



Approved
November 30, 2009

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
October 26, 2009

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 Calcagno at 7:02 p.m., on Monday, October 26, 2009 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. ROLL CALL

BOARD MEMBERS PRESENT:

Lou Calcagno, Chair
Gloria De La Rosa
Ramiro Cortez
Ron Stefani
Dennis Allion
Kenneth Nishi
Libby Downey
Chris Orman
Carmelita Garcia
Dave Pendergrass
Vacant – Ex-Officio

Monterey County, Supervisor
Salinas, Mayor Pro Tem
Boronda County Sanitation District
Castroville Community Services District
Del Rey Oaks, Councilmember
Marina Coast Water District, Member
Monterey, Councilmember
Moss Landing County Sanitation District
Pacific Grove, Mayor
Sand City, Mayor
U.S. Army, Representative

BOARD MEMBERS ABSENT:

Ralph Rubio

Seaside, Mayor

MRWPCA STAFF PRESENT:

Keith Israel
Brad Hagemann
Rob Wellington
John Tiernan
Tom Buell
Bob Holden
Betty Nebb

General Manager
Assistant General Manager
Legal Counsel
Director of Admin Services, Deputy GM
Director of Finance
Principal Engineer
Executive Assistant

OTHERS PRESENT:

Carl Niizawa – Salinas
Tim O'Halloran - Seaside
Alison Imamura – Denise Duffy & Associates
Wayne Downey

3. PLEDGE OF ALLEGIANCE

Chair Calcagno asked Mr. Stefani to lead the Pledge of Allegiance.

4. PUBLIC COMMENTS

At 7:04 p.m., Chair Calcagno opened and closed Public Comments.

5. CONSENT AGENDA

Mr. Nishi asked to pull Item A (Board Minutes for September 28, 2009, page 10, Board Member Comments) to correct the statement regarding the distribution of Ordinance 1987-06. Chair Calcagno indicated a change would be made to the minutes regarding that item. Mr. Nishi asked for clarification on Item E, Capital Improvement Program Chart, and Mr. Tiernan provided information to clarify what the chart represented.

ACTION TAKEN: On a motion by Ms. Downey, seconded by Mr. Allion, the Board unanimously approved the Consent Agenda, Items A through H as follows:

- A. Approve Board Meeting Minutes/Report for Regularly Scheduled Board Meeting of September 28, 2009**
- B. Receive Comparison Percentage of Budget Expended Through September 2009 versus 2008**
- C. Receive Check Register – September 2009**
- D. Receive Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for September 2009**
- E. Receive Actual vs. Budgeted Fiscal Year 2009/10 Expenditures for the Capital Improvement Program and Capitalized Equipment Fund**
- F. Receive Actual vs. Anticipated Fiscal Year 2009/10 Revenues from Capacity Charges**
- G. Receive Residential Dwelling-Unit Aggregate as of September 30, 2009**
- H. Approve Contract for Pre-Purchase of Four (4) Spiral Heat Exchangers for Digester Hot Water Loop Replacement Project**

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6. SPECIAL PRESENTATION TO THE BOARD

A. Update on Regional Urban Water Augmentation Project (RUWAP)

Mr. Israel explained that Mr. Melton, RMC representing Marina Coast Water District, was unable to attend this evening and so Ms. Alison Imamura, Denise Duffy & Associates, graciously stepped in tonight to help present this information to the Board. Mr. Israel presented the history of MRWPCA's development of a regional recycled water project. He also provided a project description and some background information on the RUWAP. There are two basic components – desalination and recycled water. The project is set up for a maximum of 1,727 AF of recycled water, of which 300 AF is set aside for the Monterey Peninsula. At the Regional Treatment Plant (RTP) there will be a pump station and a short pipeline that will bring the recycled water to our boundary. MCWD handles the distribution system which includes 100,000 lineal feet of pipeline within the Ft. Ord boundaries and 30,000 lineal feet within the Monterey Peninsula area, as well as a storage tank in Seaside and a pump station in Marina.

Mr. Israel displayed a map showing the overall outline of the system including the project customers who were originally identified. He explained it is not likely that all would be connected as there may be a phase in of the recycled water users. He noted that the Agency's State and Federal grants require MRWPCA to develop urban uses for recycled water, and in our MOU with Monterey County Water Resources Agency (MCWRA) for the Castroville Seawater Intrusion Project (CSIP), there is recycled water set aside for urban use in the future. Mr. Israel then introduced Ms. Imamura from Denise Duffy & Associates (DDA).

Ms. Imamura explained that she became involved with this project in 2001 when MRWPCA and MCWD teamed to do some technical work on an urban recycled water delivery system. She provided a very thorough presentation that highlighted the environmental process and the resulting certification and plan approval for the RUWAP. She also provided a timeline illustrating the continuing efforts of MCWD, FORA, MCWRA, CAWD and MRWPCA to arrive at the June 2005 Hybrid Alternative for RUWAP that would include 1,500 AFY local desalination and 1,500 AFY of recycled water. Since then, project-level design and permitting has been completed. NEPA surveys, consultation and reports that include Section 106 (National Historic Preservation Act) and Section 7 (Endangered Species Act – ESA) are completed except for one biological opinion from U.S. Fish & Wildlife which is expected in about a week. DDA did prepare two Addenda to the California Environmental Quality Act (CEQA) to accommodate pipeline realignment and SVRP storage, and to increase the maximum recycled water that could be delivered from 1,500 AFY to 1,727 AFY as well as adjustments to a construction area. Both Addenda are completed and have been certified.

Ms. Imamura stated the CPUC Coastal Water Project includes the RUWAP recycled water component in their description of what is called the Monterey Regional Water Supply Program. In addition several MOUs among MCWD,

MCWRA, MRWPCA and Cal Am have been signed. Ms. Imamura noted that at the last MRWPCA Board meeting the environmental work for the water augmentation pumping plant was completed, a big step in having all the approvals needed to go forward with construction of the project. She outlined the next steps which include funding, final permitting and construction.

Ms. Imamura displayed maps showing the RUWAP pipeline alignments and nodes and handled specific questions from the members regarding possible placement of the pipeline along the Monterey Recreation Trail and along the Window on the Bay. Mr. Allion asked about the blue, above-ground pipeline next to General Jim Moore Boulevard. Ms. Imamura explained that portion of the pipe is pending construction with the realignment of General Jim Moore Boulevard and is scheduled to be installed before they pave the new road. Because there is some question about whether or not sufficient recycled pipe is available to reach Del Rey Oaks, Mr. Allion asked to get clarification regarding that.

Ms. Downey asked about the \$30 million funding that is needed, and Ms. Imamura stated she understands that money was still needed but was uncertain about which portions of the pipeline would be funded first. Ms. Downey stressed the urgency of having the pipeline along General Jim Moore Boulevard in place before the road is completed. Mr. Israel stated that we understand plans are to reuse the above-ground black polyethylene line to keep costs low, with the assumption that it would be buried along the road. He stated he would get more details regarding this.

Some discussion followed with the Members asking for clearer definitions for the various terms being used for hybrid plan, regional water program, coastal water project, north Marina alternative, etc. Ms. Downey suggested a glossary of definitions would be helpful. Mr. Israel confirmed that having clear titles for projects would keep matters clear, especially when seeking possible funding.

Chair Calcagno thanked Ms. Imamura for a comprehensive presentation and called for acceptance of the report.

ACTION TAKEN: On a motion by Ms. Downey, seconded by Ms. De La Rosa, the Board unanimously agreed to accept the report on the Regional Urban Water Augmentation Project (RUWAP).

7. COMMITTEE REPORTS AND RELATED ACTION ITEMS

A. Recycled Water Committee (RWC)

- 1. Receive Committee Recommendations from RWC Meeting of October 8, 2009**

Item 1 – Update on Environmental Review Associated with the Regional Urban Water Augmentation Project (RUWAP)

Mr. Israel explained that Ms. Imamura, DDA, was present at the Committee meeting to provide history and background on the development of the RUWAP and to explain the process for the completed environmental work for the Water Augmentation Pumping Plant (WAPP) at the Regional Treatment Plant (RTP). The Committee also discussed a strategy for the City of Monterey to confirm potential users of the recycled water. Mr. Israel stated that because the environmental work for this project is complete, we are in a better position to secure the needed funding.

➤ **Information only – No action taken.**

Item 2 – Update on MOU Requirement to Complete Environmental Analysis for Brine Disposal to MRWPCA Outfall

Ms. Imamura announced the Final EIR for the Coastal Water Project would be completed by the weekend. DDA would then be able to review the comments and complete their work and scope associated with the analysis of the outfall. Mr. Israel stated that MCWD has asked that this work be completed by January 2010 or sooner, and MRWPCA is doing what we can to complete this as soon as possible. A meeting is scheduled in the coming week to determine what is needed.

➤ **Information only – No action taken.**

Item 3 – Update on Regional Urban Augmentation Project (RUWAP) Funding

Mr. Israel indicated one funding source is the Bureau of Reclamation Title 16, but the Federal Authorization for that funding is still under development. Congressman Farr has been very supportive of the project concept in the past; and staff will continue to clearly define the nature of the recycled water project. Ms. Downey asked about the Authorization the County is working on, and Mr. Israel confirmed that the Ad Hoc Water Committee will learn about the status of the Authorization at the upcoming meeting.

Mr. Israel stated that at the State level, a joint application with MCWD has been submitted for State Revolving Fund stimulus dollars that are available through January 2010. Additionally Mr. Israel noted various ways to reduce the initial capital cost of the recycled water system. Another suggestion from the Committee was to develop a Fact Sheet about the project.

➤ **Information only – No action taken.**

Item 4 – Update on Regional Water Supply Program

Mr. Israel reported that staff is assisting Environmental Science Associates (ESA), a consultant working with the CPUC, to respond to comments in the EIR providing

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criteria for accepting neutralized chemicals that would be discharged through the outfall. He noted that the Country Use Permit is pending for the MCWD recycled water line across the Armstrong Ranch; and that the Final EIR will be completed at the end of this month and is scheduled to be certified by January 2010.

➤ **Information only – No action taken.**

Item 5 – Review Response to California American Water Regarding Potential Recycled Water Projects

Mr. Israel noted the letter received from Cal Am regarding our assessment of potential recycled water projects. Our response was to provide information and suggest joint meetings which would include MCWD in order to discuss further details. Mr. Israel stated that Cal Am was interested in receiving the recycled water for the Monterey Peninsula and would purchase the water to distribute to their customers.

Chair Calcagno added that at the recent meeting with the City of Monterey, Cal Am clarified that due to the overdraft of the Carmel River, they were going to make up some of the difference by using recycled water. He stated that Cal Am plans to prorate the cost of the recycled water to all rate payers, and would also determine how and where that water would be distributed – they would designate the users. Discussion followed with Mr. Israel explaining that Cal Am would charge the same rates for customers whether they use potable or recycled water and that the cost of bringing the recycled water into the Cal Am distribution system would go into their overall rate structure and that everyone would pay a little more to support the use of recycled water.

Mr. Nishi stated that it is his understanding that State law says you can't charge more for recycled water than potable water, and that the desal water project will be completed before recycled water because Cal Am is going to pay for the desal water. To Ms. Downey's questions, Mr. Nishi noted that \$30M is needed for the RUWAP to deliver 300 AF of recycled water to the Peninsula. He stated that if housing developments were proceeding at Ft. Ord, there would be money for the recycled pipeline project; but with no development, there is no money. Fortunately for MCWD, he said, Cal Am has stepped up and indicated they will fund the desalination project.

Mr. Pendergrass spoke to the need to keep the replenishment of the Seaside Aquifer in mind as a use for recycled water and the importance to end the over drafting of the aquifer. Ms. Downey confirmed that the City of Monterey supports the Replenishment Project, but only as a part of Phase 2 of the Regional Water Supply Plan. She stated the RUWAP can proceed now and that is where the emphasis needs to be.

➤ **Information only – No action taken.**

Chair Calcagno commended the Board for the good discussion from the Members and called for a motion to approve the Committee minutes.

ACTION TAKEN: On a motion by Mr. Stefani, seconded by Ms Downey, the Board unanimously approved the Recycled Water Committee Minutes/Report of October 8, 2009.

B. Budget/Personnel Committee (BPC)

1. Receive Committee Recommendations from BPC Meeting of October 16, 2009

Item 1 – Update on Solar Project for Salinas Valley Reclamation Project (SVRP)

Mr. Hagemann explained this project would address stabilizing the future energy costs and needs for the SVRP. After an in-depth review of four proposals, Solar City was chosen for the project. With input from the Board and the BPC, staff along with Legal Counsel has been working with Solar City to finalize the contract language. The terms and conditions of the contract are unchanged: \$0.1155 kWh; 3.5% annual escalator; 20-year agreement; and the provider paying for all installation costs.

Hr. Hagemann stated that a California Environmental Quality Act (CEQA) process must also be completed before we can sign the contract with Solar City. They have retained Denise Duffy & Associates (DDA) to develop the compliance documentation and this work is scheduled for completion within 30 to 45 days. The CEQA process is moving quickly in order to preserve the current \$0.15 kW rebate that is available from PG&E for the project.

Mr. Nishi questioned the 3.5% annual escalator on the cost for electricity and asked that staff verify the amounts shown on the chart provided by Solar City. Mr. Hagemann indicated staff would double check the table because it is part of the contract.

➤ **Information only – No action taken.**

Item 2 – Review Board Policy Regarding Payment for Board Member Service

Mr. Hagemann reported the Committee further reviewed the compensation level for Board Member service by other districts and recommended maintaining the \$100 payment level per meeting, but reducing the maximum amount from six to four meetings per month.

➤ **That the Board approve an amendment to Resolution 2006-26 to limit the maximum monthly compensation for services to “four (4) meetings per month - \$400” and that counsel prepare a resolution to that effect.**

Ms. Downey stated that several members are currently being asked to participate in additional meetings especially while the regional water issues are being discussed, and called for a motion for the Board to accept a limit of five (5) meetings per month for compensation. Chair Calcagno called for a second to the motion; hearing none, the motion died for lack of a second.

ACTION TAKEN: On a motion by Mr. Pendergrass, seconded by Mr. Allion, the Board approved Resolution 2009-13, Amending Resolution 2006-26, the Agency's Policy Concerning Compensation of Board Members for Meetings Attended and Payment of Expenses Incident Thereto. [Nay votes from Ms. Downey and Mr. Nishi.]

Mr. Nishi noted that the newly adopted Resolution 2009-13 sets the limit of compensation for meetings and services at \$400 in any calendar month and that when mileage is added to the payment, it could exceed the limit. Legal Counsel clarified that mileage expense is not considered compensation and that the language used in the resolution is the same as found in the Health and Safety Code for special districts.

ACTION TAKEN: On a motion by Ms. Downey, seconded by Mr. Orman, the Board unanimously approved the Budget/Personnel Committee Minutes/Report of October 16, 2009.

9. OTHER ACTION ITEMS BEFORE THE BOARD

A. Adopt Ordinance No. 2009-04, An Ordinance Extending the Expiration Date to April 30, 2010 of Ordinance No. 2004-04 Allocating Wastewater Treatment Capacity

Mr. Hagemann referred to the staff report in the agenda packet and announced that the Monterey Bay Unified Air Pollution Control District (MBUAPCD) has issued a Notice of Intent to adopt a Negative Declaration to Report Rule 216. The MBUAPCD is scheduled to consider this proposal at their December 16, 2009 meeting. As a result, staff recommends the current Rule 216 Four-Year Wastewater Treatment Capacity Distribution Plan be extended an additional six month to April 30, 2010, using the 2004 AMBAG population forecasts. The reserve level would continue at its present level of 15%. This extension would allow: the MBUAPCD to make a decision regarding repealing Rule 216; MRWPCA staff to address MCWD questions; the MRWPCA TAC to meet on the issues; and the necessary public and environmental review processes to occur.

ACTION TAKEN: On motion by Mr. Orman, seconded by Mr. Stefani, the Board unanimously adopted Ordinance No. 2009-04, An Ordinance Extending the Expiration Date to April 30, 2010 of Ordinance No. 2004-04 Allocating Wastewater Treatment Capacity.

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10. INFORMATIONAL ITEMS

A. Fort Ord Update

No questions or comments.

B. Reclamation Project Status Summary

No questions or comments.

C. Strategic Planning Goals (2008-2011) and One-Year Objectives Update

Mr. Israel indicated that progress on goals has been updated. There were no questions or additional comments.

11. STAFF REPORTS

A. General Manager/Assistant General Manager/ Legal Counsel

Mr. Israel announced a TAC meeting would be scheduled in the near future to further discuss the Wastewater Allocation Ordinance and to address the questions from MCWD. Additionally there will be discussion regarding the Salinas capacity issue.

Mr. Israel noted that he has photos of the rubber dam and would provide information to the Board on the Salinas River Diversion Project at the November Board meeting. He also stated staff was continuing to meet with MCWD in order to expedite items associated with brine disposal for the desalination plant.

B. Department Heads

Mr. Hagemann reported that the storm on October 13 knocked out power to eight sewage lift stations/pump stations: six are owned by the cities and two by the Agency. Five of the stations have dedicated backup power; but for the remaining three, Agency and City staff had to work around the clock to ensure that power was available in order to avoid sewage overflows. He announced the maintenance/utilities staff members who contributed to the successful efforts and noted that the storm brought 3 inches of rain in 24 hours with gusts of 50 mph wind. He congratulated them, along with city staff, as their efforts resulted in no sewage spills.

C. Presentation: None

12. CORRESPONDENCE

Mr. Israel noted the request from the Surfrider Foundation for information about several staff recycled water presentations. He explained that he will prepare a draft response for Board input prior to forwarding a final response to the Surfrider group.

13. BOARD MEMBER COMMENTS

Ms. De La Rosa announced that Mr. Niizawa, Public Works Engineer for the City of Salinas, has accepted a new position with Marina Coast Water District. Mr. Niizawa said he would miss working for the City and Ms. De La Rosa but was looking forward to his new position with MCWD.

Chair Calcagno acknowledged the efforts of this Board to make this Agency work efficiently and noted that cooperation between MCWRA, MCWD and MRWPCA has improved.

14. ADJOURNMENT

With no further business, Chair Calcagno adjourned the meeting at 8:20 p.m. to the next regularly scheduled Board Meeting on November 30, 2009, at 6:00 p.m.



Keith E. Israel, General Manager
Secretary to the Board



Louis Calcagno, Chair
MRWPCA Board of Directors