

APPROVED
September 26, 2016



MINUTES
of the Regular Meeting
Monterey Regional Water Pollution Control Agency
Board of Directors
August 29, 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 6:00 pm, on Monday, August 29, 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
Rudy Fischer, Vice Chair	Pacific Grove
Linda Grier	Boronda County Sanitation District
John M. Philips	County of Monterey
Dennis Allion	Del Rey Oaks
Thomas P. Moore	Marina Coast Water District
Libby Downey <i>[arrived at 6:01 pm]</i>	Monterey
James R. Cochran	Moss Landing County Sanitation District - Ex-Officio
Dave Pendergrass	Sand City
Ralph Rubio	Seaside
Vacant – Ex-Officio	United States Army

BOARD MEMBERS ABSENT:

Ron Stefani	Castroville Community Services District
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MRWPCA STAFF PRESENT:

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Paul A. Sciuto	General Manager
Stephen Hogg	Assistant General Manager
Tori Hannah	Chief Financial Officer
Bob Holden	Principal Engineer
Rob Wellington	Legal Counsel
Mike McCullough	Government Affairs Administrator
Jennifer Gonzalez	Engineering Manager
James Dix	Operations Manager
Jarrold Levine	Operator III
Jerry Valladao	Associate Engineer
Patrice Parsons	Laboratory Supervisor
Chayito Ibarra	Executive Assistant

OTHERS PRESENT:

Wayne Downey – Public Member
Gary Petersen – City of Salinas
Alex Miller – Public Member

3. PLEDGE OF ALLEGIANCE

Vice Chair Fischer led the Pledge of Allegiance.

4. PUBLIC COMMENTS

Chair De La Rosa called for Public Comments – none received.

5. INTRODUCTION OF NEW BOARD MEMBERS AND SPECIAL ACKNOWLEDGEMENTS

A. Chair De La Rosa introduced James R. Cochran who will be representing Moss Landing County Sanitation District as an Ex-Officio member on the Board until November 2017. Chair De La Rosa announced that J. Eric Tynan would serve as the alternate.

B. Approve Resolution 2016-19, a Resolution of Appreciation for Tom Razzeca, former representative for Moss Landing County Sanitation District

Chair De La Rosa presented a resolution of appreciation to Mr. Tom Razzeca for his service to the MRWPCA Board of Directors representing Moss Landing County Sanitation District. She thanked him for his service on the Board and also commended him for his service on the Projects and Planning Committee.

Mr. Razzeca thanked the Board for the opportunity to serve and said it was a great learning experience.

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Phillips, to approve Resolution 2016-19, a resolution of appreciation for Tom Razzeca for his service representing Moss Landing County Sanitation District on the MRWPCA Board, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Phillips, Allion, Moore, Downey, Pendergrass, Rubio

Noes: None

Absent: Stefani

6. CONSENT AGENDA

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

Ayes: De La Rosa, Fischer, Grier, Phillips, Allion, Moore, Downey, Pendergrass, Rubio

Noes: None

Absent: Stefani

- A. Approve Board Minutes for Regular Board Meeting of July 25, 2016
- B. Receive Schedule of Cash and Investments as of July 31, 2016
- C. Receive Comparison Percentage of FY 2016/17 Budget Expended for July 2016
- D. Receive Check Register for July 2016
- E. Receive Waste Discharge Report and NPDES Monitoring Report for July 2016; and Plant Flows and Effluent Quality for Connected Agencies, Plus Flow Charts for RTP, Salinas, Monterey Peninsula, Marina, Fort Ord, and Castroville for July 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 July 2016
- G. Approve Design Contract for CP297 Pump Station No. 13 Valve Replacement and Upgrades Project
- H. Approve the Purchase of a 40 KW Skid Mounted Diesel Powered Generator
- I. Approve the Purchase of a 50 KW Portable Trailer Mounted Diesel Powered Generator

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- J. Approve Award of On-Call Consulting Services for Controls Engineering and Controls Programming Services for Pump Stations and Cogeneration
- K. Approve Award of On-Call Consulting Services for Controls Engineering and Controls Programming Services for RTP, SVRP, CSIP
- L. Approve Award of Cogeneration Fuel Valve and Governor Replacement

7. COMMITTEE REPORTS

A. BUDGET/PERSONNEL COMMITTEE (BPC) – AUGUST 12, 2016

- 1. Receive BPC Draft Minutes of August 12, 2016

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Fischer, to receive the BPC Draft Minutes of August 12, 2016 and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Phillips, Allion, Moore, Downey, Pendergrass, Rubio

Noes: None

Absent: Stefani

8. ACTION ITEMS

A. Consider Approving Resolution 2016-20, Authorizing the Purchase of a Total Organic Carbon/Total Nitrogen Analyzer Without Formal Competitive Bidding

Ms. Parsons stated that this item was considered by the Budget/Personnel Committee (BPC) on August 12 and unanimously recommended it for approval to the Board. As a result of Committee member comments received at the meeting, she did further research and found one other vendor that produces a system that does simultaneous Total Organic Carbon/Total Nitrogen (TOC/TN) analysis based out of Atlanta. The quote received from this vendor was \$3K less than the Shimatzu system but upon doing a comparison of both companies consumables kit, it proved to be a difference of only \$40. Ms. Parsons stated that based on the considerable trade in discount of \$11,060 provided by Shimatzu and based on the inherent savings on training and maintenance it is in the best interest of the Agency and public to approve the resolution to purchase the Shimatzu system without formal competitive bidding.

Budget/Personnel Chair Moore thanked Ms. Parsons for doing the extra research and agreed that purchasing the system from Shimatzu was still the best choice.

ACTION TAKEN: It was moved by Member Moore, seconded by Member Phillips, to approve Resolution No. 2016-20, Authorizing the Purchase of a Total Organic Carbon/Total Nitrogen Analyzer Without Formal Competitive Bidding, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Phillips, Allion, Moore, Downey, Pendergrass, Rubio

Noes: None

Absent: Stefani

B. Consider Approval of a Budget Amendment to Formalize Paying for the Advanced Water Treatment Facility (AWTF) Design

Mr. Sciuto stated that as a result of the direction provided by the Board at the July Board meeting, this budget amendment was brought forward to provide Kennedy/Jenks Consultants the ability to move forward with Phase 2 60% AWTF design. Staff has determined that funds to pay for GWR design costs are available from projects or phases of projects that are not anticipated to begin until the first part of the calendar year. This will allow the Agency to maintain reserve levels that are near or just below the Board's policy level. All defunded projects are anticipated to receive funding upon reimbursement from the MPWMD and/or State Revolving Loan fund. If these alternate forms of funding are not available at the beginning of the calendar year, these projects would be deferred or staff would request the Board to review alternative funding options. Mr. Sciuto stated that the funding would come from the following accounts:

- CP 297 (Construction Portion) – Station 13 Valve Replacement \$250,000
- CP 298 – Monterey Pump Station Drives \$250,000
- CP 299 (Complete Project) – Trickling Filter \$350,000
- CP 300 (Phase 2) – Pump Station & Conveyance \$350,000

In response to questions from the Board regarding the criticality of the defunded projects, Mr. Sciuto stated that while all these projects are necessary, pushing them back will not be detrimental.

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Fischer, to approve the Budget Amendment Transferring Funds from Capital Projects that are not anticipated to begin until the first part of the calendar year to pay for GWR Design Costs, and carried by the following vote:

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Ayes: De La Rosa, Fischer, Grier, Phillips, Allion, Moore, Downey, Pendergrass, Rubio

Noes: None

Absent: Stefani

C. Consider Approval of a Memorandum of Agreement (MOA) with Seaside County Sanitation District and the Cities of Monterey, Pacific Grove, and Sand City to provide Inspection Services regarding Fats, Oil, and Grease and Stormwater

Mr. Condit stated that the Budget/Personnel Committee (BPC) considered this item at the August 12 meeting and unanimously recommended it for approval to the Board. He stated that the draft Memorandum of Agreement (MOA) will continue the efforts for the City of Pacific Grove while adding additional members to the agreement and introducing stormwater inspections to the contract. Mr. Condit added that approval of this agreement will result in over \$95,000 of additional revenue, and staff anticipates that an additional 900 hours of staff time will be needed to fulfill the additional contracts. He reported that staff estimates that these inspections can be handled without the need of additional Source Control Inspectors, as currently one Source Control Inspector is providing assistance to the Laboratory on a part-time basis.

In answering Board Member questions, Mr. Condit stated that while each entity has their own regulations for Fats, Oil and Grease (FOG) the way inspections are done is the same.

Mr. Condit added that Agency staff and partner entities are continuing to work together to reach consensus on all terms of an agreement. Staff is requesting that the Board approve the attached MOA and authorize the General Manager to complete negotiations with partner agencies and sign the agreement to include any non-substantial changes.

ACTION TAKEN: It was moved by Member Allion, seconded by Member Moore, to approve the Memorandum of Agreement (MOA) to provide inspection services regarding fats, oil, and grease and stormwater, and authorize the General Manager to complete negotiations partner agencies and sign the agreement to include any non-substantial changes, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Phillips, Allion, Moore, Downey, Pendergrass, Rubio

Noes: None

Absent: Stefani

D. Consider Approval of MRWPCA Resolution No. 2016-21, Authorizing the General Manager to enter into a Financial Assistance Agreement with the State Water Resources Control Board for the Planning, Design, and Development of the Monterey Peninsula Region Stormwater Resource Plan

Mr. Condit stated that the Agency was awarded a \$300,637 Prop 1 Planning Grant on behalf of the Monterey Regional Stormwater Management Program (MRSWMP) toward the development of a regional Stormwater Resource Plan (SRP). He stated that in order to receive the funds to pursue this project, the Agency will need to enter into a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB).

Mr. Condit provided background information on Senate Bill 985 which requires a SRP as a condition for public agencies to receive funds for stormwater and dry weather runoff capture projects from any bond approved by voters after January 2014. He explained that due to a Prop 1 Planning Grant 50% match requirement, the \$300,637 grant is part of a projected \$659,389 effort.

Mr. Condit provided the Board with the next steps in the process:

- MRWPCA will begin grant negotiations with the SWRCB to obtain the awarded funds
- MRSWMP Program Manager will release an RFP to identify a consultant to complete the Stormwater Resource Plan effort
- MRSWMP Program Manager will manage grant milestones and invoicing requirements

Mr. Condit clarified that staff time and Agency overhead to complete the SRP is fully reimbursable via the MRSWMP program budget.

ACTION TAKEN: It was moved by Member Rubio, seconded by Member Fischer, to approve resolution No. 2016-21, authorizing the General Manager to enter into a Financial Assistance Agreement with the State Water Resources Control Board for the planning, design, and development of the Monterey Peninsula Region Stormwater Resource Plan, and carried by the following vote:

Ayes: De La Rosa, Fischer, Grier, Phillips, Allion, Moore, Downey, Pendergrass, Rubio

Noes: None

Absent: Stefani

9. INFORMATIONAL ITEMS

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

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Mr. Hogg answered questions from the Board with regard to the Sodium Absorption Rate (SAR) chart included in the Board packet.

Mr. Sciuto in answering Member Allion stated that the Salinas River Diversion Facility (SRDF) has limits in place on when it can be used. Mr. Cronin added that staff performs routine preventative maintenance and bumps the motors monthly.

B. Pure Water Monterey Update

Mr. Sciuto provided some highlights of the Pure Water Monterey Project.

10. STAFF REPORTS

A. General Manager/Assistant General Manager/Legal Counsel

Mr. Sciuto reported on the following:

- Mr. Sciuto referenced an article he wrote that was featured in "Source" Magazine titled "Monterey Looks to Alternative Sources for Groundwater Recharge Project." A copy of the magazine was provided to each of the Board Members for reference.
- 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 has been selected to receive recognition which will be awarded on September 27 in New Orleans. He noted that the Agency was one of 14 entities that will be receiving this award.
- Mr. Sciuto reported that he would be part of a panel presentation at the Annual WateReuse Symposium September 12-14, 2016 in Florida.
- Mr. Sciuto stated that he would be participating in a General Manager meeting in Sacramento on how water is reused in the State.

B. Update on Zero Waste Energy (ZWE) Anaerobic Digester Contracts – Jennifer Gonzalez, Engineering Manager

Ms. Gonzalez provided the background on the Zero Waste Energy (ZWE) Anaerobic Digester Contracts. She stated that on February 25, 2016 the Agency met with representatives from MRWMD, ZWE and two different departments from PG&E to determine how to move forward. Since that meeting, it has been a very long and slow process for MRWPCA staff, due to the regulatorily imposed lack of communication between the PG&E Electrical Interconnection Group and the Energy Contracts Group. Ms. Gonzalez provided an update on the progress made to date on the following:

- Interconnection:
MRWMD submitted an application for a direct permanent connection of the ZWE generator to the electrical grid, completely separate from MRWPCA, which is anticipated to take 9-12 months for approval. A temporary reconnection to MRWPCA has been approved by the PG&E Contracts Group, pending final approval by the Interconnection Group.
- Contracts:
MRWPCA has completed a temporary amendment to our original 1984 PPA, in order to reconnect, allowing the ZWE Generator reconnection while the MRWMD and ZWE work toward permanent electrically independent interconnection for the ZWE generator
- Contract Terms:
PG&E claims the cost of non-conforming energy exported to be approximately \$35,000 and is pursuing a reimbursement for that amount. Staff is working on a negotiation to potentially offset some of that amount to include potential reimbursements to the Agency of underpaid power during a period when PG&E's meter malfunctioned.

Member Allion thanked staff for the detail that went into this presentation. He stated that the issue of reimbursement will come down to laying down the facts and sequence of events. He stated that staff has a good start on the timeline and asked for more detail to be included.

In response to Member Allion's comment, Ms. Gonzalez stated that staff put together a timeline from January 2012 to present and has requested that MRWMD insert their portion of the timeline as well. MRWPCA and PG&E will continue to negotiate and resolve the request for reimbursement under the terms of the agreement.

11. BOARD MEMBER COMMENTS/REPORTS (None)

[Chair De La Rosa recessed Open Session at 7:05 pm, and commenced Closed Session at 7:08 pm]

12. RECESS TO CLOSED SESSION

A. Public Employee Performance Evaluation
Pursuant to Government Code 54957
Title: General Manager

B. Conference with Real Property Negotiators

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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 7:35 p.m. He announced that in the Closed Session the Board considered the three items listed on the agenda, and that with regard to each of the three items, information was provided to the Board, discussion followed and general directions were given to the negotiators. No reportable action was taken as to any matter.

14. ADJOURNMENT

At 7:37 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, September 26, 2016 at 6:00 pm.



Paul A. Sciuto, General Manager
Secretary to the Board



Gloria De La Rosa, Chair
MRWPCA Board of Directors