

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
May 11, 2010
6:45 p.m.

Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:45 p.m. on May 11, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi– President
Howard Gustafson
Tom Moore
Dan Burns

Board Members Absent:

Bill Lee – Vice President

Staff Members Present:

Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Suresh Prasad, Director of Finance
Rich Youngblood, Conservation Coordinator
Brian True, Capital Projects Manager
James Derbin, Operations and Maintenance Supervisor
Barbara Montanti, Customer Service Assistant

Audience Members:

Jan Shriner, Marina Resident
Andy Sterbenz, Schaaf & Wheeler
Kim Cohen, Marina Resident
Paula Pelot, Preston Park Resident
Kate McKenna, LAFCO Executive Officer

President Nishi commented that Vice President Lee called to say he was out of the country and would not be able to attend the meeting.

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

3. Closed Session:

- A. 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

- B. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9
1 Case

- C. 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 ended closed session at 6:59 p.m. President Nishi reconvened the meeting to open session at 7:00 p.m.

4. Possible Action on Closed Session Items:

Mr. Lloyd Lowrey, Legal Counsel, reported that no action was taken and appropriate direction was given as to each item.

5. Pledge of Allegiance:

President Nishi asked Ms. Paula Pelot, Preston Park resident, to lead everyone present in the Pledge of Allegiance.

6. Oral Communications:

Ms. Pelot inquired into the testing of the water supply wells and if the wells were tested for arsenic. President Nishi asked that staff contact Ms. Pelot for more information.

7. Consent Calendar:

President Nishi asked that page 10, Item 12-D, 3. MRWPCA Board Member, of the April 13, 2010 minutes show that the Del Rey Oaks representative is the new Chair of the Projects and Planning Committee; and, the changes submitted by staff to the April 5th and April 13th minutes.

Director Burns made a motion to approve the Consent Calendar consisting of items: A) Adopt Resolution No. 2010-25 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election Set for November 2, 2010; B) Receive the Quarterly Financial Statements for January 1, 2010 to March 31, 2010; C) Approve the Expenditures for the Month of April 2010; D) Approve the Draft Minutes of the Special Board Meeting of March 30, 2010; E) Approve the Draft Minutes of the Special Board Meeting of April 5, 2010, as corrected; and F) Approve the Draft Minutes of the Regular Board Meeting of April 13, 2010, as corrected. Director Moore seconded the motion. The motion was passed.

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

8. Action Items:

- A. Consider District Position and Direct Staff to Prepare a Letter Regarding the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 and Associated State Bond Proposition in November:

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

Director Moore made a motion to direct staff to prepare a letter in support of the Safe, Clean, and Reliable Drinking Water Supply Act of 2010. Director Burns seconded the motion. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

- B. Consider Adoption of Resolution No. 2010-26 to Amend the Professional Services Agreement with Carollo Engineers for Final Design for the Recycled Water Pipeline, Fifth Avenue Pump Station, Blackhorse Reservoir and On-Call Services for the Regional Urban Water Augmentation Project and to Amend the FY 2009/2010 Budget:

Mr. Niizawa introduced this item.

Agenda Item 8-B (continued):

Director Gustafson made a motion to adopt Resolution No. 2010-26 amending the Professional Services Agreement with Carollo Engineers for Final Design for the Recycled Water Pipeline, Fifth Avenue Pump Station, Blackhorse Reservoir and On-Call Services for the Regional Urban Water Augmentation Project and to Amend the FY 2009/2010 Budget. Director Burns seconded the motion. The motion was passed.

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

C. Consider Adoption of Resolution No. 2010-27 to Authorize a Professional Services Agreement with the Paul Davis Partnership for the Design of the MCWD Imjin Office Park Building and to Amend the FY 2009/2010 Budget:

Mr. Niizawa introduced this item. Mr. Lowrey commented that the contract is under discussion with Paul Davis whose risk managers had a few questions. Those questions have been reviewed and staff expects to successfully wrap up the agreement very soon. Mr. Lowrey explained that the resolution allows the General Manager or designee to sign and execute the contract and any documents necessary to give effect to the resolution.

Ms. Jan Shriner, Marina resident, commented that the current sunset for the Fort Ord Reuse Authority (FORA) is 2014 and asked why the District would build an office for an agency that wouldn't be around very long. Mr. Brian True, Capital Projects Manager, answered that when FORA sunsets, as the owner of the property, the District would be able to lease, rent or dispose of the property as they see fit. Mr. True added that FORA might not sunset in 2014 if their work is not completed. Director Gustafson commented for the record, "We will see about that." Mr. Lowrey commented that when the property was first approved for acquisition it was consistent with the District's planning parameters. There is potential use for this property. Mr. Lowrey added that it was available and fits within the District's strategic objectives and that is why the District moved to acquire this property.

Director Gustafson made a motion to adopt Resolution No. 2010-27 authorizing a Professional Services Agreement with the Paul Davis Partnership for the Design of the MCWD Imjin Office Park Building and to Amend the FY 2009/2010 Budget. Director Burns seconded the motion. The motion was passed.

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

D. Consider First Reading of Ordinance 52 Approving New District Rates, Fees & Charges for Marina Water and Wastewater and Approve Proposition 218 Public Notice and Set Date, Time and Location for Public Hearings for Proposed Changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas:

Mr. Suresh Prasad, Director of Finance, introduced this item and explained that there are two public hearings proposed, one for Central Marina and one for the Ord Community. The Joint Board meeting/Public Hearing with the Fort Ord Reuse Authority (FORA) will be held on July 9, 2010 and the Central Marina Public Hearing will be held at the regularly scheduled meeting of July 13, 2010.

Ms. Shriner asked if the five-year rate study included the Regional Water Plan, the change in the salaries for the General Manager and the new offices in the Ord Community.

Ms. Pelot asked if the Prop. 218 notices would be mailed with the customer's bill or in a separate mailing. Ms. Pelot asked how many customers there are in the Ord Community and the different names of the Communities, i.e. Bayview, Seaside Highlands, Preston Abrahams, etc. Mr. Prasad answered that the notices would be mailed separate from regular customer billing. Ms. Pelot asked if the notice would be available on the website or the front office for those who have problems receiving their mail.

Director Gustafson made a motion to Consider First Reading of Ordinance 52 Approving New District Rates, Fees & Charges for Marina Water and Wastewater and Approve Proposition 218 Public Notice and set a Joint Board meeting with FORA and MCWD on July 9, 2010 for the Ord Community, and a second reading and Public Hearing on July 13, 2010 for Central Marina, for Proposed Changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas. Director Moore seconded the motion. The motion was passed.

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

9. Staff Reports:

A. 1st Quarter 2010 Ord Community Water Consumption and Sewer Flows Report:

President Nishi inquired on page 101 of the Board packet what subdivision was being metered under the "Subdivision not found" section. Mr. Prasad answered that it was a new subdivision in CSUMB and he would get the name clarified for the next report.

B. Regarding the Disposition of MCWD's Beach Intake Well:

Mr. Niizawa introduced this item explaining that staff recommends removing the vault and capping the well. Mr. Lowrey commented that the Board cannot take action on a staff report and suggested agendaizing it for the next agenda as an action item. President Nishi asked that this item be agendaized for the next Board meeting.

C. Advertisement of Contractor Bid Package for the Demolition of Well 32 Site Structure and Appurtenances:

Mr. Niizawa introduced this item. Director Moore inquired what the demolition process of Well 32 entailed. Mr. Niizawa answered that this demolition was for the pump house only. Director Moore asked if the well should be abandoned at the same time the pump house is demolished. Mr. Andy Sterbenz, Schaaf & Wheeler, answered that it was a matter of the type of contractors. To remove the building and electrical components and weld a metal plate on top of the well casing, a general contractor can be utilized. A well driller will be utilized to cement fill the old well, according to State and Federal regulations, and drill a new well. A general contractor can be utilized for the final building of a new pump house.

10. Ord Community Ad Hoc Recommendation Discussion – Part V

Ms. Kate McKenna, LAFCO Executive Officer, gave a brief presentation on the "Process of Boundary Changes". Ms. McKenna reviewed the District's boundaries and Sphere of Influence. She advised that if the District looks to annex part or all of the Ord Community, the District would be looking at an amendment to the Sphere of Influence and the annexation of territory into the District. Sphere of Influence determinations are:

- Present and planned land uses in the area;
- Present & probable need for public facilities and services in the area;
- Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide; and
- Existence of social or economic communities of interest, if LAFCO determines they are relevant.

Ms. McKenna noted that there are fifteen annexation findings that need to be made as well. The Application Process consists of:

- Pre-Application
- Application to LAFCO
- LAFCO Hearing
- Post Hearing

Director Burns asked if there are any fees associated with the application. Ms. McKenna answered that there were fees involved. The preliminary process, which involves LAFCO staff, is covered under the annual contribution the District makes to LAFCO.

Agenda Item 10-A (continued):

Ms. McKenna stated that when the application is formally submitted, an application fee is based on a time and material basis. An estimate is determined and a deposit is required up-front. Ms. McKenna said that LAFCO charges against the deposit and provides a monthly statement showing the activity and remaining balance. If funds are depleted, another deposit is requested. When the process is complete, any remaining funds are returned to the agency.

Director Gustafson asked to have the original annexation agreement to the City of Marina, in 1961, reviewed to see what it encompasses.

Ms. Pelot asked to receive a copy of the presentation.

11. Informational Items:

A. General Manager's Report:

No report.

B. District Engineer's Report:

Mr. Niizawa asked for some time at the end of the meeting to discuss the next Board meeting.

C. Counsel's Report:

No report.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

No report.

2. Joint City-District Committee:

President Nishi stated they were meeting May 20, 2010.

3. MRWPCA Board Member:

President Nishi commented that the meeting was boiler-plate.

4. LAFCO Liaison:

Director Moore stated that they met on April 26th with the next meeting May 24th. Public Member Vince DiMaggio was appointed for a 4-year term.

5. JPIA Liaison:

Director Burns stated that ACWA held their annual conference in Monterey last week and Mr. Heitzman gave a great presentation. He commented that the other districts that were there said they developed a website to prevent speculation and provide the true facts on the Regional Plan.

6. FORA:

President Nishi stated that the meeting was this Friday to be held at the Monterey College of Law and Legislative people will be there to give their reports.

7. Executive Committee:

No meeting was held.

8. Community Outreach:

Director Gustafson commented that recently there was a full page ad to sponsor the Regional Project. He stated that in honor of American Public Works Association week the District purchased sixty Public Works Almanacs that Director Gustafson presented to the sixth and eighth grade classes at Los Arboles Middle School.

9. Special Districts Association Liaison:

Director Gustafson commented that the meeting was held in April with Assembly member Bill Monning speaking on the state budget and the Veteran's Cemetery.

E. Director's Comments:

Director Burns stated that he attended the ribbon cutting for the Rubber Dam and it was very interesting to see the finished product. He added that the Sand City desalination grand opening was scheduled for May 21st.

Agenda Item 11-E (continued):

Director Moore commented that he also attended the ACWA presentation that Mr. Heitzman gave and concurred with Director Burns in putting together a solid website with factual information about the Regional Project. He also attended a meeting held by the League of Women Voters at which the Department of Ratepayers Advocacy gave a presentation. Director Moore would like to see information put together showing an apple-to-apple comparison on the cost to the District and the Peninsula.

Director Gustafson commented that there has been a lot of discussion on how Marina is not paying its fair share, but several years ago, the District took out a \$40 million loan to install infrastructure in the Ord Community. Director Gustafson stated that this shows how the District looked ahead and saved money by installing infrastructure when the roads were torn up. It would have been much more costly to have waited and done it later. Director Gustafson commented that it was recently brought up that had the Marina Heights subdivision gone in as planned, the rates on the Ord Community would have gone down because there would have been more customers with which to spread the cost.

President Nishi commented that he also attended several presentations, including the League of Women Voters and the Carmel Valley Homeowners Association. He voiced his concerns over the misinformation that was being given out. People have no problem saying things that aren't true. President Nishi commented that it was incorrect to say the District would never pay more than \$148 for the water. When the District needs the additional allotment, they will pay the full price of the desalinated water. President Nishi added that the cost to the Peninsula includes the price of the transmission pipeline and the District does not have to pay for that portion. President Nishi stated that the Cedar Street Times had Mr. Heitzman give a presentation on May 7th in Pacific Grove. A member of the Grand Jury was present and stated that initially he had doubts about the project because of the misinformation he had received. After hearing Mr. Heitzman's presentation, the Grand Jury member was comfortable that there was going to be a Regional Project. President Nishi commented that Marina Coast wants to be a good neighbor and help the Peninsula with their water problems, but keep getting kicked and punched in the face when trying to help them.

Director Gustafson commented that his fifty-five family relations who live on the Peninsula are all in approval of the project.

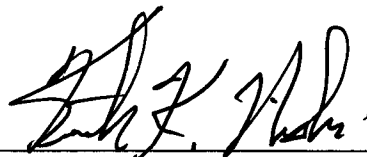
Mr. Niizawa commented that staff had requested to move the normally scheduled June 8th meeting to June 22nd to allow time to bring the FORA item to the Board. The only response was from Director Moore who commented that he would be out of town on the 15th and 22nd and would like to keep the regular June 8th meeting and if need be, hold a special meeting on the 22nd for just the one item.

President Nishi asked when Director Moore would be gone. Director Moore answered that he would be gone from June 10th through July 2nd. President Nishi asked if staff needed an answer tonight as there was another Board member absent. Mr. Niizawa answered that he just wanted it brought to the Board's attention and the date could be resolved later.

12. Adjournment:

The meeting was adjourned at 8:01 p.m.

APPROVED:



Kenneth K. Nishi, President

ATTEST:



Jim Heltzman, General Manager