

Marina Coast Water District
Special Board Meeting/Groundwater Sustainability Agency Board Meeting
July 30, 2019

Minutes

1. Call to Order:

President Moore called the meeting to order at 6:30 p.m. on July 30, 2019 at the District office, 11 Reservation Road, Marina, California.

2. Roll Call:

Board Members Present:

Thomas P. Moore – President
Jan Shriner – Vice President
Herbert Cortez
Peter Le
Matt Zefferman

Board Members Absent:

None

Staff Members Present:

Keith Van Der Maaten, General Manager
Roger Masuda, District Counsel
Derek Cray, Operations and Maintenance Manager
Kelly Cadiente, Director of Administrative Services
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Andrew Sterbenz, Schaaf & Wheeler
Robert Porr, Fieldman Rolapp & Associates
Laura Carpenter, Fieldman Rolapp & Associates
Philip Clark, Seaside Resident, WCC Member
Therese Kollerer, East Garrison Resident

3. Pledge of Allegiance:

Ms. Paula Riso, Executive Assistant, led everyone present in the pledge of allegiance.

4. Oral Communications:

There were no public comments.

5. Staff report:

A. Receive Information about Pacific Gas and Electric's Revamped Public Safety Power Shutdown Program:

Mr. Derek Cray, Operations and Maintenance Manager, briefly discussed the Public Safety Power Shutdown program that Pacific Gas and Electric (PG&E) has implemented to assess fire risk. He stated the program is in effect during wildfire season although PG&E may shut down the power proactively any time there is a red flag warning. Mr. Cray added that with PG&E's new guidelines and procedures, communities are now at risk of having their electrical power shutoff for up to five consecutive days. Mr. Cray stated that currently, the District does not have enough standby power to sustain a five-day system wide power outage. The Board asked clarifying questions.

6. Action Items:

A. Consider Adoption of Resolution No. 2019-52 to Ratify and Continue the Emergency Contract to TJC and Associates, Inc. for the Design of Generators and Automatic Transfer Switches at the District's Water and Wastewater Pumping Sites:

Mr. Cray introduced this item. The Board asked clarifying questions. Director Le asked how long until the design was done. Mr. Cray answered that a preliminary design would take about four weeks and then the generators could be ordered, and the completed design would take between eight and twelve weeks. He said it would take anywhere from four to sixteen weeks to have the generators built. Director Le asked for a rough cost. Mr. Cray answered the generators cost approximately \$700,000 and the construction cost is approximately \$700,000.

Director Zefferman asked if solar power could be used for the generators. Mr. Cray answered that solar power was expensive and maintenance intensive, and they required more space than there is available at the different sites.

President Moore commented that he was also in favor of solar power and suggested staff look into purchasing generators for both offices so they could continue to work in case of a power outage.

Vice President Shriner made a motion to adopt Resolution No. 2019-52 ratifying and continuing the emergency contract to TJC and Associates, Inc. for the design of generators and automatic transfer switches at the District's water and wastewater pumping sites. Director Cortez seconded the motion. The motion was passed.

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|--------------------|---|-----|------------------------|---|-----|
| Director Zefferman | - | Yes | Vice President Shriner | - | Yes |
| Director Le | - | Yes | President Moore | - | Yes |
| Director Cortez | - | Yes | | | |

B. Receive and Approve the District's 2019 Capital Financing Plan:

Ms. Kelly Cadiente, Director of Administrative Services, introduced this item and introduced Mr. Robert Porr and Ms. Laura Carpenter of Fieldman Rolapp & Associates.

Mr. Porr and Ms. Carpenter gave a presentation showing the Capital Financing Plan for 2019.

Director Le asked if the District could pay off the 2015 debt and refinance all debt at the lower rate. Mr. Porr answered that the District would be unable to do that because of terms and regulations. Director Le suggested getting funds for all five years of the Capital Improvement Program instead of only three years. Mr. Porr said it was not usually recommended to go beyond three years because it is difficult to spend the funds in that time and could end up costing the District more in the long run. Ms. Cadiente noted that the Bonds would be paid by both capacity fees and by rates. The Board asked clarifying questions and asked staff to bring back a list of projects that would be included in the \$23 million bonds.

Director Cortez made a motion to approve the District's 2019 Capital Financing Plan. Vice President Shriner seconded the motion. The motion was passed.

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|--------------------|---|-----|------------------------|---|-----|
| Director Zefferman | - | Yes | Vice President Shriner | - | Yes |
| Director Le | - | No | President Moore | - | Yes |
| Director Cortez | - | Yes | | | |

C. Consider Adoption of Resolution No. 2019-53 to Authorize the Issuance of Revenue Bonds in the Amount of \$23,000,000 and Proceed with a Request for Proposals for Underwriting Services for the Transaction:

Ms. Cadiente introduced this item. The Board asked clarifying questions and asked staff to bring back a list of projects that would be included in the \$23 million bonds. President Moore suggested rewording the resolution to say: Authorize the District to Retain Jones Hall as Bond Counsel, Fieldman Rolapp & Associates as Financial Advisor and Proceed with a Request for Proposals (RFP) for Underwriting Services for a Possible Issuance of Bonds to Finance up to \$23,000,000 in Capital Projects.

President Moore made a motion to retain Jones Hall as Bond Counsel; Fieldman Rolapp & Associates as Financial Advisor; and, proceed with a Request for Proposals for underwriting services for a possible issuance of bonds to finance up to \$23,000,000. Vice President Shriner seconded the motion. The motion was passed.

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|--------------------|---|-----|------------------------|---|-----|
| Director Zefferman | - | Yes | Vice President Shriner | - | Yes |
| Director Le | - | No | President Moore | - | Yes |
| Director Cortez | - | Yes | | | |

D. Consider Adoption of Resolution No. 2019-54 to Declare Intention to Reimburse Expenditures Relating to Water and Wastewater Projects and Capital Equipment from the Proceeds of Tax-Exempt Obligation Bonds:

Ms. Cadiente introduced this item. The Board asked clarifying questions including why the District chose to reimburse itself with bond proceeds up to \$10 million in construction costs and equipment purchases. Ms. Cadiente stated that it was a conservative number to allow Capital work to begin even if the bond proceeds haven't yet been received, and to reimburse itself for that work once the proceeds come in.

Director Zefferman made a motion to declare intention to reimburse expenditures relating to water and wastewater projects and capital equipment from the proceeds of Tax-Exempt Obligation Bonds. Vice President Shriner seconded the motion. The motion was passed.

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|--------------------|---|-----|------------------------|---|-----|
| Director Zefferman | - | Yes | Vice President Shriner | - | Yes |
| Director Le | - | No | President Moore | - | Yes |
| Director Cortez | - | Yes | | | |

7. Public Comment on Closed Session Items:

There were no public comments.

President Moore recessed the meeting from 8:46 p.m. until 8:52 p.m.

The Board entered into closed session at 8:52 p.m. to discuss the following items:

8. Closed Session:

A. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Existing Litigation

- 1) 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 Application (“A.”) 12-04-019
- 2) Marina Coast Water District v. California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. 15CV00267, Sixth Appellate District Court of Appeals Case No. H045468

President Moore reconvened the meeting to open session at 9:21 p.m.

9. Reportable Actions Taken during Closed Session:

Mr. Roger Masuda, District Counsel, stated that there were no reportable actions taken during Closed Session.


10. Director's Comments:

Director Zefferman, Director Cortez, Director Le, Vice President Shriner, and President Moore made comments. An Annexation update was requested for the August meeting, and an update to the Board Procedures Manual to include the Social Media Policy.

10. Adjournment:

The meeting was adjourned at 9:29 p.m.

APPROVED:



Thomas P. Moore, President

ATTEST:



Paula Riso, Deputy Secretary