

Marina Coast Water District

District Office
11 Reservation Road
Marina, California

Regular Board Meeting
August 14, 2012
6:00 p.m.

Minutes

1. Call to Order:

President Burns called the meeting to order at 6:00 p.m. on August 14, 2012.

2. Roll Call:

Board Members Present:

Dan Burns – President
Howard Gustafson – Vice President
Jan Shriner
Kenneth K. Nishi
Bill Lee

Board Members Absent:

None

Staff Members Present:

Jim Heitzman, General Manager
Terra Chaffee, District Counsel
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Jean Premutati, Management Services Administrator
Kelly Cadiente, Director of Administrative Services
James Derbin, Operations and Maintenance Superintendent
Patrick Breen, Project Manager
Joe Correa, Operations and Maintenance Supervisor
Jose Rodriguez, System Operator II
Mark Duplissie, System Operator I
Warren Foster, System Operator II
Lizet Ybarra, Accountant I
Paula Riso, Executive Assistant/Board Clerk

Audience Members:

Hebard Olsen
Erica and Jeff Parker
Fritz Conle, Teamsters Local 890
Mike McCullough, MRWPCA

Tom Moore, Marina Resident
Sergio Ybarra
Georg Krammer, Koff & Associates

President Burns announced that the Board was going to convene into closed session for items A-E as set forth on the agenda.

The Board entered into closed session at 6:00 p.m.

3. 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 and Does 1-100, Monterey County Superior Court Case No. M105019 (First Amended Petition for Writ of Mandate and Complaint for Declaratory Relief)

2) 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, California Public Utilities Commission No. A.04-09-019

3) 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

B. Pursuant to Government Code Section 54956.9 (c)

Conference with Legal Counsel – Anticipated Litigation
Potential Initiation of Litigation
One Case – MCWD Claims against Monterey County and MCWRA

C. Pursuant to Government Code Section 54956.9(b)(1) and 54956.9(b)(3)(C)

Conference with Legal Counsel – Anticipated Litigation
Potential Litigation
One Case – Claims of MCWRA and Monterey County against MCWD

D. Pursuant to Government Code 54957.6

Conference with Labor Negotiator
Agency Negotiator (General Manager)
Employee Organization: Marina Coast Water District Employees Association

- E. Pursuant to Government Code 54957.6
Conference with Labor Negotiator
Agency Negotiator (General Manager)
Employee Organization: Teamsters Local 890

The Board ended closed session at 6:42 p.m.

President Burns reconvened the meeting to open session at 7:00 p.m.

4. Possible Action on Closed Session Items:

Ms. Chaffee reported the following:

- 3-A1-3 – no action was taken.
- 3-B – no action was taken.
- 3-C – no action was taken.
- 3-D – no action was taken.
- 3-E – no action was taken.
- 3-F – no action was taken.

Director Nishi reported that direction was given to the General Manager.

5. Pledge of Allegiance

President Burns led everyone present in the pledge of allegiance.

6. Oral Communications:

Mr. Tom Moore, Marina resident, commented that the filming of these meetings was paid for in donations and anyone can make a donation to More Transparency, PO Box 693, Marina, CA, 93933. He noted that there were two new volunteers who would be helping film the meetings.

7. Presentations:

- A. Consider Adoption of Resolution No. 2012-50 in Recognition of Mr. Mark Duplissie, Systems Operator I, for 15 Years of Service to the Marina Coast Water District:

Vice President Gustafson made a motion to adopt Resolution No. 2012-50 recognizing Mr. Mark Duplissie, Systems Operator I, for 15 years of service to the Marina Coast Water District and presenting him with a plaque and gift certificate. Director Nishi seconded the motion.

Agenda Item 7-A (continued):

The motion was passed.

Director Lee	-	Yes	Vice President Gustafson	-	Yes
Director Shriner	-	Yes	President Burns	-	Yes
Director Nishi	-	Yes			

Mr. Jim Heitzman, General Manager, read the narration and presented Mr. Duplissie with a plaque and gift certificate.

B. Consider Adoption of Resolution No. 2012-51 in Recognition of Ms. Lizet Ybarra, Accountant I, for 10 Years of Service to the Marina Coast Water District:

Vice President Gustafson made a motion to adopt Resolution No. 2012-51 recognizing Ms. Ybarra, Accountant I, for 10 years of service to the Marina Coast Water District and presenting her with a plaque and gift certificate. Director Lee seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Gustafson	-	Yes
Director Shriner	-	Yes	President Burns	-	Yes
Director Nishi	-	Yes			

Mr. Heitzman read the narration and presented Ms. Ybarra with a plaque and gift certificate.

C. Consider Adoption of Resolution No. 2012-52 in Recognition of Mr. Warren Foster, System Operator II, for 5 Years of Service to Marina Coast Water District:

Director Nishi made a motion to adopt Resolution No. 2012-52 recognizing Mr. Warren Foster, Systems Operator II, for 5 years of service to the Marina Coast Water District and presenting him with a plaque and gift certificate. Vice President Gustafson seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Gustafson	-	Yes
Director Shriner	-	Yes	President Burns	-	Yes
Director Nishi	-	Yes			

8. Consent Calendar:

President Burns stated that agenda item 7-A would be pulled. Director Nishi requested to pull agenda item 7-B and 7-C from the Consent Calendar.

Agenda Item 8 (continued):

Vice President Gustafson made a motion to approve the Consent Calendar consisting of:

D) Approve the Draft Minutes of the Special Board Meeting of July 25, 2012

Director Shriner seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Gustafson	-	Yes
Director Shriner	-	Yes	President Burns	-	Yes
Director Nishi	-	Yes			

B. Approve the Expenditures for the Month of July 2012:

Director Nishi questioned the payment made to Bank of the West and what the document storage lease entailed. Ms. Kelly Cadiente, Director of Administrative Services, answered that the lease payment was for the Laserfiche document storage system.

Director Shriner asked for the invoice showing the work product for check number 54422. Ms. Cadiente handed her a copy of the invoice. Director Shriner also questioned which project that check number 54440 was attributed to. Mr. Heitzman answered that staff would provide the information to Director Shriner. Director Shriner asked for a breakdown of the cost centers it was charged to and asked for more transparency on the payments for the ratepayers. Director Nishi asked that staff provide Director Shriner with the information she was looking for. Director Shriner questioned check number 54440 asked what the check to Remy Moose Manley, LLP was for. Mr. Heitzman answered that it could have been the Writ. Mr. Lloyd Lowrey, Legal Counsel, answered that it was for the Ag Land Trust lawsuit.

Vice President Gustafson commented that staff can't be expected to memorize what each invoice is for and for Director Shriner to insinuate the District was not transparent was unwarranted. He reminded Director Shriner that the District had been awarded three CAFR awards for transparency in accounting. Director Shriner commented that she had sent staff several emails and only one member had responded. She added that it was apparent that staff received the emails because they had copies of the information she asked for in the emails. President Burns commented that it was difficult for staff to be asked to provide documentation to Director Shriner at that evenings meeting if she just sent an email in the beginning or middle of the day. President Burns stated that he had asked for two things, 1) have Mr. Niizawa call each Board member on the Monday prior to the meeting and ask if they needed clarification on any items; and, 2) more detail on the check register explaining what the charges were for.

Agenda Item 8-B (continued):

Vice President Gustafson made a motion to approve the expenditures for the month of July 2012. Director Lee seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Gustafson	-	Yes
Director Shriner	-	No	President Burns	-	Yes
Director Nishi	-	Yes			

C. Approve the Draft Minutes of the Regular Board Meeting of July 10, 2012:

Director Nishi questioned page 31, item D of the minutes and stated that he thought that item was for Brown Act Counsel. He asked staff to review the item and bring it back to the next meeting. Director Nishi also asked that "DRV" be changed to "DRB" on page 40.

This item was tabled until the next meeting.

9. Action Items:

A. Consider Adoption of Resolution Nos. 2012-38 (Ord Community Compensation Plan), and 2012-39 (Capital Elements of Ord Community Plan), to Adopt the Ord Community Portion of the Budget for FY 2012-2013:

Mr. Moore questioned the breakdown of legal fees in the proposed budget and noted that they totaled approximately \$30,000. He commented that the District is involved in several lawsuits and asked if there were additional legal funds allocated elsewhere in the budget. Mr. Moore also noted that there wasn't a separate line item for the in-house counsel and asked that the legal funds be memorialized in the budget before it is approved. Ms. Cadiente commented that in-house counsel is budgeted under administration employee costs because the in-house counsel is an employee of the District. She added that the other legal fees would be going against the Regional Project and separated by a line item that is included in the project. Ms. Cadiente stated that those fees would be coming out of reserves.

Director Shriner commented that she had sent an email regarding the legal fees on August 8th and hadn't received an answer. She asked where the legal fee funds would be coming from. Ms. Cadiente answered that the fees would be coming out of reserves. Director Shriner asked several more clarifying questions on the budget. Ms. Cadiente noted that the Central Marina portion of the budget was already approved by the Board and this was the Ord Community portion of the budget. Director Shriner asked for a review of how the motion was specifically expressed when the Central Marina budget was approved and if the Regional Project was divided out from both Ord and Central Marina.

Agenda Item 9-A (continued):

President Burns asked what the next step was. Mr. Lowrey answered that Section 7.1 of the agreement with FORA allows the Board to deem the budget adopted by FORA if there are no detailed objections received within three months of receiving the budget. He said the District Board would then need to adopt the budget.

Vice President Gustafson made a motion to adopt Resolution Nos. 2012-38 (Ord Community Compensation Plan), and 2012-39 (Capital Elements of Ord Community Plan), to adopt the Ord Community portion of the budget for FY 2012-2013. Director Lee seconded the motion.

Ms. Chaffee stated that she had modified the Resolutions to add the language of the agreement provision and handed out the revised Resolutions for consideration. Ms. Chaffee reviewed the revisions that were made. Mr. Heitzman asked that this item be pulled so staff could make sure the information is correct.

Vice President Gustafson rescinded his motion.

Director Shriner asked if the Water/Wastewater Oversight Committee (WWOC) was a legislative committee and if comments made by them constituted detailed objections by FORA. Ms. Cadiente stated that the WWOC approved the budget in May and recommended adoption by the FORA Board.

B. Consider Receiving the Classification and Total Compensation Study:

Ms. Jean Premutati, Management Services Administrator, introduced this item and Mr. Georg Krammer of Koff & Associates who conducted the salary survey. Director Nishi commented that he understood salary surveys were to compare the salary of different positions. Mr. Krammer stated that the survey compares the job descriptions of each comparator agency. He said that they then do a job description analysis of the different positions to compare the duties and responsibilities of the positions and that is what they compare the matches on. Director Nishi asked if they were doing an apples to apples comparison. Mr. Krammer answered that no two organizations and jobs are going to be exactly the same, but they try to get as close as possible when comparing the similarities between two jobs. Director Nishi voiced his concern over the comparisons that were made. Mr. Krammer reiterated that when comparing positions, they don't necessarily look at the position title, they look at the duties and responsibilities of the position.

Director Shriner noted that the Budget and Personnel Committee requested a modified comparator list that resulted in an additional report and asked if the extra work exceeded the amount budgeted for this study. Mr. Krammer answered that the modification required very little additional work and it was done within the contracted amount.

Agenda Item 9-B (continued):

Director Shriner commented that she had run her own numbers on the comparator agencies and found the District to be -47% under the under agencies. She added that by her numbers, the District staff was well paid. Mr. Krammer commented that they try to look at organizations with similar services, populations, and geographical location. Looking at that, he said they are comfortable with the agencies that were chosen. Mr. Krammer commented that the results of the study show that District employees are compensated below the labor market.

Director Nishi made a motion to receive the Classification and Total Compensation Study. Vice President Gustafson seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Gustafson	-	Yes
Director Shriner	-	No	President Burns	-	Yes
Director Nishi	-	Yes			

C. Discuss Placing the Water/Wastewater Oversight Committee on the Committee and Board Liaison Reports List:

Director Shriner commented that according to the minutes of the WWOC, three District staff members attended the meeting and suggested the Board get an update on the results of these meetings on a regular basis. She suggested adding the WWOC to the agenda under Informational Items/Committee Reports.

President Burns asked if these were quarterly meetings. Mr. Heitzman answered that they were usually quarterly, but occasionally they occurred more often. He stated that these were staff meetings and were not attended by elected officials. Mr. Heitzman added that the District staff attended these meeting when the budget or CIP are being considered and the amount of staff attending would vary.

Director Nishi commented that these meetings are staff level and if any Director is interested in what happens, they can send an email to FORA and ask for the minutes. He added that the Information Items/Committee and Board Liaison Reports is different and does not include staff meetings.

Director Shriner read an excerpt from a letter from CSUMB to FORA. Director Nishi commented that the letter was presented to the FORA Board and was the opinion of one staff member from CSUMB.

Director Shriner made a motion to add the WWOC to the Committee and Board Liaison Reports list. The motion died for lack of a second.

10. Staff Reports:

A. Receive a Report on Review of Individual Unit Metering Requirement for Multi-Family Residential Units:

Mr. Carl Niizawa, Deputy General Manager/District Engineer, introduced this item. President Burns asked how this information was different from last meeting. Mr. Heitzman asked if this report was requested by Director Nishi. Director Nishi answered affirmatively. Mr. Heitzman asked if Director Nishi's request was to understand what the District was doing during the rate study on individual unit meter requirements; and, what was going on throughout the state and other agencies. Director Nishi said he was cut-off at the Executive Committee when he was trying to explain what he wanted in the report. Mr. Heitzman commented that the rate study would review the individual unit metering requirements of other agencies so the District could see what is happening statewide.

B. Receive a Report on the Status of the MCWD Ord Office Landscape Project:

Mr. Niizawa introduced this item. Director Shriner made reference to the fourth bullet on page 62 of the packet and asked if staff could keep track of the quantity of organic matter that is added to the District's demonstration garden so customers could know how much was added to the sand to achieve the results.

C. Receive an Update on Marina Teen Center Compliance:

Mr. Heitzman introduced this item explaining that there were discussions on how to resolve the issue at no additional cost.

D. Receive an Update on Imjin Office Park Property Marketing:

Mr. Niizawa introduced this item explaining that the District retained the services of Mahoney & Associates to provide real estate services for the Imjin Office Park property. President Burns asked if there has been any interest in the property. Mr. Patrick Breen, Projects Manager, answered that there have been several interested parties, but it hasn't gone any further than that. President Burns commented that he thought the District was looking into moving the District's Reservation office to that building and asked why staff hasn't been looking into it. Mr. Heitzman answered that the District is looking at leasing the building to recoup some of the cost assessed by building the offices.

Director Shriner asked what the fee was for Mahoney & Associates. Mr. Breen answered that the fee is a percentage of the rental price and would be somewhere in the range of \$4,000 to \$6,000 annually. Director Shriner suggested placing both the Imjin and Reservation Road offices up for lease to see if there are any interested parties in either building.

Agenda Item 10-D (continued):

Director Shriner asked to have an agenda item on the next agenda regarding the leasing of the Reservation Road office.

Director Nishi asked when the lease sign would go up at the Imjin office. Mr. Breen said it would go up within the next week.

E. Receive a Report on the District's Travel Reimbursement Policy:

Ms. Premutati introduced this item explaining that the District is in compliance with this policy. Director Shriner commented that she would like to review all the District policies as suggested by the California Special Districts Association.

F. Receive Information on the Status of Scanning Historical Documents for the District:

Ms. Cadiente introduced this item and stated that staff is planning to have an implementation plan and scanning process in place by the end of the fiscal year. Director Nishi asked if the assessment map has been scanned. Ms. Cadiente answered that she didn't believe it was scanned. Director Nishi commented that when the District was formed, the assessment map was notated with the AP number, units of use and how much everyone in the city was charged. He stated that this information came in handy when researching what a parcel had credit for. Director Nishi asked if the hook-up pages were scanned and stated that only one person, Ms. Chavoya, knows about this information. He suggested the District take advantage of Ms. Chavoya while they can.

G. Receive 1st and 2nd Quarter 2012 Ord Community Water Consumption and Sewer Flow Report:

President Burns asked that this item be tabled until the next meeting. A majority of the Board agreed.

11. Informational Items:

A. General Manager's Report:

No report.

B. Counsel's Report:

Ms. Chaffee thanked the Board for her appointment and stated that she looked forward to working with everyone to meet the goals of the District.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Shriner stated that they met and discussed the Scope and other items.

2. Joint City-District Committee:

Vice President Gustafson commented that they talked about the Teen Center and that there was discussion to have the City Council to vote to move the District's Board meetings to the Council chambers.

3. Budget and Personnel Committee:

Director Nishi commented that the minutes were in the packet.

4. Executive Committee:

Director Nishi commented that the minutes were in the packet.

5. Community Outreach:

Vice President Gustafson said that staff was working on a newsletter.

6. MRWPCA Board Member:

Director Nishi noted that the meeting was boiler-plate. He added that there were three items on closed session and MCWD participated in two and was removed for the third item.

7. FORA

Vice President Gustafson commented that there was no action on the budget.

8. LAFCO Liaison:

Director Nishi reported that at the June meeting the LAFCO attorney had a conflict on the annexation and they had an agenda item to select another attorney for the next meeting. He added that there was no meeting in July and the next meeting would be August 27th.

9. JPIA Liaison:

Director Shriner commented that on August 15th, there was a conference on the Governors proposal to reduce all urban water use by 20% by 2020 and improve agricultural water efficiency and monitoring.

10. Special Districts Association Liaison

Vice President Gustafson commented that there was an interesting CalPERS discussion.

11. CalDesal:

Mr. Heitzman stated that they were still working on the legislative package and there would be a workshop in Sacramento with the State Water Resources Control Board later in August.

12. Director's Comments:

Director Shriner commented that she was told that some people weren't receiving emails she was sending and there were also comments that she was not allowing staff enough time to respond to her emails. She requested to get hard copies of all emails sent from Directors to staff and the responses from staff to Directors between August 5th at 5:00 pm and August 14th at 5:00 pm including items in the deleted or trash folders.

Vice President Gustafson welcomed Ms. Chaffee to the District.

Director Nishi stated that he would like an update on the Desal Agreement with Cypress Knolls, Marina Heights and the Dunes, and how much they owe the District.

Director Nishi commented that the Pine Cone reported that the State was not going to be reimbursing anyone for the SB90 requirements anymore and asked for a report explaining whether the District has been reimbursed, and, if not, why.

Director Nishi asked for a closed session item on the liability of different attorneys on the Regional issue.

President Burns asked for an item on the agenda to discuss getting tablets for Directors to use.

13. Adjournment:

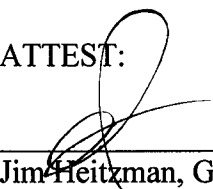
The meeting was adjourned at 8:39 p.m.

APPROVED:



Dan Burns, President

ATTEST:



Jim Heitzman, General Manager