

Marina Coast Water District

Marina Council Chambers
11 Reservation Road
Marina, California

Regular Board Meeting
January 21, 2015
6:30 p.m.

Draft Minutes

1. Call to Order:

President Gustafson called the meeting to order at 6:30 p.m. on January 21, 2015.

2. Roll Call:

Board Members Present:

Howard Gustafson – President
Peter Le – Vice President
Tom Moore
Jan Shriner
Bill Lee

Board Members Absent:

None.

Staff Members Present:

Bill Kocher, Interim General Manager
Roger Masuda, Legal Counsel
Andy Sterbenz, Interim District Engineer
James Derbin, Operations and Maintenance Superintendent
Paul Lord, Water Conservation Specialist
Paula Riso, Executive Assistant

Audience Members:

Catherine Stedman, California American Water Company
Michael Salerno, Marina Resident

3. Public Comment on Closed Session Items:

No comments.

The Board entered into closed session to discuss the following items:

4. Closed Session:

A. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Section 54956.9)

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) 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)

4) Marina Coast Water District v. California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CGC-13-528312 (Petition for Writ of Mandate).

5) Marina Coast Water District v. California State Lands Commission (California-American Water Company, Real Party in Interest), case number pending (Petition for Writ of Mandate).

B. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Subdivision (c) of 54956.9
One Potential Case

C. Pursuant to Government Code 54957

Public Employee Appointment
Title: General Manager

D. Pursuant to Government Code 54956.8

Conference with Real Property Negotiator
Property: Recycled Water Pipeline, Recycled Water
Agency Negotiators: Peter Le and Howard Gustafson
Negotiating parties: MRWPCA, MCWRA, MPWMD, City of Salinas, and others.
Under Negotiation: Price and Terms

The Board entered closed session at 6:30 p.m. The Board ended closed session at 7:02 p.m.

President Gustafson reconvened the meeting to open session at 7:03 p.m.

5. Reportable Actions Taken during Closed Session:

Mr. Masuda reported that that the Board discussed items 4-A1, A2, A3, A4, and A5 and that no reportable action was taken during closed session.

6. Pledge of Allegiance:

President Gustafson led everyone present in the pledge of allegiance.

7. Oral Communications:

No comments.

8. Presentation:

- A. Consider Adoption of Resolution No. 2015-04 to Recognize Paul Lord, Water Conservation Specialist, and Awarding a Plaque and Gift Certificate for 10 Years of Service to the Marina Coast Water District:

Director Moore made a motion to adopt Resolution No. 2015-04 to recognize Paul Lord, Water Conservation Specialist, and awarding a plaque and gift certificate for 10 years of service to the Marina Coast Water District. Director Shriner seconded the motion. The motion was passed.

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

9. Consent Calendar:

Vice President Le pulled item A from the Consent Calendar.

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

- B. Approve the Draft Minutes of the Special Board Meeting of January 2, 2015,
- C. Approve the Draft Minutes of the Regular Board Meeting of January 5, 2015:

Director Shriner seconded the motion. The motion was passed.

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

A. Receive and File the Check Register for the Month of December 2014:

Following discussion, Director Moore made a motion to receive and file the Check Register for the month of December 2014. Director Shriner seconded the motion. The motion was passed.

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

10. Action Items:

- A. Discussion and Possible Action to Consider Directing Staff to Prepare a Request for Proposals to Provide Environmental Services During the Design of, and Subsequently, to Prepare CEQA Documents (EIR/EIS) for a Proposed 2,700 Acre Foot (af) Desalination Facility to Augment the Water Supply at the Ord Community:

The Board asked clarifying questions. Director Moore asked for his questions to be part of the record, so they are attached to these minutes.

Vice President Le made a motion to direct staff to prepare a Request for Proposals to provide Environmental Services during the design of, and subsequently, to prepare CEQA documents (EIR/EIS) for a proposed 2,700 af desalination facility to augment the Water Supply at the Ord Community and replace the 300 af mothballed desalination facility. Director Lee seconded the motion.

Mr. Michael Salerno, Marina resident, commented that he would like to see other alternatives on the table rather than just desalination. He voiced his concerns over the cost of this alternative. Mr. Salerno added that just because there may be an emergency for one jurisdiction's development, doesn't mean that it is an emergency for everyone.

More discussion followed.

The motion by Vice President Le was passed.

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

- B. Discussion and Possible Action to Consider Directing Staff to Prepare a Request for Qualifications (RFQ) to Design and Build a Proposed 2,700 acre foot (af) Desalination Facility to Augment the Water Supply for the Ord Community and a Solar Energy Offset Project Associated with the Desalination Project:

Mr. Bill Kocher, Interim General Manager, introduced this item and explained the difference between Design/Build and Design/Bid/Build. The Board asked clarifying questions.

Agenda Item 10-B (continued):

Vice President Le made a motion to direct staff to prepare a RFQ to design and build a proposed 2,700 af desalination facility to augment the water supply for the Ord Community and a solar energy offset project associated with the desalination project. Mr. Masuda cautioned that there is a question whether County Water Districts can do a Design/Build. Director Lee seconded the motion. Discussion followed.

Vice President Le made a substitute motion to direct staff to prepare a RFQ to design and build a proposed 2,700 af desalination facility to augment the water supply for the Ord Community and a solar energy offset project associated with the desalination project, if it is legally allowed. If it is not legally allowed, direct staff to prepare a RFQ to design, bid, and build a proposed 2,700 af desalination facility to augment the water supply for the Ord Community and a solar energy offset project associated with the desalination project. Director Lee seconded the motion. Discussion followed. The motion was passed.

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

C. Discussion and Possible Action to Consider Directing Staff to Prepare a Request for Qualifications (RFQ) to Prepare a Financing Plan for Design and Construction of a Proposed 2,700 af Desalination Facility and Solar Energy Offset Project and Open the RFQ Process for a Period of 60 Calendar Days:

Vice President Le made a motion to direct staff to prepare a RFQ to prepare a Financing Plan for design and construction of a proposed 2,700 af desalination facility and solar energy offset project and open the RFQ process for a period of 60 calendar days. Director Lee seconded the motion.

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

D. Discussion and Possible Action to Consider Annexing the Cemex Property; Soliciting Proposals for Environmental Services in Connection with this Annexation, and; Directing Staff to Prepare an Application for Submission to the Local Agency Formation Commission of Monterey County (LAFCO):

Mr. Kocher introduced this item and Mr. Masuda gave a brief background on the Annexation Agreement and the details within it detailing the annexation of the Cemex property. The Board asked clarifying questions.

Agenda Item 10-D (continued):

Director Shriner made a motion to table this item until the next meeting to allow time to review the Agreement and ask questions. Director Moore seconded the motion. The motion failed.

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

Vice President Le made a motion to authorize the Interim General Manager and District Counsel to contact Cemex and let them know the District's intention to annex their property into the District service area; and, obtain the application document from LAFCO and fill it in and report back to the Board at the next Board meeting. Director Lee seconded the motion. Discussion followed. The motion was passed.

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

E. Discussion and Possible Action to Consider Directing Staff to Present Comments to the Board on the Review of the Sewer Study Performed by the Seaside County Sanitation District:

Mr. Andrew Sterbenz, Interim District Engineer, introduced this item.

Vice President Le made a motion to direct staff to prepare a letter to cover the points mentioned in the staff report where the District disagrees with the assumptions in the Sewer Study report, have the Board President sign it and send to Seaside County Sanitation District and copy to LAFCO and all the Directors. Director Lee seconded the motion.

Mr. Salerno asked if it would change the flow of the wastewater to the plant and reduce the amount of recycled water available to the District in the future.

The motion was passed.

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

F. Discussion and Possible Action Regarding District Goals for 2015 and to Update the Adopted Strategic Plan with Senior Staff:

Mr. Kocher introduced this item. Discussion followed.

Agenda Item 10-F (continued):

Director Moore made a motion to set a Strategic Plan workshop for February 28th at 9 a.m. and to receive a status update from staff in the interim. Director Lee seconded the motion. The motion was passed.

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

G. Discussion and Possible Action to Consider Directing the General Manager to Prepare Future Staff Reports in a New Report Format:

Clarifying questions were asked.

Director Moore made a motion to approve the new staff report format and under “Other Considerations” list at least two options. Vice President Le seconded the motion. The motion was passed.

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

H. Consider Adoption of Resolution No. 2015-01 to Approve a Professional Services Agreement to Conduct an Executive Recruitment and Placement for the Position of General Manager:

Following discussion, Vice President Le made a motion to adopt Resolution No. 2015-01 to approve a Professional Services Agreement with Alliance Resource Consulting, LLC to conduct an executive recruitment and placement for the position of General Manager at a cost not-to-exceed the amount in the proposal and to authorize the President and Vice President as contact persons between the consultant and the Board. Director Lee seconded the motion. Discussion followed. The motion was passed.

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

11. Informational Items:

A. General Manager’s Report:

1. Correspondence Received by Board or General Manager:

Mr. Kocher gave a brief update on the process of the Bureau of Land Management building.

B. Counsel's Report:

1. General Counsel's Report:

Mr. Masuda reported on the Groundwater Sustainable Act and that legal counsel and staff would get together and provide a report on it.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Le stated that he had provided an update to the Board.

2. Joint City District Committee:

President Gustafson noted the next meeting was next week.

3. Executive Committee:

No meeting was held.

4. Community Outreach Committee:

No report.

5. MRWPCA Board Member:

Vice President Le stated that the meeting was next week.

6. LAFCO Liaison:

Vice President Le stated that the meeting was next week.

7. FORA:

Vice President Le stated that he had provided an update to the Board. Mr. Masuda noted that the updates Vice President Le provided to the Board were public documents and needed to be provided to the General Manager for inclusion in the Board packet.

8. WWOC:

Vice President Le stated that the meeting was next week.

9. JPIA Liaison:

No report. Director Moore stated that he was appointed as the alternate JPIA liaison at the last Board meeting and he was declining the appointment as the meetings were scheduled at times he was unavailable. He added that he notified the JPIA of his declination.

10. Special Districts Association Liaison:

Vice President Le stated there was discussion on CEQA mitigation.

12. Director's Comments:

Director Moore, Director Shriner, Vice President Le and President Gustafson made comments.

The Board returned to Closed Session at 8:58 p.m.

4. Closed Session:

B. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Subdivision (c) of 54956.9
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Under Negotiation: Price and Terms

President Gustafson reconvened the meeting to open session at 9:13 p.m.

5. Reportable Actions Taken during Closed Session:

President Gustafson stated that no reportable action was taken during closed session.

13. Adjournment:

The meeting was adjourned at 9:13 p.m.

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APPROVED:

Howard Gustafson, President

ATTEST:

Paula Riso, Deputy Secretary