



APPROVED
October 31, 2016

MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
September 26, 2016

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 De La Rosa at 6:03 p.m., on Monday, September 26, 2016 in the Board Room at 5 Harris Court, Building D, Monterey, California.

2. ROLL CALL

BOARD MEMBERS PRESENT:

Gloria De La Rosa, Chair	Salinas
Linda Grier	Boronda County Sanitation District
Ron Stefani	Castroville Community Services District
John M. Philips	County of Monterey
Dennis Allion	Del Rey Oaks
Jan Shriner <i>[Alternate]</i>	Marina Coast Water District
Libby Downey	Monterey
Dave Pendergrass	Sand City
Ralph Rubio	Seaside
Vacant – Ex-Officio	United States Army

BOARD MEMBERS ABSENT:

Rudy Fischer, Vice Chair	Pacific Grove
James R. Cochran	Moss Landing County Sanitation District - Ex-Officio

MRWPCA STAFF PRESENT:

Paul A. Sciuto	General Manager
Stephen Hogg	Assistant General Manager
Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer

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Rob Wellington	Legal Counsel
Mike McCullough	Government Affairs Administrator
Jarrold Levine	Operator III
Bret Boatman	Field Maintenance Supervisor
Barbara Wilborn	Electrician
Neil Steiner	Operator II
Chayito Ibarra	Executive Assistant

OTHERS PRESENT:

Alexander Miller – Public Member

3. PLEDGE OF ALLEGIANCE

Member Pendergrass led the Pledge of Allegiance.

4. PUBLIC COMMENTS

Alexander Miller, Seaside resident, spoke in regard to the MRWPCA sewer billing and suggested that the Agency start putting the amount MRWPCA customers owe on their property tax bill each year.

5. EMPLOYEE RECOGNITION

A. California Water Environment Association (CWEA) Certificate to Barbara Wilborn for Certification in Electrical/Instrumentation Grade 2

Mr. Foley introduced Ms. Wilborn and presented her with a certificate for Electrical/Instrumentation Grade 2 Certification. Mr. Foley provided the Board with a brief history of Ms. Wilborn's work history with the Agency and commended her for her hard work.

6. CONSENT AGENDA

ACTION TAKEN: It was moved by Member Pendergrass, seconded by Member Grier, to approve Consent Agenda Items A through K and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

Abstain: Shriner (Item A Only)

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- A. Approve Board Minutes for Regular Board Meeting of August 29, 2016
- B. Receive Schedule of Cash and Investments as of August 31, 2016
- C. Receive Comparison Percentage of FY 2016/17 Budget Expended for August 2016
- D. Receive Check Register for August 2016
- E. Receive Waste Discharge Report and NPDES Monitoring Report for August 2016; and Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for August 2016
- F. Receive Actual vs. Budgeted Fiscal Year 2016/17 Expenditures for the Capital Improvement Program, Capitalized Equipment Fund, Urban Reclamation Program, and Capacity Fees for August 2016
- G. Approve the Purchase of Two 6" Waste Gas Flares from Varec Biogas
- H. Approve Resolution No. 2016-22, Authorizing the Purchase of Three Fairbanks Morse Dryside Submersible Pumps for Reeside Pump Station from JM Squared Associates, Inc. without Formal Competitive Bidding
- I. Approve Resolution No. 2016-23, Confirming the Consent of all MRWPCA Members to an Amendment to Paragraph 7.02 ("Termination") of the MRWPCA Joint Exercise Powers Agreement, and Directing MRWPCA Staff to take Certain Actions Regarding the Amendment
- J. Approve Payment to MPWMD for Reimbursement of GWR Related Costs for FY 15/16
- K. Approve Resolution No. 2016-24, Consenting to Enter the Joint Protection Program of the Association of California Water Agencies/Joint Powers Insurance Authority

7. COMMITTEE REPORTS

A. RECYCLED WATER COMMITTEE (RWC) – SEPTEMBER 8, 2016

- 1. Receive RWC Draft Minutes of September 8, 2016

ACTION TAKEN: It was moved by Member Allion, seconded by Member Phillips, to receive the RWC Draft Minutes of September 8, 2016 and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

B. BUDGET/PERSONNEL COMMITTEE (BPC) – SEPTEMBER 9, 2016

1. Receive BPC Draft Minutes of September 9, 2016

ACTION TAKEN: It was moved by Member Allion, seconded by Member Downey, to receive the BPC Draft Minutes of September 9, 2016 and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

8. ACTION ITEMS

- A. Consider Authorizing the General Manager to Enter Into a Deposit and Reimbursement Agreement with the City of Seaside for Costs Incurred for the Acquisition of Property by MRWPCA for the Injection Well Project

Mr. Sciuto stated that the property upon which the injection well facilities will be situated is property that will be conveyed by the Fort Ord Reuse Authority (FORA) to the City of Seaside in the future. This agreement serves as a way to reimburse the City of Seaside for any costs incurred in analyzing and negotiating the conveyance of the property which is estimated to cost \$20,000. If approved, the Agency will deposit \$20,000 with the City to be used by the City to pay staff time, costs for property appraisal to determine Fair Market Value, actual out-of-pocket costs and any expenses incurred in performing the work.

Mr. Sciuto stated that staff is anticipating bringing a similar agreement with FORA for Board consideration at the October Board meeting which is estimated to be in the range of \$200,000 to \$250,000. Board discussion followed questioning why FORA costs are estimated to be so high. Member Rubio stated that FORA is obligated to recover the costs it takes to produce all the reports necessary whenever there is a dig or anticipated dig or any kind of movement of soil to any kind of depth. He added that FORA has added requirements such as providing the information to the Army, Environmental Protection Agency (EPA) and ESCA and prior to digging and they have to inspect and then prepare an after action report. Mr. Holden added that one of the biggest expenses is the requirement to have a FORA staff person present whenever you are doing any type of activity that affects the soil. When drilling, a staff person will be present for the first 10 feet of drilling to ensure they don't run into anything. He added that none of the soil that is removed in the drilling process can be removed from the site so a staff person will be there to ensure it stays on site and is spread properly.

Mr. Sciuto added that rather than depositing money in an escrow account with FORA, FORA will invoice the Agency for reimbursement which will include a detailed description of the expense.

ACTION TAKEN: It was moved by Member Phillips, seconded by Member Stefani, to Authorize the General Manager to enter into a deposit and reimbursement agreement with the City of Seaside for costs incurred by the City in analyzing and negotiating the acquisition of property by MRWPCA for the injection well project, and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

B. Consider Awarding Contract for Land and Ocean Outfall Protection Options Analysis

Mr. Holden stated that the primary purpose of the Land and Ocean Outfall Protection Design is to protect the existing concrete pipe from corrosion, once the Agency allows Cal Am's brine into its system, due to oxygenated effluent coming from the future Brine Mixing Structure. Staff from Cal Am and the Agency reviewed the two proposals received from E2 Consulting Engineers and Brown and Caldwell (B&C). The selection was based on qualifications and staff unanimously chose B&C. Mr. Holden noted that because the Coastal Commission requires an update on the approach to protect the outfall structure and pipe by early December 2016, B&C will be also be doing a review and coming up with ideas for permanent protection of the structure and the pipe. Mr. Holden added that the total negotiated fee is \$250,103 with Cal Am paying \$190,213 and the Agency \$59,890.

Member Shriner, in reference to the emergency repair work that was done on the outfall structure in March, asked if this budget was substantial to offer enough protection to ensure this does not happen again. Mr. Holden stated that this next phase of the study will help to determine a solution for protection of the outfall, but will not cover the design or construction portions of it. Mr. Sciuto added that the construction portion will cost substantially more as it will be a large construction project since the top of the pipe will have to be lowered at least 8 feet and will have to be moved back about 1,000 feet. He added that this does not include what will be done with the effluent during the construction period or what will be done with the brine, if Cal Am is introducing brine by then.

Member Shrine asked where the planning or engineering portion failed for this to happen. Mr. Sciuto stated that after speaking to Cal Am, they appeared to do their due diligence based on the information they had on hand. Cal Am looked

at a beach erosion model, which at the time showed that the beach would not get lower than a couple of feet above the box.

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Phillips, to award the Land and Ocean Outfall Protection Options Analysis to Brown and Caldwell for a cost not to exceed \$250,103 with \$59,890 paid out of CP296 and \$190,213 from the Cal Am ENA Deposit, and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

C. Consider Awarding Contract for Brine Mixing Structure Design Review

Mr. Holden stated that the primary purpose of the Brine Mixing Structure is to provide complete blending, accurate flow metering, and sampling without reducing outfall capacity from its design capacity of 81.2 mgd. Request for Proposals were advertised on July 6, 2016 and on August 24 one proposal was received by E2 Consulting Engineers, Inc (E2). The proposal was reviewed by staff from Cal Am and MRWPCA that all thought that E2 was qualified and recommended fee negotiations. Mr. Holden reported that the final proposal came in at \$72,031, which was approved by Cal AM. Mr. Holden reminded the Board that this will be paid through the Exclusive Negotiating Agreement, Long Term Outfall Capacity Lease (ENA) for the total amount including staff time. He reported that as of August 31, 2016 the balance in the ENA deposit was \$416,163.

Mr. Holden, in answering questions from Member Shriner, provided the following summary of why the following tasks were deleted from the scope of work:

- Task 3 was for flow analyses; this first phase of work may not change any of the hydraulics of the structure. If it does not change the hydraulics then flow analyses would be duplication of previous work. If the hydraulics do change then this item may be added to the future scope of work.
- Task 7 was for a meeting that we do not think is valuable so it was deleted.
- Task 8 was for revising the Basis of Design Report (BODR). The changes to the BODR will be listed in Task 5. Task 8 seemed redundant, so it was deleted.
- This scope of work is to get a “value engineering”-type review of what has already been done. The consultant proposed scope of work was reduced to just the items staff thought were of value and were needed in their work product. That work product will be complete enough to go to the next phase of work, which would probably be to go to the 30% design.

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ACTION TAKEN: It was moved by Member Allion, seconded by Member Rubio, to award the Brine Mixing Structure Design Review to E2 Consulting Engineers for a cost not to exceed \$72,031 with funds paid out of the Cal Am ENA Deposit, and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

D. Consider Recommending Options for Financial Management Reports

Ms. Hannah stated that a request from a BPC Member to add monthly reserve balances to the BPC reports prompted staff to review the type of reports that staff currently presents to the Board. She reported that staff currently prepares twelve financial management documents on a monthly basis for the Board packet with budgetary updates for Pure Water Monterey and Urban Reclamation Projects provided in table format for the Recycled Water Committee. The Board also receives comprehensive financial updates at mid-year and during the Budget Workshop.

In reviewing the types of reports that were prepared on a monthly basis by comparable agencies staff found that approximately 67% provided Cash and Investment Report, and a monthly check register, while approximately 40% provided a budgetary update.

Ms. Hannah stated that based on the Agency's Investment Policy, the Agency is required to produce a monthly Cash and Investment Report and will continue to provide the monthly check register to assist with transparency. Staff checked with Agency Legal Counsel, California Association of Sanitation Agencies (CASA), and the California Special Districts Association (CSDA). Legal Counsel indicated that California Government Code Section 6505.5 requires the Agency's Treasurer or CFO is required to "verify and report in writing on the first day of July, October, January, and April of each year to the agency or entity and to the contracting parties to the agreement, the amount of money he or she holds for the agency or entity, the amount of receipts since his or her last report, and the amount paid out since his or her last report. Ms. Hannah stated that staff received input from the BPC on the type of information that would be most beneficial to the Board and stakeholders on a monthly or quarterly basis. The BPC recommended approval for staff to prepare draft reports based on their recommendations and current reporting requirements and present these to the BPC at the October meeting, with final consideration by the Board at the October Board meeting. She stated that all recommended reports will be in compliance with the Government Code and Agency policies.

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ACTION TAKEN: It was moved by Member Downey, seconded by Member Grier, to direct Staff to prepare monthly and/or quarterly reports for the October Board meeting based on the BPC recommended information, and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

E. Consider Converting the Voluntary Operator-In-Training Internship Program to Paid Internship

Mr. Hogg stated that in reviewing all intern positions within the Agency, it was determined that the Operator-In-Training (OIT) Internship is the only unpaid internship position within the Agency. The fact that all other Agency interns in other areas are paid, creates an inequity among the intern positions. To address this inequity, staff is proposing that the voluntary OIT Internship program be converted to a paid internship and compensated at a rate similar to the other intern positions.

Mr. Hogg noted that the OIT internship is different than other intern positions in the Agency because in order for a person to become a certified operator, an individual must possess a minimum of one year actual work experience as an Operator-In-Training. The goal of the OIT intern is to reach 1,800 qualifying OIT hours, as quickly as possible, but not longer than 2 years. He explained that interns are limited to working a maximum of 999 hours each fiscal year, due to a CalPERS requirement, which states that employees must be enrolled in the PERS retirement system once they work 1,000 hours per fiscal year. Because of this, staff is recommending allowing the OIT interns the option of being paid or volunteer interns in order to reach the 1,800 qualifying OIT hours at a faster pace. Paid interns are also limited to working 29 hours per week, up to 999 hours per fiscal year, and OIT volunteer interns can work more than 29 hours per week, without a yearly cap.

Mr. Hogg stated that this item was considered by the BPC and unanimously voted to recommend approval by the Board at a rate of \$15 per hour, with the option of choosing to be a paid or volunteer OIT intern.

Member Shriner commended the Agency for paying interns above minimum wage and encouraged the Agency to consider providing interns health benefits in the future.

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ACTION TAKEN: It was moved by Member Allion, seconded by Member Phillips, to approve converting the voluntary Operator-In-Training Internship Program to temporary, paid intern positions, to be compensated at a rate of \$15 per hour, with the option of being a volunteer OIT Intern rather than paid intern, and carried by the following vote:

Ayes: De La Rosa, Grier, Stefani, Phillips, Allion, Shriner, Downey, Pendergrass, Rubio

Noes: None

Absent: Fischer

9. INFORMATIONAL ITEMS

A. Reclamation Highlights/Charts, Water Quality & Ops, Tours

Mr. Hogg stated that the Agency is required to do toxicity testing semi-annually. He reported that last month the Agency performed a toxicity test, which came back as exceeding the toxicity units. When a toxicity test comes back as high, the Agency is required to perform a second test, which also came back as exceeding the toxicity units. As a result, the Agency is required to do a toxicity reduction evaluation study to help determine where the potential toxicity is coming from. Mr. Hogg stated that the Agency has hired a consultant to perform this study at a cost of \$5K. He cautioned that the experience of a number of Agencies that have gone through a study like this is that many times the report comes back inconclusive because it's hard to trace down any specific region for the kelp dying off.

B. Pure Water Monterey Update

Mr. Sciuto provided an update on the Pure Water Monterey Project, some of the highlights include:

- A formal letter was received from NOAA/NMFS withdrawing its protest of our water rights
- At the request of the CDFW, a separate settlement agreement with specific language has been drafted among our Agencies stating their terms of the water rights protest withdrawal.
- Section 7 endangered species permit and US Fish and Wildlife permits are being worked on and both must be completed prior to SRF loan approval.

10. STAFF REPORTS

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Sciuto reported that he attended the WateReuse Annual Symposium in Tampa, Florida where he was part of a panel speaking on indirect potable reuse and outreach.

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Mr. Hogg reported that the Agency was one of four major Publicly Owned Wastewater Treatment Plants recognized at the California Water Environment Association (CWEA) Monterey Bay Section meeting on September 15 for the contributions of the industry to the healthy and sustainable environment of the Monterey Bay.

Mr. Sciuto commended Agency staff Mike McCullough, Steve Hogg, and Sarah Stevens for the application they submitted to be recognized as a "Utility of the Future Today." The Agency is one of 14 entities that has been selected to receive recognition which will be awarded at the WEFTEC Conference on September 27 in New Orleans.

B. Update on Strategic Planning Goals and Objectives – Paul A. Sciuto, General Manager

Mr. Sciuto provided the Board with an update on the Strategic Planning Goals and Objectives and noted the following completion delays on the goals below:

- **Present to the Board for action a funding agreement for the State Revolving Fund (SRF) loan** - This objective was expected to be completed by October 31, but has been delayed.
- **Investigate and make a recommendation to the Board for direction on the expansion of LAFCO boundaries to include communities outside the MRWPCA service area for additional flows** - This objective has been delayed because after meeting with LAFCO for a municipal services review, LAFCO staff asked the Agency to look at a slightly larger area to include Prunedale, Chualar and other cities.
- **Hire a consultant to prepare a Pump Station and Conveyance System Master Plan** – Staff is currently interviewing three consulting firms and this item will be brought to Board for consideration at the October Board meeting.

Mr. Sciuto stated that except for the above delays, the rest of the objectives are on target or have been completed.

Mr. Sciuto stated that historically a Strategic Planning Workshop is held in December and facilitated by an outside consultant. He stated that staff did a six-month review of the goals in June and asked the Board if they would prefer to have the Strategic Planning Workshop in December facilitated by staff or by an outside consultant. After some discussion, it was the consensus of the Board to do a strategic Planning Workshop session facilitated internally by staff.

11. BOARD MEMBER COMMENTS/REPORTS (None)

[Chair De La Rosa recessed Open Session at 7:10 p.m., and commenced Closed Session at 7:15 p.m.]

12. RECESS TO CLOSED SESSION

A. Public Employee Performance Evaluation

Pursuant to Government Code 54957

Title: General Manager

B. Conference with Real Property Negotiators

Pursuant to Government Code 54956.8

Property: Recycled Water

Agency Negotiator: Paul A. Sciuto, General Manager

Negotiating Parties: California American Water and Monterey Peninsula
Water Management District

Under Negotiation: All Terms and Conditions

C. Conference with Real Property Negotiators

Pursuant to Government Code 54956.8

Property: Ocean Outfall

Agency Negotiator: Paul A. Sciuto, General Manager

Negotiating Parties: California American Water

Under Negotiation: All Terms and Conditions

13. ANNOUNCEMENTS FROM CLOSED SESSION

Legal Counsel Wellington reported that the Board came back into Open Session at 8:13 p.m. He announced that in the Closed Session the Board only considered agenda item 12-C (Ocean Outfall) and reported that information was provided to the Board, discussion followed and general directions were given to the negotiators. No reportable action was taken.

14. ADJOURNMENT

At 8:14 p.m. with no further business, Chair De La Rosa adjourned the meeting to the next regularly scheduled Board Meeting to be held in the Board Room at 5 Harris Court, Building D, in Monterey, California on Monday, October 31, 2016 at 6:00 p.m.

Paul A. Sciuto, General Manager
Secretary to the Board

Gloria De La Rosa, Chair
MRWPCA Board of Directors