Secretary to the Board

Theresa Ann Canepa
Chair of the Board of Directors

Date Passed: May 21, 2001

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