



Marina Coast Water District

Regular Board Meeting/Groundwater Sustainability Agency Board Meeting
December 18, 2017

Minutes

1. Call to Order:

President Gustafson called the meeting to order at 6:30 p.m. on December 18, 2017 at the Marina Council Chambers, 211 Hillcrest Avenue, Marina, California.

2. Roll Call:

Board Members Present:

Howard Gustafson – President
Thomas P. Moore – Vice President
Bill Lee
Jan Shriner
Herbert Cortez

Board Members Absent:

None

Staff Members Present:

Keith Van Der Maaten, General Manager
Roger Masuda, Legal Counsel
Michael Wegley, District Engineer
Kelly Cadiente, Director of Administrative Services
Brian True, Capital Projects Manager
Paul Lord, Water Conservation Specialist III
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Ken Pun, The Pun Group
Phil Clark, Seaside Resident
Andrew Sterbenz, Schaaf & Wheeler
Pierce Rossum, Carollo Engineers
Hans-Ulrich Siebeneick, Seaside Resident

3. Public Comment on Closed Session Items:

Mr. Phil Clark, Seaside Resident and Water Conservation Commission Chair, commented that he, District staff, and several other volunteers, went to Los Arboles Middle School and spent one day working with students in their garden area planting plants and informing them about rebates offered by the District.

The Board entered into closed session at 6:33 p.m. to discuss the following items:

4. Closed Session:

A. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Existing Litigation

- 1) Ag Land Trust v. Marina Coast Water District, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case Nos. H038550 and H039559
- 2) In the Matter of the Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, California Public Utilities Commission No. A.12-04-019 & A.13-05-017 Settlement Agreement
- 3) Marina Coast Water District v. California Public Utilities Commission, California Supreme Court Case No. S230728, Writ of Review
- 4) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, San Francisco Superior Court Case No. CGC-13-528312 (Complaint for Declaratory Relief); First Appellate District Court of Appeals Case No. A145604
- 5) Marina Coast Water District vs. California-American Water Company, Monterey County Water Resources Agency, and Does 1 through 50, San Francisco Superior Court Case No. CGC-15-547125 (Complaint for Breach of Warranties, etc.)
- 6) Marina Coast Water District v. California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180839 (Petition for Writ of Mandate). Sixth District Court of Appeal Case No. H042742
- 7) Marina Coast Water District v. California State Lands Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180895 (Petition for Writ of Mandate)

- B. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Sewer Infrastructure
Negotiating Parties: Howard Gustafson, Thomas Moore
Under Negotiation: Price and Terms

- C. Pursuant to Government Code 54956.9 (d)(2)
Conference with Legal Counsel – Anticipated Litigation
Significant exposure to Litigation – One Potential Case

- D. Pursuant to Government Code 54957
Public Employee Discipline/Dismissal/Release
Conference only with District Legal Counsel on procedural matters; no substantive issues shall be discussed.

The Board ended closed session at 7:00 p.m.

President Gustafson reconvened the meeting to open session at 7:01 p.m.

5. Reportable Actions Taken during Closed Session:

Mr. Roger Masuda, Legal Counsel, stated that the Board gave direction to file an appeal regarding Closed Session Item 4-A6.

6. Pledge of Allegiance:

President Gustafson led everyone present in the pledge of allegiance.

7. Oral Communications:

None.

8. Election of Board President and Vice President:

Director Lee nominated Director Moore to serve as President and Director Shriner to serve as Vice President. President Gustafson seconded the motion. The motion was passed.

Director Shriner	-	Yes	Vice President Moore	-	Yes
Director Lee	-	Yes	President Gustafson	-	Yes
Director Cortez	-	Yes			

President Moore invited Director Gustafson to conduct the rest of the meeting. Director Gustafson acquiesced.

9. Consent Calendar:

President Moore made a motion to approve the Consent Calendar consisting of A) Receive and File the Check Register for the Month of November 2017; B) Receive the Quarterly Financials for April 1, 2017 to June 30, 2017; C) Approve the Draft Minutes of the Joint Board/GSA Meeting of November 20, 2017; D) Approve the Draft Minutes of the Joint Board/GSA Meeting and Rate Study Workshop #3 of December 4, 2017; and, E) Approve the Proposed Regular Board/GSA Meeting and Workshop Schedule for 2018. Director Lee seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Shriner	-	Yes
Director Lee	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

10. Action Items:

- A. Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year ended June 3, 2017:

Ms. Kelly Cadiente, Director of Administrative Services, introduced Mr. Ken Pun, The Pun Group. Mr. Pun gave a brief introduction and presentation reviewing the District's financial reports. President Moore asked clarifying questions. He noted that he would like to see a separate paragraph on the wastewater system on page ii of the Comprehensive Annual Financial Report.

President Moore made a motion to accept the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year ended June 3, 2017. Director Lee seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Shriner	-	Yes
Director Lee	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

- B. Receive Presentation of the Revised Draft 5-Year Rate Study Financial Plan; and Provide Direction to Staff Regarding Preparation of the Final Rate Study:

Ms. Cadiente introduced Mr. Pierce Rossum, Carollo Engineers. Mr. Rossum gave a presentation on the latest information in the Rate Study following the direction given at Rate Workshop #3.

Mr. Masuda asked to get the draft Rate Study as soon as possible so that comments can be submitted before the January 22nd Board meeting.

Vice President Shriner inquired about a new State Law beginning in 2018 regarding metering requirements and a list of exemptions, and asked if this was incorporated in the Rate Study. Mr. Keith Van Der Maaten, General Manager, stated that a response to that question would be brought to the January 22nd Board meeting. Vice President Shriner asked other clarifying questions.

Agenda Item 10-B (continued):

President Moore questioned adding the demand management charge to the Prop 218 letter and noted that the letter should clarify what the trigger conditions would be. He also questioned projected water sales and how they might affect the proposed rates.

Mr. Masuda inquired if recycled water rates will be proposed in this Rate Study and asked when they would be available for review. He asked that his office receive the Study two weeks before the meeting so that they can review and comment on it. Mr. Rossum answered that they would get Mr. Masuda the Rate Study for review as soon as possible.

President Moore asked if rates for recycled water could even be calculated when the project isn't completed and no one knows what the final cost would be. Mr. Rossum answered that they would estimate the rates based on assumptions that are made today.

C. Receive the Draft District FY 2018-2019 Budget Schedule and Set Date for the 2018-2019 Budget Workshop:

Ms. Cadiente introduced this item. Vice President Shriner questioned the change in March meeting dates. Ms. Cadiente answered that it was due to the Prop 218 timeframe to allow 45 days for people to file protests after the first reading of the rates on January 22nd.

President Moore made a motion to approve the FY 2018-2019 budget schedule and budget workshop date. Director Lee seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Shriner	-	Yes
Director Lee	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

D. Consider Authorizing the Participation in Professionally Facilitated Mediation Regarding Conflicts with the Proposed Monterey Peninsula Water Supply Project and to Fund up to \$7,000 for MCWD's share of the Mediation Costs:

Mr. Van Der Maaten introduced this item explaining that staff is looking for direction to allow the District to participate in mediation as long as the mediation: 1) takes seriously the groundwater concerns; 2) discusses the alternate intake well locations; and 3) if it looks to be a delay tactic to not address the water purchase agreements in a timely fashion, then the District can remove themselves from participation. The Board asked clarifying questions and consensus was that the District should participate in the discussions.

President Moore made a motion to authorize the participation, per staff's recommendation, in professionally facilitated mediation regarding conflicts with the proposed Monterey Peninsula Water Supply Project and to fund up to \$7,000 for MCWD's share of the mediation costs. Director Lee seconded the motion.

Agenda Item 10-D (continued):

The motion was passed.

Director Gustafson	-	Yes	Vice President Shriner	-	Yes
Director Lee	-	Yes	President Moore	-	Yes
Director Cortez	-	No			

E. Consider Director Appointments to Standing Committees of the Board and to Outside Agencies for 2018, and as Negotiators to any Ad Hoc Committees of the Board:

President Moore made the following recommendations for Committee appointments for 2018:

Standing Committees:

Water Conservation Commission	Shriner - Lee as Alternate
Joint City/District Committee	Moore, Shriner – Lee as Alternate
Executive Committee	Moore, Shriner
Budget and Personnel	Gustafson, Cortez – Moore as Alternate
Community Outreach	Gustafson, Cortez – Moore, Shriner as Alternate

Appointments to outside agencies:

M1W	Moore – Gustafson as Alternate
FORA	Moore – Shriner, Gustafson, Lee, Cortez, GM as Alternates
LAFCO	Cortez – Lee as Alternate
JPIA	Cortez – Shriner as Alternate
SDA	Shriner – Moore, Lee, Cortez, and Gustafson as Alternates
FORA WWOC	GM – District Engineer as Alternate

Appointments to Ad Hoc Committees:

M1W / MCWD Ad Hoc Committee	– Moore and Shriner as negotiators
MCWD / SCSD Ad Hoc Committee	– Moore and Shriner as negotiators
SVBGSA Ad Hoc Committee	– Moore and Gustafson

President Moore made a motion to approve the proposed Committee assignments. Director Lee seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Shriner	-	Yes
Director Lee	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

F. Receive Justification for the Budgeted Rate Increases Effective January 1, 2018:

Ms. Cadiente introduced this item explaining that the District did not meet the goals from the 2013 Rate Plan and even with this increase, the District will still be short of the goal.

Mr. Hans-Ulrich Siebeneick, Seaside resident, asked where the numbers were. He wanted to know where it showed how much of an increase was going to affect his bill. Mr. Masuda answered that the increase was approved with the last Rate Study and it details the proposed increases. Ms. Cadiente stated that the rates are available on the District website.

President Moore made a motion to receive the justification for the budgeted rate increases effective January 1, 2018. Director Lee seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Shriner	-	Yes
Director Lee	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

11. Informational Items:

A. General Manager's Report:

No report.

B. Counsel's Report:

No report.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Shriner gave a brief update.

2. Joint City District Committee:

President Moore stated the meeting was scheduled for Wednesday, December 20th.

3. Executive Committee:

President Moore stated the meeting was scheduled for Monday, January 8th.

4. Community Outreach Committee:

President Moore stated the meeting was scheduled for Monday, January 8th.

5. Budget and Personnel Committee:

President Moore stated the meeting was scheduled for Monday, January 8th.

6. M1W Board Member:

President Moore gave a brief update.

7. LAFCO Liaison:

Director Cortez said the meeting was postponed.

8. FORA:

No report.

9. WWOC:

Mr. Van Der Maaten gave a brief update and stated that the next meeting was scheduled for January 3rd.

10. JPIA Liaison:

Vice President Shriner pointed out the correspondence from JPIA included in the packet.

11. Special Districts Association Liaison:

The next meeting is January 16th.

12. SVGSA Liaison:

No report.

12. Correspondence:

Director Gustafson noted that correspondence was included in the packet.

13. Board Member Requests for Future Agenda Items:

Director Gustafson noted that any requests could be emailed to staff.

14. Director's Comments:

Director Cortez, Vice President Shriner, and President Moore made comments.

Director Gustafson recessed the meeting from 8:46-8:50 p.m.

The Board returned to Closed Session at 8:50 p.m. to discuss the following item:

4. Closed Session:

- D. Pursuant to Government Code 54957
Public Employee Discipline/Dismissal/Release
Conference only with District Legal Counsel on procedural matters; no substantive issues shall be discussed.

The Board ended closed session at 9:00 p.m.

Director Gustafson reconvened the meeting to open session at 9:01 p.m.

5. Reportable Actions Taken during Closed Session:

Director Gustafson stated that no reportable action was taken and direction was given.

15. Adjournment:

The meeting was adjourned at 9:02 p.m.

APPROVED:



Thomas P. Moore, President

ATTEST:



Paula Riso, Deputy Secretary