

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
November 9, 2010
6:45 p.m.

Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:45 p.m. on November 9, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi– President
Bill Lee – Vice President
Howard Gustafson
Tom Moore – arrived at 7:00 p.m.
Dan Burns

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Suresh Prasad, Director of Finance
Jean Premutati, Management Services Administrator
Kelly Cadiente, Director of Administrative Services
Rich Youngblood, Conservation Coordinator
Evelina Adlawan, Water Quality Manager
Jim Dowless, Operations and Maintenance Superintendent
Gary Rogers, Associate Engineer
Paula Riso, Executive Assistant/Board Clerk

Audience Members:

Ron Chesshire, Union Representative
Richard Newhouse, Marina Resident
Erin Barnes, CSUMB Student
Ally Haug, CSUMB Student
Jeff Toone, CSUMB Student

The Board entered into closed session at 6:45 p.m.

3. Closed Session:

- A. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Section 54956.9)
Ag Land Trust v. Marina Coast Water District and Does 1-100, Monterey County Superior Court Case No. M105019 (First Amended Petition for Writ of Mandate and Complaint for Declaratory Relief)
- B. Pursuant to Government Code 54957.6
Conference with Labor Negotiator
Agency Negotiator (General Manager)
Employee Organization: Marina Coast Water District Employees Association
- C. Pursuant to Government Code 54957.6
Conference with Labor Negotiator
Agency Negotiator (General Manager)
Employee Organization: Teamsters Local 890
- D. Pursuant to Government Code 54957.6
Conference with Labor Negotiators
Agency designated representatives: Kenneth K. Nishi and William Lee
Unrepresented Employee: General Manager

President Nishi ended closed session at 7:16 p.m. and reconvened the meeting to open session at 7:17 p.m.

4. Possible Action on Closed Session Items:

Mr. Lloyd Lowrey, Legal Counsel, reported that on item 3-A, the Board of Directors met and conferred with Legal Counsel, and no action was taken. On items 3-B and 3-C, the Board of Directors met and conferred with the negotiator, direction was given and no action was taken. On item 3-D, the Board of Directors met with the negotiator, direction was given and no action was taken.

5. Pledge of Allegiance:

President Nishi asked Mr. Jim Dowless, Operations and Maintenance Superintendent, to lead everyone present in the Pledge of Allegiance.

6. Oral Communications:

No comments.

7. Consent Calendar:

Director Gustafson made a motion to approve the Consent Calendar consisting of items:

- A) Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2010
- A) Consider Adoption of Resolution No. 2010-71 to Authorize the General Manager to Approve the Hire of Short-Term, Non-benefitted, Contract Employees
- B) Consider Approval to Send a Letter of Request to Monterey County Water Resource Agency for the Inclusion of the Former Armstrong Ranch Property into the Castroville Seawater Intrusion Project
- C) Receive the Quarterly Financial Statements for July 1, 2010 to September 30, 2010
- E) Approve the Expenditures for the Month of October 2010
- F) Approve the Draft Minutes of the Regular Board Meeting of October 12, 2010

Director Burns seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

8. Action Items:

- A. Consider Adoption of Resolution No. 2010-72 to Authorize the Construction Contract for CIP# OW-0170 with Maggiora Bros. Drilling, Inc. for the Destruction of the Existing Well No. 32 and Construction of New Well No. 34 Within a Not-To-Exceed Project Work Amount of \$655,090:

Mr. Gary Rogers, Associate Engineer, introduced this item.

Director Gustafson made a motion to adopt Resolution No. 2010-72 to authorize the construction contract for CIP# OW-0170 with Maggiora Bros. Drilling, Inc. for the destruction of the existing Well No. 32 and construction of new Well No. 34 within a not-to-exceed project work amount of \$655,090. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- B. Consider Adoption of Resolution No. 2010-69 to Adopt a Workforce Development Training Policy for Promotion of Local Apprenticeship Hiring in Marina Coast Water District Projects:

Mr. Carl Niizawa, Deputy General Manager/District Engineer, introduced this item.

Director Moore made a motion to adopt Resolution No. 2010-69 adopting a Workforce Development Training Policy for promotion of local apprenticeship hiring in Marina Coast Water District Projects. Director Gustafson seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- C. Consider Adoption of Resolution No. 2010-73 to Approve a Loan from Rabobank, N.A. for \$3,276,000 to Fund the Construction of Building C and Site Improvements Within the Imjin Office Park:

Ms. Kelly Cadiente, Director of Administrative Services, introduced this item and provided the Board with two loan options to select from. Option 1 – a 12-Month Real Estate Construction Loan; and, Option 2 – a Certificate of Deposit Secured Non-Revolving Line of Credit. Director Moore asked for clarification on Option 2 that the funds would be withdrawn from LAIF and the bank would loan the funds back to the District with the CD, not the Deed of Trust, being the security on the loan. Ms. Cadiente answered that he was correct.

Vice President Lee made a motion to adopt Resolution No. 2010-73 approving a loan from Rabobank, N.A. for \$3,276,000 to fund the construction of Building C and site improvements within the Imjin Office Park and using Option 2, a Certificate of Deposit Secured Non-Revolving Line of Credit. Director Gustafson seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- D. Consider Adoption of Resolution No. 2010-74 to Accept the Water Supply Assessment for the Proposed Whispering Oaks Development in Monterey County:

Mr. Niizawa introduced this item. Director Burns inquired if the Development was using potable water and if they were going to use any recycled water. Mr. Niizawa answered that the County's allocation includes 710 acre-feet of potable water and approximately 100 acre-feet of recycled water. They will use potable water until recycled water is available.

Agenda Item 8-D (continued):

Director Burns made a motion to adopt Resolution No. 2010-74 to accept the Water Supply Assessment for the proposed Whispering Oaks Development in Monterey County. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- E. Consider Adoption of Resolution No. 2010-75 to Approve Amendment No. 2 to the Professional Services Agreement with RMC Water and Environment for Program Management and Engineering Services for the Regional Water Supply Project for a Not-to-Exceed Amount of \$578,000:

Mr. Niizawa introduced this item. Director Burns asked if this was design work. Mr. Jim Heitzman, General Manager, said it was mostly for permitting for environmental work. Director Moore inquired if the District has been billing CalAm for these services and if they have been paying promptly. Mr. Heitzman answered that as soon as the District receives the invoices, a bill is sent to CalAm and they are very prompt with their payments.

Director Burns made a motion to adopt Resolution No. 2010-75 to approve Amendment No. 2 to the Professional Services Agreement with RMC Water and Environment for Program Management and Engineering Services for the Regional Water Supply Project for a not-to-exceed amount of \$578,000. Director Gustafson seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- F. Consider Adoption of Resolution No. 2010-76 to Direct Staff to Seek Proposals for Supplemental Professional Legal Services for the Board Committees:

Mr. Heitzman introduced this item.

Director Moore made a motion to adopt Resolution No. 2010-76 to Direct Staff to Seek Proposals for Supplemental Professional Legal Services for the Board Committees. Director Gustafson seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- G. Consider Adoption of Resolution No. 2010-77 to Authorize the Issuance and Sale of Refunding Bonds in the Principal Amount of Not-to-Exceed \$9,000,000 to Refund Outstanding Promissory Note Relating to Land Acquisition, and Approving Related Documents and Actions:

Mr. Heitzman stated that staff recommends pulling this item until further notice.

9. Staff Reports:

- A. Receive 3rd Quarter 2010 Ord Community Quarterly Water Consumption and Sewer Flow Report:

Mr. Richard Youngblood, Conservation Coordinator, introduced this item. President Nishi noted that the water consumption has risen for CSUMB. Mr. Youngblood commented that CSUMB has just finished their meter installation project and now the unmetered water use has been adjusted so it is showing under the consumption.

- B. Receive Update on the Regional Water Supply Project:

Mr. Heitzman commented that there will be oral arguments before the California Public Utilities Commission (CPUC) on November 10th and at this time the only opponents are the Division of Rate Payer Advocates and the Monterey Peninsula Water Management District. On November 17th, written comments will be submitted and an All-Hands meeting will take place on November 22nd. December 2nd will be the ruling by the CPUC on the project.

Director Moore asked Mr. Heitzman to share the written comments with the Board when they are prepared for submittal. Mr. Heitzman said they would be working right up to the eleventh hour, but will share the comments with the Board when they are ready.

10. Informational Items:

- A. General Manager's Report:

No report.

- B. District Engineer's Report:

No report.

- C. Counsel's Report:

No report.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee commented that staff has advised that the vacancy for the Commission has been advertised.

2. Joint City-District Committee:

President Nishi stated the Committee will meet on November 10th and that Vice President Lee and Director Burns would attend.

3. Budget and Personnel Committee:

Director Gustafson commented that he and Director Burns met with staff and discussed parameters and will hash out things at the next meeting.

4. Operations and Maintenance Committee:

Vice President Lee commented that a Chair was selected and started doing basic set-up for the Committee.

5. Projects and Planning Committee:

President Nishi commented that a Chair was selected and the minutes were in the Board packet.

6. Special Districts Association Liaison:

Vice President Lee commented that there was a discussion on California Forward by Bruce McPherson.

7. MRWPCA Board Member:

President Nishi commented that the meeting is set for the 29th of November.

8. LAFCO Liaison:

Director Moore stated that the meeting was October 25th and they approved the merger between the Monterey County Fire Protection District and the Carmel Fire Protection District. There will be a seven member appointed board for the merged District's.

9. JPIA Liaison:

No comments.

10. FORA:

President Nishi stated that the next meeting was Friday, November 12th.

11. Executive Committee:

No meeting was held.

12. Community Outreach:

Director Gustafson commented that after four and a half months of outreach, the public is tired of it.

E. Director's Comments:

Director Moore commented that this is likely to be his last Board meeting at the District as he was not re-elected in the last election. He commented that it has been an interesting 17 years in working with staff and the interesting challenges where a lot has been accomplished. Director Moore commented that the District took on the Fort Ord service area, first under contract, then winning it over CalAm. The District built a 300 acre-foot per year desalination plant and successfully operated it for several years. Director Moore commented that the District built a 300 acre-foot reclaimed water plant and successfully operated it for several years providing reclaimed water to Tate Park and common area landscaping in an adjoining sub-division. The District positioned itself well with land purchases such as the Armstrong Ranch. The District has positioned itself well for the Regional Desalination Plant. Director Moore commented that staff has been very professional all along and he appreciates their hard work and their help in supporting his work on the Board.

Director Gustafson commented that he would like to thank the public for supporting the Board on the project over the last several months and for re-electing him. He thanked staff for making the Board look good on this project and working hard. Director Gustafson commented that it has been a pleasure working together.

Director Burns asked for an Outfall capacity charge update sometime in the future. He asked the Finance Department for a spreadsheet showing the millions of dollars the Board has been approving and how they are being financed.

Vice President Lee congratulated the General Manager and staff on their hard work. He thanked the public for attending the meeting and seeing what goes on at the District.

President Nishi commented that he is glad the Board is working better together and getting things done. A lot has been accomplished and the big issue with the Regional Desal will be a big feather in the District's cap. President Nishi gives credit to the Board for taking a lot of flack but moving forward.

11. Adjournment:

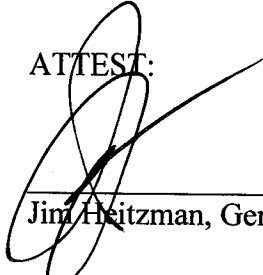
The meeting was adjourned at 7:50 p.m.

APPROVED:



William Y. Lee, Vice President

ATTEST:



Jim Heitzman, General Manager