

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
June 28, 2006
6:45 p.m.

Minutes

1. Call to Order:

President Brown called the meeting to order at 6:45 p.m. on June 28, 2006.

Board Members Present:

David Brown – President
Howard Gustafson – Vice President
Ken Nishi
Charles Scholl

Board Members Absent:

Tom Moore

Staff Members Present:

Marc Lucca, General Manager
Lloyd Lowrey, Legal Counsel
Andrew Sterbenz, Interim District Engineer
Suresh Prasad, Director of Finance
Richard Youngblood, Conservation Coordinator
Ken Demmons, Project Engineer
James Derbin, Operations Engineer
Paula Riso, Executive Assistant/Clerk to the Board

Audience:

Eric Robinson, Cypress Knolls
Bob Schaffer, Marina Community Partners
Dick Goblirsch, Del Rey Oaks
Bill Brasher, Marina Heights
Bob Holden, MRWPCA
Trang Tu-Nguyen, University Villages
Tim O'Halloran, City of Seaside
Doug Yount, City of Marina
Chris Luffman, Creekbridge Homes
Chandler Roland

3. Closed Session:

- A. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiator
Property: Easements, Rights-of-Way, Pipelines and Appurtenances, and Water Rights
Negotiating Parties: MCWD and MRWPCA
Under Negotiation: Price and Terms
- B. Pursuant to Government Code Section 54956.9
Conference with Real Property Negotiators
Property: Proposed Corporation Yard Site
Negotiating Parties: MCWD and City of Marina
Under Negotiation: Price and Terms

President Brown reconvened the meeting to Open Session at 7:00 p.m.

4. Pledge of Allegiance:

Everyone present participated in the pledge of allegiance.

5. Possible Action on Closed Session Items:

President Brown stated that no action was taken in closed session except to give direction to the General Manager.

6. Oral Communications:

There were no comments.

7. Consent Calendar:

President Brown stated that items A (Adopt Resolution No. 2006-50 to Adopt a District Planning and Zoning Law Compliance Policy), D (Direct the General Manager to Send a Letter of AB 2951 Regarding Capital Facilities Fees), and E (Approve the Draft Minutes of the Regular Board Meeting of May 24, 2006) were going to be pulled. Director Nishi requested to pull item C (Adopt Resolution No. 2006-52 Modifying the Community Participation and Employee Recognition Programs) from the consent calendar.

Vice President Gustafson made a motion to approve the consent calendar consisting of item: B) Adopt Resolution No. 2006-51 to Authorize the Purchase of a Replacement Portable Diesel Electric Generator. President Brown seconded the motion. The motion was passed.

Agenda Item 7 (continued):

Director Moore	-	Absent	Vice President Gustafson	-	Yes
Director Scholl	-	Yes	President Brown	-	Yes
Director Nishi	-	Yes			

A. Adopt Resolution No. 2006-50 to Adopt a District Planning and Zoning Law Compliance Policy:

Mr. Marc Lucca, General Manager, stated that this item was pulled because the "Resolved" portion of the resolution had one addition. A revised resolution was distributed for review.

Vice President Gustafson made a motion to adopt Resolution No. 2006-50 adopting a District Planning and Zoning Law Compliance Policy as revised. President Brown seconded the motion. The motion was passed.

Director Moore	-	Absent	Vice President Gustafson	-	Yes
Director Scholl	-	Yes	President Brown	-	Yes
Director Nishi	-	Yes			

C. Adopt Resolution No. 2006-52 Modifying the Community Participation and Employee Recognition Programs:

Director Nishi asked if the Employee of the Quarter and Year programs were complete for the year. Mr. Lucca stated that the Employee of the Quarter was complete and the Employee of the Year was not. Director Nishi asked to have the Employee of the Year program completed.

Director Nishi made a motion to adopt Resolution No. 2006-52 modifying the Community Participation and Employee Recognition programs following completion of the Employee of the Year program. President Brown seconded the motion. The motion was passed.

Director Moore	-	Absent	Vice President Gustafson	-	Yes
Director Scholl	-	Yes	President Brown	-	Yes
Director Nishi	-	Yes			

D. Direct the General Manager to Send a Letter of AB 2951 Regarding Capital Facilities Fees:

Mr. Lloyd Lowrey, Legal Counsel, removed himself from the room due to a conflict of interest. Mr. Lucca introduced this item. There were no questions or comments on this item.

Agenda Item 7-D (continued):

Vice President Gustafson made a motion to direct the General Manager to send a letter of AB 2951 regarding capital facilities fees. Director Nishi seconded the motion. The motion was passed.

Director Moore	-	Absent	Vice President Gustafson	-	Yes
Director Scholl	-	Yes	President Brown	-	Yes
Director Nishi	-	Yes			

E. Approve the Draft Minutes of the Regular Board Meeting of May 24, 2006:

Mr. Lucca stated this item was pulled because Director Moore had contacted staff and requested a slight change on page 8 of the minutes.

Vice President Gustafson made a motion to approve the draft minutes of the regular Board meeting of May 24, 2006 as revised by Director Moore. President Brown seconded the motion. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

8. Action Items:

A. Consider Adoption of Resolution No. 2005-53 to Approve an Agreement for Financing Repair and Operation of Existing Desalination Plant:

President Brown stated that a memo was received from Director Moore listing many questions and President Brown proposed postponement of this agreement until Director Moore's return. Vice President Gustafson commented that the questions looked like they had been answered previously. President Brown stated that he wasn't sure they had been. Director Nishi asked when the memo was received from Director Moore. Mr. Lucca answered that it was received at 11:08 am that morning and he was tied-up in meetings until 4:00 pm and unable to review the document.

Director Scholl commented that he was not going to support this agreement because Director Moore was addressing legitimate issues about an agreement that is literally flawed. He felt that the agreement was cleverly crafted to the advantage of the developers by their attorneys. Director Scholl stated that this agreement rewards the residents of Central Marina if the District does a lousy job and punishes them if the District does a good job. He then gave an explanation of why he felt that way.

Vice President Gustafson stated that the agreement provides revenue to put aside to fund studies or initial impacts that might come along with starting a venture into a new water supply or source.

Agenda Item 8-A (continued):

Mr. Lucca stated that he had put together an overhead that summarizes what is in the agreement and offered to review the summary with the Board.

Mr. Chandler Roland, Marina resident, voiced his opinion of the desalination agreement and his concerns over the developers possibly wanting to increase the size of their development.

Mr. Eric Robinson, Cypress Knolls, commented that this agreement was brought about by the litigious actions facing the first several developments. He stated that this agreement is to make the projects more defensible in the litigations that have been attacking the developments. Mr. Robinson encouraged approval of this document and not delay it until the next meeting.

President Brown commented that he was perhaps the only undecided member of the Board and would like more time to review Director Moore's comments before considering approval of the agreement.

Director Nishi commented that since this agenda was light and the desal agreement was important; the Board should commit the rest of the entire evening working it out. Discussion followed.

President Brown asked Mr. Robinson if the agreement could be postponed. Mr. Robinson answered that it could wait until next meeting if that would make the Board more comfortable.

Mr. Doug Yount, City of Marina, commented that it might be helpful for the General Manager to review his summary of the agreement. President Brown asked Mr. Lucca to briefly go over a summary of the agreement.

Mr. Lucca briefly summarized the main points in the proposed agreement. A handout of the summary was provided to the public for review. Director Scholl asked for clarification on several points. Discussion followed. Director Nishi stated he couldn't understand why there was a concern over the developers paying for the desalination plant.

President Brown postponed this item until July 12, 2006.

B. Consider Adoption of Resolution No. 2006-55 Regarding the US Army's Final Water Needs Assessment Report – Presidio of Monterey/Ord Military Community:

Mr. Lucca introduced this item. There were no questions or comments on this item.

Agenda Item 8-B (continued):

Director Nishi made a motion to adopt Resolution No. 2006-55 regarding the US Army's Final Water Needs Assessment Report – Presidio of Monterey/Ord Military Community. Vice President Gustafson seconded the motion. The motion was passed.

Director Moore	-	Absent	Vice President Gustafson	-	Yes
Director Scholl	-	Yes	President Brown	-	Yes
Director Nishi	-	Yes			

9. Staff Reports:

- A. Receive Update on the Ord Community Reservoirs D and E Replacement Project and Environmental Assessment/Initial Study (EA/IS):

Mr. Ken Demmons, Project Engineer, introduced this item. There were no questions or comments on this item.

- B. Receive Update on Draft Ordinance 42 Defining Dwelling Units:

Mr. Sturbenz introduced this item. Director Nishi complimented Mr. Sterbenz on a job well done.

- C. Revisit Strategic Plan Goals and Objectives Quarterly:

Mr. Lucca introduced this item. There were no questions or comments on this item.

10. Informational Items:

- A. General Manager's Report:

Mr. Lucca stated that Pajaro/Sunny Mesa planned on making a presentation to the Board at one of the July meetings. He also commented that he had met with the CPUC the day before to discuss the Cal-Am proposed coastal water project as they are meeting with all of the water agencies in the area. Mr. Lucca stated that a letter from the MRWPCA was distributed to the Board as requested by one of the Board members. He also commented that there were several upcoming AB 1234 Ethic Training classes on July 27th in Salinas and November 13th in Santa Cruz.

- B. Counsel's Report:

Mr. Lowrey stated there was nothing to report.
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C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

No comments.

2. Joint City-District Committee:

Mr. Lucca stated that there wasn't much to report from the meeting other than the meetings will now be held at the City of Marina's Planning Department's conference room on Cypress Avenue. Director Nishi stated that Councilman Wilmot asked the District to create a water consumption report for the Ord Community and was told by Mr. Lucca that the District has already created the report. Councilman Wilmot was pleased.

3. MRWPCA Board Member:

Director Nishi stated that a budget meeting was held recently and he was concerned over a \$10 million loan the MRWPCA was looking at procuring. Director Nishi stated he voted against the budget. Director Scholl asked how Director Nishi voted in regards to the MRWPCA's agenda item 6A to put liens against real property for owners that are delinquent in paying their sewer charges. Director Nishi stated he voted in favor of the lien. Director Scholl asked if there was a conflict as Director Nishi was mentioned as a delinquent customer. Mr. Lowrey stated he had not looked into the matter and was unaware if there was a conflict. Director Nishi stated he hadn't paid his sewer bills because he felt he had an obligation to see how staff treats delinquent customers. He added that he does the same thing with the District's water bills.

4. LAFCO Liaison:

Director Nishi stated that LAFCO's Municipal Services Review of the District should be ready very soon.

5. JPIA Liaison:

No comments.

6. Special Districts Association (SDA) Liaison:

No comments.

7. FORA:

Director Nishi stated the FORA meeting was a standard meeting.
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8. Executive Committee:

No comments.

9. Community Outreach:

No comments.

D. Director's Comments:

Director Nishi stated that the letter provided by the MRWPCA was not the letter he was asking for. Mr. Lucca answered that the MRWPCA and District staff have looked and were unable to find a letter specifically asking the District not to appoint Director Nishi as the MRWPCA liaison. Director Nishi then asked for a letter stating that neither agency could find such a letter. Mr. Lucca stated that he believed his cover memo transmitting the MRWPCA letter covered the fact neither agency was able to find the requested letter.

President Brown recessed the meeting from 8:18 until 8:23 p.m.

11. Planning Workshop:

A. Receive Update on Water Conservation Goals and Objectives:

Mr. Richard Youngblood, Conservation Coordinator, gave a brief presentation on the Water Conservation Goals and Objectives.

Director Nishi asked if a column could be added to the Water Conservation Goals showing a cumulative total of water savings. Mr. Youngblood answered that it would be easy to do. Director Nishi stated that although the school program did not show measurable water conservation, it was very important because the District was teaching the next generation to be conservationists.

Director Scholl asked Mr. Youngblood what policies the Board has established in water conservation. Mr. Youngblood answered that the Board passed Ordinances beginning with the first one, defining water conservation. Director Scholl stated the Board owes the Conservation department direction as to what they expect. Director Scholl suggested adding another column titled "potential" that shows which water savings has the greatest potential with the least amount of effort. He also suggested looking at other programs such as a flapper rebate program. Discussion on rebate and landscape programs continued.

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12. Adjournment:

The meeting was adjourned at 8:55 p.m.

APPROVED:

David W. Brown, President

Date

ATTEST:

Marc A. Lucca, General Manager