

Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Regular Board Meeting  
March 16, 2010  
6:45 p.m.

**Minutes**

1. Call to Order:

President Nishi called the meeting to order at 6:45 p.m. on March 16, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi – President  
Bill Lee – Vice President  
Howard Gustafson  
Dan Burns

Board Members Absent:

Tom Moore

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  
Rich Youngblood, Conservation Coordinator  
Brian True, Capital Projects Manager  
Paula Riso, Executive Assistant

Audience Members:

Bob Holden, MRWPCA  
Jan Shriner, Marina Resident  
Molly Erickson, Stamp Law Firm  
Andy Sterbenz, Schaaf & Wheeler  
Richard Newhouse, Marina Resident  
Denise Duffy, DDA & Associates  
Leianne Humble, DDA & Associates  
Tim O'Halloran, City of Seaside

Michael Carson, MPC  
Chris Gibson, Marina Resident  
Gretchen Faus, Marina Resident  
Greg Furey, Marina Resident

The Board entered into closed session at 6:46 p.m.

3. Closed Session:

- A. Pursuant to Government Code Section 54957  
Public Employee Performance Evaluation  
Title: General Manager
- B. Pursuant to Government Code 54956.8  
Conference with Real Property Negotiator (General Manager, Legal Counsel)  
Property: Parcel of Land known as Sunset Place  
Negotiating Parties: MCWD, Residents, City of Marina  
Under Negotiation: Fee Title Ownership and Disposal
- C. Pursuant to Government Code 54956.8  
Conference with Real Property Negotiator (General Manager, Legal Counsel)  
Property: D/E Reservoir Site and Surrounding Land  
Negotiating Parties: MCWD and the City of Seaside  
Under Negotiation: Consideration and Terms

President Nishi reconvened the meeting to open session at 7:16 p.m.

4. Possible Action on Closed Session Items:

Mr. Lloyd Lowrey, Legal Counsel, stated that with regards to Agenda Item 3-A – the Board of Directors will postpone this item until the next meeting or if the full Board shows up later this evening; 3-B – the Board of Directors gave directions to the negotiating team and no action was taken; and, 3-C – the Board of Directors gave directions to the negotiating team and no action was taken.

5. Pledge of Allegiance:

President Nishi asked Vice President Lee to lead everyone present in the pledge of allegiance.

6. Oral Communications:

Ms. Jan Shriner, Marina resident, commented on her right to address the Board, the time of the meeting, the General Manager's salary and the City of Marina's agreement with Marina Heights.

7. Presentations:

- A. Consider Adoption of Resolution No. 2010-15 in Recognition of Community Member, Mr. Sid Williams, for his Dedicated Service to the MCWD as a Member on the Water Conservation Commission:

Mr. Richard Youngblood, Conservation Coordinator, announced that Mr. Williams was not available to attend this meeting. President Nishi postponed this item until the April Board meeting.

- B. Receive a Presentation on the Regional Water Project:

Mr. Jim Heitzman, General Manager, gave a brief presentation on the Regional Water Project.

Mr. Richard Newhouse, Marina resident, inquired on the agreements with the other agencies.

8. Consent Calendar:

Director Burns made a motion to approve the Consent Calendar consisting of items; A) Approve the Draft Spring 2010 Newsletter; B) Approve the Expenditures for the Month of February 2010; C) Approve the Draft Minutes of the Regular Board Meeting of February 9, 2010; D) Approve the Draft Minutes of the Special Board Meeting of February 17, 2010; E) Approve the Draft Minutes of the Special Board Meeting of February 24, 2010; and, F) Approve the Draft Minutes of the Special Board Meeting of March 3, 2010. Vice President Lee seconded the motion. The motion was passed.

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

9. Action Items:

- A. Consider Adoption of Resolution No. 2010-16 to Approve a Reimbursement Resolution to the State Water Resources Control Board for the Recycled Water Facility Component of the Regional Urban Water Augmentation Project:

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

Agenda Item 9-A (continued):

Director Burns made a motion to adopt Resolution No. 2010-16 approving a Reimbursement Resolution to the State Water Resources Control Board for the Recycled Water Facility Component of the Regional Urban Water Augmentation Project. Director Gustafson seconded the motion. The motion was passed.

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

B. Consider Adoption of Resolution No. 2010-17 to Approve an Agreement with Monterey Peninsula College (MPC) to Construct Potable Water Infrastructure:

Mr. Brian True, Capital Projects Manager, introduced this item and Mr. Mike Carson with Monterey Peninsula College.

Director Burns made a motion to adopt Resolution No. 2010-17 approving an Agreement with Monterey Peninsula College (MPC) to construct potable water infrastructure. Director Gustafson seconded the motion. The motion was passed.

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

C. Consider Coastal Water Project FEIR (SCH No. 2006101004) and Addendum; Consider Adoption of Resolution No. 2010-18 to Make CEQA Findings, Approve and Adopt Addendum to FEIR and Approve the Acquisition of 224-acres (+/-) of Armstrong Ranch Land and Appurtenant Easements:

Mr. Lowrey introduced this item. He stated it represents the culmination of the 1996 Annexation Agreement and the option for the District to purchase a portion of the Armstrong Ranch. The purchase option expires at midnight on June 30, 2010.

Mr. Lowrey stated that the actions the Board would be taking are:

- 1) Approving the Addendum to the Final Environmental Impact Report (FEIR);
- 2) Adopting the California Environmental Quality Act (CEQA) Findings; and,
- 3) Approving the exercise of options on the terms in the Agreement as amended.

Agenda Item 9-C (continued):

Ms. Molly Erickson, Michael Stamp Law Offices, stated that she represented the Land Ag Trust and they object to the transfer. Ms. Erickson submitted a thirty page letter dated March 16, 2010 with Exhibits A – BB, and a twenty-two page letter dated December 16, 2009 for the record. She urged the Board of Directors to read the letters before making a motion. Ms. Erickson asked that the presentation given by Mr. Heitzman be made a record of this item.

President Nishi recessed the meeting at 8:10 p.m. to allow the Directors time to read the documents Ms. Erickson presented.

President Nishi reconvened the meeting at 8:30 p.m.

Mr. Lowrey commented that everyone had a chance to review the letters and he wanted to address some of the issues then have Ms. Alison Imamura, Denise Duffy & Associates, briefly address the Board of Directors on the Environmental aspects of this Resolution.

Mr. Lowrey stated that on page sixty-nine of the Board packet, it explains the action the Board of Directors are being asked to take. The action is to “acquire and accept” the Site in accordance with the 1996 Agreement. Mr. Lowrey clarified that this action was not to approve the project. He added that Resolution also resolves that the District’s use of the Site after acquisition is conditioned upon CEQA compliance and that the District by determining to acquire and acquiring the Site does not foreclose analysis of any alternative or any mitigation measure in considering uses of the Site.

Mr. Lowrey said on page seventy of the Board packet, under CEQA compliance, Land Acquisition, the factors that apply for CEQA analysis are set forth there. The Supreme Court said this level of analysis is not required for Land Acquisition, normally. Mr. Lowrey stated that according to the case, *River Watch*, if the Board of Directors takes action which could facilitate some other project, they need to have a higher level of scrutiny, which is what the District is doing here this evening. The findings that are laid out show what projects may go on sometime in the future. Mr. Lowrey said it also shows that the District is considering and is aware of potential environmental impacts from projects that aren’t even approved yet but could be approved sometime in the future. The Board of Directors are making the appropriate findings for an Addendum and doing so properly as a responsible agency of the Public Utilities Commission, being lead agency for the certification of the Environmental Impact Report.

Agenda Item 9-C (continued):

Ms. Denise Duffy, Denise Duffy & Associates, stated that the Addendum does comply with CEQA, per Section 15164 of the CEQA guidelines. A lead or responsible agency, shall prepare an Addendum to a previously certified EIR, if some minor changes or additions are necessary. Marina Coast Water District is not the lead agency, but only a responsible agency. Ms. Duffy stated that the letter submitted by Ms. Erickson stated the lead agency should be the Marina Coast Water District. In only three cases has CEQA required the responsible agency to be the lead agency, and it does not apply in this case. Ms. Duffy commented that contained within the Addendum of the document, the whole action is identified and analysis of what could occur with the site.

Mr. Lowrey said that Ms. Erickson earlier requested to include the presentation given earlier as part of this record. He advised that it would not be appropriate as the Board of Directors is not considering that item or the adoption of it. They are to consider the acquisition under this item, and the record for this item is contained in the pages of the document and the information received by the Board of Directors. That is the record that should be considered under this item.

Vice President Lee made a motion to Consider Coastal Water Project FEIR (SCH No. 2006101004) and Addendum; Consider Adoption of Resolution No. 2010-18 to Make CEQA Findings, Approve and Adopt Addendum to FEIR and Approve the Acquisition of 224-acres (+/-) of Armstrong Ranch Land and Appurtenant Easements. Director Gustafson seconded the motion. The motion was passed.

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

D. Consider Adoption of Resolution No. 2010-19 to Approve the Hire of a Director of Administrative Services:

Ms. Premutati introduced this item. Director Burns commented that the budget includes \$50,000 for an accounting position and asked if that budget would go away with the hire of a Director of Administrative Services. Ms. Premutati answered that it would. Director Burns asked if the salary fits within the proposed rate increase of 7.8%. Mr. Heitzman answered that it would.

Ms. Shriner commented that since 2007, while other agencies have experienced budget cuts and furloughs, the District has doubled the salary of the General Manager, increased other salaries, hired a Deputy General Manager, and now wants to hire a Director of Administrative Services of approximately \$100,000. Some might be alarmed at this kind of increase to executive salaries.

Agenda Item 9-D (continued):

Vice President Lee made a motion to adopt Resolution No. 2010-19 approving the hire of a Director of Administrative Services. Director Gustafson seconded the motion. The motion was passed.

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

E. Receive Draft Budget for FY 2010-2011 and Review Budget Schedule:

Mr. Suresh Prasad, Director of Finance, introduced this item. He suggested scheduling a budget workshop to go over the budget in detail. The Board of Directors selected March 24<sup>th</sup> or 31<sup>st</sup> depending on which date works best for Director Moore, to begin at 6:00 p.m.

F. Consider Selection of a Facilitator for the District's 2010 Strategic Planning Session:

Ms. Premutati introduced this item. President Nishi voiced his concern that two of the three facilitators, CSA and Hardenstein did not give previous work experience or references and didn't say if they had done work with Public Agencies before. President Nishi stated the third facilitator, The Ingram Group, had a higher price which could be because Ms. Ingram had done Strategic Planning with the District before and it required a lot of time and effort on her part. President Nishi said that the Board is comprised of different members who have a better rapport with each other than the last time Ms. Ingram facilitated. Director Burns asked if a facilitator was needed to find what the actual goals are, or, is a facilitator needed to team-build with the Directors. Could the Board of Directors do some of this on their own? President Nishi said that Ms. Ingram had more hours included in her proposal than the other facilitators which resulted in the higher proposal. He added that he would like to have Ms. Ingram facilitate, but would like staff to talk with her about adjusting the proposal to a more reasonable cost. Mr. Heitzman commented that the cost would depend on the Board of Directors and how much time they take talking with the facilitator.

Director Gustafson made a motion to have staff talk to Ms. Candace Ingram regarding revising her proposal and selecting her to facilitate the 2010 Strategic Planning Session. Vice President Lee seconded the motion. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

10. Staff Reports:

A. Receive Update on Landscape Incentive Program:

Mr. Rich Youngblood, Conservation Coordinator, introduced this item and clarified that contractors, as referred to in the staff report, is incorrect. It should be noted that the term should have been someone "other than the owners".

11. Discussion:

A. Discuss Rates, Fees and Capacity Charges:

Mr. Heitzman introduced this item. He stated that staff wanted to prepare the Board of Directors that the time is coming up to start discussing rates, fees and capacity charges, up to and including a possible rate increase.

B. Discuss Master Meter Water Usage Tier Charges:

Mr. Heitzman commented that staff has been asked to postpone this item until next meeting. As an update, Mr. Heitzman said the concern is that mobile home and condominium owners, because of a master meter, end up paying at the second or third tier no matter how conservative they are. This item will be returned to the next meeting for further information and discussion.

Ms. Gretchen Faus, Park Marina Condos, stated that they wish to maximize their water conservation as well as minimize their costs.

Mr. Heitzman commented that there are grants that could be available to help install individual meters at these locations. Staff has been encouraged to think outside of the box and see what can be done for these types of homes.

12. Informational Items:

A. General Manager's Report:

Mr. Heitzman commented that he has been attending the dispute resolution process at the CPUC in San Francisco. He is very happy to report that the dispute resolution process has been concluded.

B. District Engineer's Report:

Mr. Niizawa commented he had nothing to report.



C. Counsel's Report:

Mr. Lowery stated he had nothing to report.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee commented that the Water Conservation Commission is keeping abreast of things.

2. Joint City-District Committee:

President Nishi stated the next meeting is scheduled for April 29, 2010.

3. MRWPCA Board Member:

President Nishi commented that the meeting was boiler-plate.

4. LAFCO Liaison:

No comments.

5. JPIA Liaison:

No comments.

6. FORA:

President Nishi stated the meeting was boiler-plate.

7. Executive Committee:

No meeting was held.

8. Community Outreach:

Director Gustafson commented there the District just celebrated its 50 year anniversary and there would be an article regarding it in the local papers.

9. Special Districts Association Liaison:

Director Gustafson commented that the next meeting is April 22, 2010.

E. Director's Comments:

Director Burns commented that Ms. Shriner's comment that the General Manager's salary doubled since 2007 was incorrect. By his math, the General Manager either got a 16 or 24% increase. He added that by hiring the Deputy General Manager/District Engineer, the District combined two positions into one and saved money. Director Burns suggested that instead of being so critical of his salary, Ms. Shriner should applaud Mr. Heitzman for bringing such a magnanimous project to the residents of Marina at basically no cost.

Director Gustafson commented that the District is lucky to have our staff and a premiere project providing hundreds of jobs.

President Nishi apologized for the meeting running so late. He added that regarding the newsletter approved in the consent calendar, he wanted to have a comment corrected about drilling three deep wells. President Nishi invited everyone to enjoy a piece of anniversary cake.

13. Correspondence:

No comments.

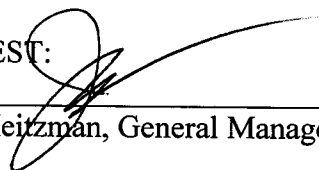
14. Adjournment:

The meeting was adjourned at 9:11 p.m.

APPROVED:

  
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Kenneth K. Nishi, President

ATTEST:

  
\_\_\_\_\_  
Jim Heitzman, General Manager