

Marina Coast Water District

Dual Locations

Navy Gateway Inns and Suites
1312 Meyerkord Avenue, Newport RI
and
District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
August 10, 2010
6:45 p.m.

Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:45 p.m. on August 10, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi– President
Bill Lee – Vice President – arrived at 6:50 p.m.
Howard Gustafson
Tom Moore – via teleconference
Dan Burns

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Anne Secker, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Suresh Prasad, Director of Finance
Brian True, Capital Projects Manager
Jean Premutati, Management Services Administrator
Kelly Cadiente, Director of Administrative Services
Rich Youngblood, Conservation Coordinator
Paula Riso, Executive Assistant/Board Clerk

Audience Members:

Jan Shriner, Marina Resident
Andy Sterbenz, Schaaf & Wheeler
Bob Drake, Marina Resident
Bob Holden, MRWPCA

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 – 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 6:47 p.m.

President Nishi reconvened the meeting at 7:00 p.m.

4. Possible Action on Closed Session Items:

Ms. Anne Secker, Legal Counsel, reported that the items were discussed and no action was taken.

5. Pledge of Allegiance:

President Nishi asked Mr. Andy Sterbenz, Schaaf & Wheeler, to lead everyone present in the Pledge of Allegiance.

6. Oral Communications:

There were no comments.

7. Presentation:

- A. Consider Adoption of Resolution No. 2010-52 in Recognition of Community Member, Bob Drake, for his Dedicated Service to the Marina Coast Water District as a Member on the Water Conservation Commission:

Vice President Lee read the narration recognizing Mr. Bob Drake for his service on the Water Conservation Commission.

Agenda Item 7-A (continued):

Director Moore made a motion to adopt Resolution No. 2010-52 recognizing Community Member, Bob Drake, for his dedicated service to the Marina Coast Water District as a member on the Water Conservation Commission. 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			

Mr. Drake thanked the Board of Directors and commented that the ratepayers of Marina are lucky to have a Board and professional staff that plan ahead to ensure that there is water for the community and to provide water to the rest of the Peninsula. Mr. Drake added that the Board and staff have their act together and the people of Marina will continue to benefit by having plenty of water at reasonable prices.

8. Consent Calendar:

Director Burns requested to pull items B and F from the Consent Calendar.

Director Gustafson made a motion to approve the Consent Calendar consisting of items A) Adopt Resolution No. 2010-53 to Approve a Memorandum of Understanding between Marina Coast Water District and the Monterey Peninsula Unified School District Regarding the In-School Water Conservation Education Program with a Not-To-Exceed Amount of \$18,500; C) Adopt Resolution No. 2010-55 to Approve a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Community Hospital Properties for the Community Hospital of Monterey Peninsula (CHOMP) Marina Campus; D) Adopt Resolution No. 2010-60 to Amend the Marina Coast Water District Conflict of Interest Code; and E) Approve the Expenditures for the Month of July 2010. 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. Adopt Resolution No. 2010-54 to Authorize a \$25,000 Expenditure Within CIP# RW-0156 for the Right of Entry and Easements from the Army Corp of Engineers for Recycled Water Pipelines:

Director Burns asked for clarification of this item.

Agenda Item 8-B (continued):

Mr. Brian True, Capital Projects Manager, explained that the expenditure was for the Army Corps of Engineers to process the Right-of-Entry and Construction Easements for the US Army and the Base Closure and Realignment Commission with a large portion of the funds going towards hiring someone to assess the value of the easements.

Vice President Lee made a motion to adopt Resolution No. 2010-54 authorizing a \$25,000 expenditure within CIP# RW-0156 for the Right of Entry and Easements from the Army Corp of Engineers for recycled water pipelines. 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. Approve the Draft Minutes of the Regular Board Meeting of July 13, 2010:

Director Burns stated that he pulled this item so he could abstain from the vote as he was not present at the July 13th meeting.

Director Gustafson made a motion to approve the draft minutes of the regular Board meeting of July 13, 2010. Vice President Lee seconded the motion. With a vote of 4-Ayes, 0-Noes, 1-Abstention, the motion was passed.

9. Public Hearing:

Mr. Suresh Prasad, Director of Finance, commented that the public hearing was to receive any public comments and/or protests on the proposed rate increase for Central Marina.

President Nishi opened the Public Hearing at 7:09 p.m.

A. Receiving Public Comment on Increases in District Rates, Fees, and Charges for Central Marina:

Ms. Jan Shriner, Marina Resident, commented that this was the same evening that Marina City Council was holding a meeting to discuss a possible tax measure to be put on the ballot. She stated that it was unfair to the citizens of Marina to hold these meetings on the same evening because they are facing two rate increases at the same time, as well as recent increases from the waste management. Ms. Shriner commented that the District has made some large expenditures that have been approved by the District over the last three years, along with building an office building for the Fort Ord Reuse Authority which is due to sunset in three years.

Agenda Item 9-A (continued):

Ms. Shriner added that Marina is a small town and all these expenditures are a hardship on this small community.

With no further comments, President Nishi closed the Public Hearing at 7:10 p.m.

10. Action Items:

A. Consider Second Reading and Adoption of Ordinance No. 52 Approving New District Rates, Fees & Charges for Central Marina Water and Wastewater:

Mr. Prasad commented that the District has followed the Proposition 218 process and as of this evening, has received 35 protests from Central Marina. The Ord Community Public hearing will take place on October 13, 2010 and thus far 7 protests have been received for the Ord Community. The Proposition 218 notices were mailed out on May 21st and remailed on June 25th. Mr. Prasad commented that this hearing was for the Central Marina area proposed rate increase only.

Director Gustafson made a motion to adopt Ordinance No. 52 approving new District rates, fees & charges for Central Marina water and wastewater. 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. 2010-56 to Approve the Central Marina Budget for FY 2010-2011:

Mr. Prasad introduced this item. Director Burns inquired on the monthly meter charges. Mr. Prasad commented that the rate study the District had completed a couple of years ago determined what the meter charges would be for each service area.

Vice President Lee made a motion to adopt Resolution No. 2010-56 to approve the Central Marina Budget for FY 2010-2011. 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. 2010-57 to Approve a Professional Services Agreement with Enovity Inc. for LEED Commissioning Services for Imjin Office Park Building C Within a Not-to-Exceed Amount of \$34,500:

Mr. True introduced this item.

Vice President Lee made a motion to adopt Resolution No. 2010-57 to approve a Professional Services Agreement with Enovity Inc. for LEED Commissioning services for Imjin Office Park Building C within a not-to-exceed amount of \$34,500. 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. 2010-51 to Reinstate the Budget and Personnel Committee, the Projects and Planning Committee and the Operations and Maintenance Committee, and to Approve the Charge, Formation and Meeting Day and Time of Each Committee:

Mr. Carl Niizawa, Deputy General Manager/District Engineer, introduced this item. Director Burns commented that the duties of the Budget and Personnel Committee don't have any Personnel charges. President Nishi stated that these charges were taken from when the District previously held these Committees. When and if the Board decides to move forward with reinstating the Committees, the charges can be revised to reflect what this Board wants.

President Nishi asked the Directors to send him an email on which Committee they are interested in serving on; and, using Attachment A as a template, see if there are any items they want to add or delete to the responsibilities for each Committee.

This item was postponed until the next meeting.

11. Staff Reports:

- A. Update on the Monterey Regional Water Pollution Control Agency Outfall Capacity Analysis:

Mr. Niizawa introduced this item stating that the Memorandum of Understanding (MOU) between the Monterey Regional Water Pollution Control Agency and the District calls for a calculation of an outfall capacity fee to determine the District's share in costs associated with the capital repair/replacement of the outfall.

Agenda Item 11-A (continued):

Mr. Niizawa stated that those two factors would be determined in a study subsequent to the agreement. The study was conducted by CH2M Hill and submitted to the District for review.

Mr. Niizawa summarized that the outfall capacity shown in the report was shown to be derived from several factors. The main factor is the roughness inside the pipe and another is that there are multiple ports on the discharge line, some of which have valves and some are plugged. The corrosion shown in the initial report showed substantial additional corrosion with the brine addition to the outfall. Mr. Niizawa stated that the District responded to the report with a technical memorandum from Trussell Technologies that showed the addition of brine increased the capacity so there is no impact to the outfall. The Trussell Technologies memorandum also reported that the determination of the life of the outfall pipe is not shortened due to the addition of the brine, but the fact that the pipe is already in the ocean.

Mr. Niizawa stated that CH2M Hill responded to the Trussell Technologies memorandum and acknowledged that the addition of the brine to the outfall capacity would not impact the capacity of the outfall. CH2M Hill's report showed an increase in the corrosion by the brine from what they reported the first time. Their analysis also showed that the pipe in the ocean would corrode and fail within 10 years. Mr. Niizawa said that CH2M Hill acknowledged that there was a problem with their model since the pipe has been in the ocean for 26 years and has not failed. Mr. Niizawa stated that the District will respond to the report that their modeling is flawed and the model be modified to what is currently out there. The model will be calibrated to match the actual conditions in the pipe.

B. Receive 2nd Quarter 2010 Ord Community Quarterly Water Consumption and Sewer Flow Report:

Mr. Richard Youngblood, Conservation Coordinator, introduced this item. Director Moore asked if the objectives listed in the staff report were met. Mr. Youngblood answered that the objectives were met in FY 07/08 and FY 08/09.

President Nishi asked if anyone looked at the numbers in the report. Mr. Youngblood answered that staff did review the numbers. President Nishi inquired on the difference in numbers between the number of connections and the total consumption of the CSUMB, CSUMB Frederick Park, and CSUMB Schoonover areas. Mr. Prasad answered that the connections in Frederick Park were installed at the end of 2009 so the usage was not for the entire year. President Nishi asked to have an asterisk next to these numbers explaining that fact. President Nishi questioned the usage at CSUMB Schoonover II. Mr. Youngblood answered that there was estimated water use and actual water use when the meters were installed.

Agenda Item 11-B (continued):

President Nishi questioned the Marina Heights water usage and the change from 2007 to 2009 with virtually the same number of connections. Mr. Youngblood answered that 2007 was the end of the construction for Marina Heights. The connections that they now have are for maintaining the landscaping. President Nishi ended on a positive note with the fact that Sun Bay has decreased their water use by over twenty acre-feet since 2002 due to the efforts of the District's water conservation team. President Nishi commented that he hopes this is a trend and that staff continues to monitor this report.

12. Informational Items:

A. General Manager's Report:

Mr. Heitzman stated that the District has again received the Certificate of Achievement in Financial Reporting (CAFR). This shows the District has complete transparency in their budget reporting. It is quite an accomplishment by not only the staff but also the Board.

Mr. Heitzman commented that the briefs and rebuttal briefs have been submitted to the judge on the Regional Water Project, and now is the wait for a recommendation to the Public Utilities Commission sometime in November.

Vice President Lee asked if the District receives any rate reduction on loans because of the second CAFR award. Mr. Heitzman answered that the award allows the District to maintain the status it has reached. Vice President Lee commended staff and Mr. Heitzman on receiving the award.

B. District Engineer's Report:

Mr. Niizawa introduced Ms. Kelly Cadiente as the new Director of Administrative Services.

C. Counsel's Report:

Ms. Secker stated she had nothing to report.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee commented that it was a standard meeting and forwarded the recommendations to the Board. He added there was a vacancy on the Commission to be filled.

2. Joint City-District Committee:

President Nishi stated they were meeting on August 30th.

3. MRWPCA Board Member:

President Nishi commented that the meeting was also on August 30th.

4. LAFCO Liaison:

Director Moore stated that there is no meeting in July and the next meeting was scheduled for August 23rd.

5. JPIA Liaison:

No comments.

6. FORA:

President Nishi stated that there was a joint meeting scheduled between FORA and the District on Friday, August 13th at 3:00 pm followed by the regular meeting at 3:30 pm.

7. Executive Committee:

No meeting was held.

8. Community Outreach:

Director Gustafson commented that the Herald has reported on the District's activities five times in the last month.

9. Special Districts Association Liaison:

Director Gustafson commented that the meeting was held on July 20th with Fred Keeley talking about California Forward and how they are working towards fixing the State of California Budget. California Forward is looking to hold a Constitutional Convention or a similar meeting to remove the two-thirds requirement of a vote for taxes, to remove term limits, and to remove Proposition 13.

E. Director's Comments:

Director Moore asked for an annual report that summarizes the various things employees have done that include certifications, conference attendance, or anything they have done to maintain or improve their job skills. President Nishi commented that maybe that could be included in the Budget and Personnel Committee and asked that it be included in the charge for that Committee.

Director Burns welcomed Ms. Cadiente to the District and that he worked with her before and she is a knowledgeable and hard worker. He praised Mr. Heitzman for filling positions with quality staff.

Director Gustafson commented that the evenings reports were very good and he appreciated them.

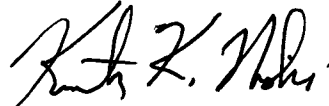
Vice President Lee commented that he doesn't want to forget about the mobile home parks and would like a staff report on what recommendations staff has.

President Nishi commented that he concurs with Director Burns that the General Manager has been doing an outstanding job accumulating staff that is professional and gets the job done. He added that it is not only the General Manager's accomplishment but it was the Board that has enabled this to occur. By working and thinking outside the box, the Board addresses the issues which make it better for the ratepayers to benefit the decisions the Board makes.

13. Adjournment:

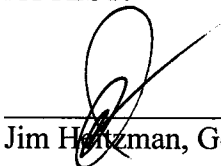
The meeting was adjourned at 7:52 p.m.

APPROVED:



Kenneth K. Nishi, President

ATTEST:



Jim Heitzman, General Manager