

Marina Coast Water District

Marina Council Chambers
211 Hillcrest Avenue
Marina, California

Regular Board Meeting
June 2, 2014
6:00 p.m.

Minutes

1. Call to Order:

President Moore called the meeting to order at 6:00 p.m. on June 2, 2014.

2. Roll Call:

Board Members Present:

Tom Moore – President
Jan Shriner – Vice President
Bill Lee
Howard Gustafson
Peter Le

Board Members Absent:

None

Staff Members Present:

Brian Lee, Interim General Manager
Roger Masuda, Legal Counsel
Kelly Cadiente, Director of Administrative Services
Brian True, Capital Projects Manager
Paula Riso, Executive Assistant

Audience Members:

Tim O'Halloran, City of Seaside
Andy Sterbenz, Schaaf & Wheeler
Kenneth Nishi, Marina Resident
Mike McCullough, MRWPCA
Lewis Rashe, Marina Resident

3. Public Comment on Closed Session Items:

No comments.

President Moore stated that the Board would enter into closed session to discuss the following items as time permits:

4. 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, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case Nos. H038550 and H039559

2) 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 – & A.13-05-017 Settlement Agreement

3) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, San Francisco Superior Court Case No. CGC-13-528312 (Complaint for Declaratory Relief)

B. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Subdivision (b) of 54956.9
Two Potential Cases

C. Pursuant to Government Code 54957

Public Employee Performance Evaluation
Title: Interim General Manager

The Board entered closed session at 6:02 p.m. The Board ended closed session at 7:00 p.m.

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

5. Possible Action on Closed Session Items:

President Moore reported that the Board discussed items 4-A1, A2, A3, 4-B, and 4-C during closed session. Mr. Roger Masuda, Legal Counsel, stated that no reportable actions were taken in closed session and only one potential case was discussed under 4-B.

6. Pledge of Allegiance:

President Moore asked Vice President Shriner to lead everyone present in the pledge of allegiance.

7. Oral Communications:

No comments.

8. Election of Board Vice President:

Director Lee nominated Director Gustafson for Vice President. Director Gustafson seconded the motion. The motion failed.

Director Lee	-	Yes	Vice President Shriner	-	No
Director Gustafson	-	Yes	President Moore	-	No
Director Le	-	No			

President Moore nominated Director Shriner for Vice President. Director Shriner seconded the motion. The motion failed.

Director Lee	-	No	Vice President Shriner	-	Yes
Director Gustafson	-	No	President Moore	-	Yes
Director Le	-	No			

Director Le nominated Director Lee for Vice President. Director Lee seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	No
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

9. Consent Calendar:

Director Le pulled item A from the Consent Calendar

Director Shriner made a motion to approve the Consent Calendar consisting of the following item:

B) Approve the Draft Minutes of the Regular Board Meeting of May 5, 2014

Director Le seconded the motion. The motion was passed.

Director Shriner	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Abstained	President Moore	-	Yes
Director Le	-	Yes			

A. Authorize the Interim General Manager to Execute a Right of Entry for the Army Corp of Engineers to Enter Certain MCWD-Owned Property in Marina, CA:

Director Le made a motion to authorize the Interim General Manager to execute a Right of Entry for the Army Corp of Engineers to enter certain MCWD-owned property in Marina, CA with a change in Section 1 from “not to exceed one year” to “not to exceed three months”.

Agenda Item 9-A (continued):

Director Shriner seconded the motion. The motion was passed.

Director Shriner	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

10. Action Items:

A. Discuss and Consider Approval of the Audit Ad Hoc Committee Recommendations:

Following discussion, Director Le made a motion to approve recommendations No. 3 with the work to be completed prior to December 2015; No. 4 with the work to be completed prior to December 2015; and No. 5 to be completed by July 2014. President Moore seconded the motion.

Mr. Kenneth Nishi, Marina resident, voiced his concerns over receiving a recommendation from only one member of the Ad Hoc Committee. He added that he was concerned that the Committee member asked for recommendations from staff and the public. Mr. Nishi stated that the Board needs to stay focused on the budget process and his concern over the \$1 million loan from Central Marina to the Ord Community without any interest rate and conditions to pay it back.

The motion was passed.

Director Shriner	-	Yes	Vice President Lee	-	No
Director Gustafson	-	No	President Moore	-	Yes
Director Le	-	Yes			

B. Discussion and Possible Action on Revised Draft District FY 2014-2015 Budget, Rates, Fees, and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents:

Staff briefly went over the changes made to the budget since the last version. Board members asked for a table to be added to the budget summary showing past years cost center split allocations; and line items with an amount for annexation, augmentation and surface water. President Moore asked staff to bring back information on past loans from Central Marina to the Ord Community and how they were paid back.

C. Receive District Draft Five-Year Capital Improvement Projects Budget for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final CIP Budget Documents:

Director Le asked that each CIP project description show a subtotal for each Fiscal Year. Clarifying questions were asked by the Board.

Agenda Item 10-C (continued):

Mr. Nishi commented that, before the Board approves the CIP, they need to take into consideration the fact that Seaside County Sanitation District is thinking about expanding onto the former Fort Ord.

D. Discussion and Possible Action on City of Marina's Draft Initial Study/Mitigated Negative Declaration:

Mr. Nishi commented that the Board members should have been given copies of the draft IS/MND. He commented on the outfall pipeline and that the Agricultural community did not support this project.

Following discussion, direction was given to staff to invite City of Marina staff to the next meeting; see if the District could get copies of the data or samples from the bore holes; and, in addition to the comments made on the transmittal regarding the Cemex property, the construction water and the ocean outfall, have legal counsel ask the City to assess the potential impact to the District's desal intake wells as part of the slant well testing.

E. Discussion on Districts Procedure for Processing Invoices and Consider Adoption of Resolution No. 2014-22 to Approve District's Procedure for Processing Invoices:

Director Shriner made a motion to adopt Resolution No. 2014-22 to approve District's Procedure for Processing Invoices. President Moore seconded the motion. Mr. Nishi commented that the District needed to float invoices for 30 days and not pay them as soon as they are received. The motion was passed.

Director Shriner	-	Yes	Vice President Lee	-	No
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	No			

F. Consider Adoption of Resolution No. 2014-23 to Approve Revision to Section 42, Payment of Bills, of the Board Procedures Manual:

Director Shriner made a motion to adopt Resolution No. 2014-23 to approve revision to Section 42, Payment of Bills, of the Board Procedures Manual, as written. Director Gustafson seconded the motion. Mr. Nishi commented that the procedure for processing invoices was not included in the proposed revision to Section 42. The motion was passed.

Director Shriner	-	Yes	Vice President Lee	-	No
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	No			

Director Gustafson left the meeting at 9:10 p.m.

G. Discussion and Possible Action Regarding the 3,000 Acre-Foot Regional Urban Water Augmentation Project:

Discussion was held and the Board asked clarifying questions.

Mr. Nishi commented that if the drought continues, the pumping from the aquifer cannot continue at this pace. He commented that the District has recycled water that they could sell to the Peninsula to subsidize future CIP projects.

11. Informational Items:

A. General Manager's Report:

1. Correspondence Received by Board or General Manager:

- a. Seaside County Sanitation District (SCSD) Letter and Draft Study: Mr. Lee commented that a copy of the letter and study were included in the packet and the SCSD was willing to meet with the Board President and General Manager for discussion.
- b. Draft CSUMB University-Agency Agreement (Service Learning Program) for Placement of Students: Mr. Lee commented that this was discussed on May 5th and after legal counsel review of the agreement, will bring it back to the June 16th meeting.
- c. Proposition 218 Protest Letters with Reasons Listed for the Protest: Mr. Lee stated that some letters were included in the packet so that the Board could see some of the concerns noted by the public.

Mr. Lee noted that a copy of the May 30th FORA presentation was included on the dais. He added that a copy of a letter from Vince Ferrante running for California Special Districts Association Board was also on the dais.

B. Counsel's Report:

No report.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Shriner noted the next meeting was June 5th at 5:30 p.m.

2. Joint City District Committee:

President Moore noted that the May 28th meeting was canceled.

3. Executive Committee:

No meeting was held.

4. Community Outreach Committee:

Director Shriner commented that Vice President Lee was the alternate to this Committee and asked if he wanted to schedule a meeting.

5. MRWPCA Board Member:

President Moore gave an update on the May 22nd meeting and that a budget workshop was scheduled for June 9th.

6. LAFCO Liaison:

Director Shriner stated that the May meeting was canceled and the next meeting was June 23rd and asked if Vice President Lee could attend as an alternate as she was unavailable.

7. FORA:

President Moore noted that there was a special meeting set for on May 30th and Mr. Lee gave a presentation that was very well done.

8. WWOC:

Mr. Lee stated that the District budget will be going to the Admin Committee next instead of the WWOC then it will go to the WWOC.

9. JPIA Liaison:

No report.

10. Special Districts Association Liaison

President Moore stated that the next meeting is scheduled for July 15th.

12. Board Member Requests for Future Agenda Items:

A. Board Member Requests:

Director Le asked for: 1) revision of the Board Procedures Manual; 2) review of the General Manager applications; 3) the Cal Am Wheeling Agreement regarding how much water was conveyed and received; and, 4) and if the District complied with the Agency Act in signing the agreement.

Agenda Item 12-A (continued):

Vice President Lee asked to discuss charging farmers for the recycled water the District gives them every year.

Director Shriner asked for 1) the MOU with CSUMB to be discussed; 2) Update on SCSD; 3) continuing the IT contract verses hiring an employee to handle the District IT.

13. Director's Comments:

Director Le, Director Shriner, Vice President Lee made comments. President Moore noted that 74 applications had been received for the General Manager position and the recruiter is going to narrow it down to 15. He added that the Board will need to provide guidance at the next meeting.

14. Adjournment:

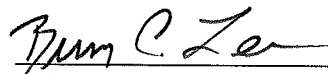
The meeting was adjourned at 9:51 p.m.

APPROVED:



Thomas P. Moore, President

ATTEST:



Brian C. Lee, Deputy Secretary