

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
April 19, 2010
6:00 p.m.

Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:00 p.m. on April 5, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi– President
Bill Lee – Vice President
Howard Gustafson
Tom Moore
Dan Burns – arrived at 6:10 p.m.

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Jim Dowless, Operations and Maintenance Superintendent
Suresh Prasad, Director of Finance
Jean Premutati, Management Services Administrator
Evelina Adlawan, Water Quality Manager
Rich Youngblood, Conservation Coordinator
Brian True, Capital Projects Manager
Paula Riso, Executive Assistant

Audience Members:

Alison Imamura, Denise Duffy & Associates
Andy Sterbenz, Schaaf & Wheeler

Mr. Lloyd Lowrey, Legal Counsel, noted that the closed session item was being held pursuant to Government Code 54956.9 regarding existing litigation with the Ag Land Trust.

The Board of Directors entered into closed session at 6:01 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)

The Board of Directors ended closed session at 6:21 p.m. and reconvened to open session at 6:22 p.m.

4. Possible Action on Closed Session Items:

Mr. Lowrey stated that there was discussion on the pending lawsuit, instructions were given and that 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:

None.

7. Action Item:

- A. Consider Adoption of Resolution No. 2010-24 to Approve a Professional Services Agreement with Denise Duffy & Associates for Environmental Services Related to the Regional Water Supply Project:

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

Action Item 7-A (continued):

Director Burns made a motion to adopt Resolution No. 2010-24 approving a Professional Services Agreement with Denise Duffy & Associates for Environmental Services Related to the Regional Water Supply Project. 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. Reconsider the Vote on Adoption of Resolution No. 2010-20

The President of the Board will entertain a motion to take from the table the motion made and seconded on April 13 to reconsider the vote on Resolution No. 2010-20. If the tabled motion is taken from the table, the Board will vote on the motion to reconsider Resolution No. 2010-20. If the Board votes to reconsider Resolution No. 2010-20, the Board will proceed with reconsideration of Resolution No. 2010-20.

- Resolution No. 2010-20 contains Findings, with a Statement of Overriding Considerations and adoption of mitigation measures identified and proposed in the Final EIR as certified by the CPUC on December 17, 2009, in Decision D.09-12-017, and tailored to MCWD's role as a responsible agency, as set forth in the Findings and the Mitigation Monitoring and Reporting Plan attached to the Findings, and based thereon.
- Resolution No. 2010-20 conditionally approves MCWD's participation in the Regional Desalination Project pursuant to
 - a Water Purchase Agreement between Marina Coast Water District, California American Water Company, and Monterey County Water Resources Agency,
 - a related Settlement Agreement between MCWD, MCWRA, CAW and various other interested parties to settle California Public Utilities Commission Proceeding A.04-09-019, "In the Matter of the Application of California-American Water Company (U 210 W) for a Certificate of Public Convenience and Necessity to Construct and Operate its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates."
- Resolution No. 2010-20 authorizes the President and the General Manager and Secretary to execute the Water Purchase Agreement and the Settlement Agreement pursuant to the resolution and conditional approval.
- Resolution No. 2010-20 directs the General Manager and staff to take all other actions that may be necessary to effectuate and implement the resolution and conditional project approval.

Action Item 7-B (continued):

In considering a Motion to Reconsider, the Board will review and consider the Final EIR and the Addendum released by the CPUC's consultant on March 24, 2010, and will entertain and consider comments from the public, together with such other information as was presented on April 13, 2010, and such information as may be presented at the meeting on April 19.

Mr. Lowrey introduced this item noting that on April 13, 2010, he had asked the Board of Directors to table the reconsideration of Resolution No. 2010-20. Mr. Lowrey commented that it is appropriate at this time to take the item off the table. He asked that a motion and second be made to remove the item from the table. Once the item is removed from the table and in front of the Board of Directors for reconsideration, the Board will vote on whether or not to reconsider. Mr. Lowrey recommended voting against reconsideration, thereby leaving in place the action taken on April 5, 2010 to adopt Resolution No. 2010-20 which approves Findings, with a Statement of Overriding Considerations and adoption of mitigation measures, MCWD's participation in the Regional Desalination Project pursuant to a Water Purchase Agreement between Marina Coast Water District, California American Water Company, and Monterey County Water Resources Agency, and a related Settlement Agreement.

Mr. Lowrey stated that the Board of Directors has received a significant amount of information at the last meeting and this meeting which include CD's with hydrogeologic information, and many letters. He explained that the concerns do not reflect the District's role in the Regional Plan. The District is not undertaking its own project, only the desalination plant portion, with the Monterey County Water Resources Agency (MCWRA) responsible for the wells and pumping. Mr. Lowrey opined that the Water Rights criticism is not well founded in being directed at the District. He also opined that the District has followed all the requirements of CEQA and reviewed all the environmental documents that they needed to. Mr. Lowrey added that the Board of Directors needs to take into consideration all the information received although he did not believe it added any significance to what the Board has already received. The information is very extensive and it does not relate to the piece of the project the Board of Directors is considering.

Director Gustafson made a motion to remove the item from the table. The motion failed for lack of a second. Director Burns asked if there was any damage to the timeframe done by tabling this item at the April 13th meeting. Mr. Heitzman stated there was no damage done. Mr. Lowrey suggested making a motion to remove the item from the table so there could be discussion on it.

Vice President Lee made a motion to remove the item from the table. Director Burns seconded the motion. With a vote of 5-Ayes, 0-Noes, 0-Abstained, the motion was passed.

Action Item 7-B (continued):

Mr. Lowrey stated that now the item is removed from the table, he recommends that the Board of Directors vote against reconsideration.

Vice President Lee made a motion to not reconsider the item. Director Burns seconded the motion. Director Moore stated that by removing the item from the table, the motion that was tabled at the last meeting was now on the floor for reconsideration. Mr. Lowrey agreed and commented that this motion was not needed as there was already one from last week on the floor.

President Nishi asked Mr. Lowrey to clarify what needed to be done. Mr. Lowrey commented that the motion to remove the item from the table was passed, and now the motion made at the April 13th meeting to reconsider the adoption of Resolution No. 2010-20 is pending before the Board of Directors. Mr. Lowrey recommended the Board vote against reconsideration of Resolution No. 2010-20.

Director Moore asked if Ms. Alison Imamura, Denise Duffy & Associates, could comment on the letters received regarding the potential impact in North County. Ms. Imamura commented that the information received did not show that there were new or more severe potential significant impacts than what were identified in the EIR.

The motion made on April 13, 2010 by Director Gustafson and seconded by Vice President Lee to reconsider Resolution No. 2010-20 was on the floor. The motion to reconsider Resolution No. 2010-20 was not passed.

Director Moore	-	No	Vice President Lee	-	No
Director Gustafson	-	No	President Nishi	-	No
Director Burns	-	No			

The motion to adopt Resolution No. 2010-20, originally made on April 5, 2010, remains in place.

President Nishi recessed the meeting from 6:42 until 6:48 p.m.

8. Budget Workshop:

- A. Receive District Draft FY 2010-2011 Budgets, Rates, Fees and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents:

Mr. Suresh Prasad, Director of Finance, introduced this item and commented that the action requested of the Board of Directors is to receive the draft FY 2010-2011 budget, rates, fees, and charges, and provide direction to staff as to the final budget preparation.

Action Item 8-A (continued):

President Nishi inquired what service the customer received for the monthly meter charge. Mr. Prasad answered that there is not a specific service identified by the monthly meter charge. The monthly meter charge is a “ready to serve” charge that is for monthly operating expenses. President Nishi suggested putting it in the budget so it is easier for customers to understand why they are being charged a monthly meter fee. Mr. Prasad answered that it could be done.

President Nishi asked if a test meter was ever put in to see if the monthly flat meter rate was fairly accurate. Mr. Jim Heitzman answered that a test meter was never put in, but conservation numbers show that the unmetered areas use much more water than the average metered areas use. There was discussion on capacity charges in the Ord and Central Marina areas.

Mr. Heitzman advised that revenue will be lost as water conservation increases. It is already beginning to be shown in other water districts as well.

Director Moore asked staff to increase promotion of paperless billing to customers.

Mr. Prasad briefly reviewed the customer service and finance budget. Ms. Jean Premutati, Management Services Administrator, briefly reviewed the Human Resources budget. Mr. Dowless, Operations and Maintenance Superintendent, briefly reviewed the Operations and Maintenance budget. Ms. Evelina Adlawan, briefly reviewed the Laboratory budget. Mr. Rich Youngblood, Conservation Coordinator, briefly reviewed the Conservation budget and showed a conservation video that was co-created by MCWD, Cal Am Water, Monterey Peninsula Water Management District, and the Water Awareness Committee and will be shown in local theaters to promote water conservation. Mr. Niizawa and Mr. Brian True, Capital Projects Manager, briefly reviewed the Engineering and Capital Improvement Projects budget.

Director Burns inquired what the proposed rate increase was. Mr. Prasad answered that there was a proposed rate increase of 7.8% in both cost centers.

The Board of Directors asked some clarifying questions.

President Nishi suggested that another rate study should be done since the master meter and conservation issues are becoming more tangible. President Nishi asked to see the Caltrans or other City’s rate verses the District’s rate on equipment costs. He also stated that he would like the wharfheads located behind the old Safeway to be prioritized for replacement.

President Nishi asked to see a report on the percentage of money saved each year for the last three to four years.

9. Director's Comments:

Director Moore complimented staff on the presentation stating that each year gets progressively better.

Director Gustafson urged staff to consider adopting the Caltrans rental rates.

Director Burns complimented staff on the presentation and a job well done.

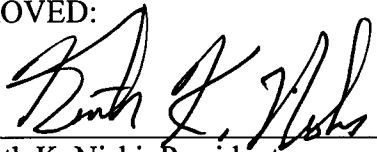
Vice President Lee seconded that sentiment.

President Nishi also complimented staff on the presentation. He also encouraged staff to invite former directors, members of their families, and former employees to the 50 year anniversary celebration.

10. Adjournment:

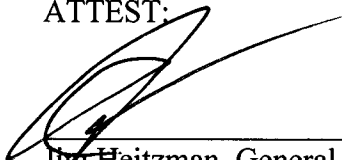
The meeting was adjourned at 8:19 p.m.

APPROVED:



Kenneth K. Nishi, President

ATTEST:



Jim Heitzman, General Manager