

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
May 22, 2002
7:00 p.m.

Minutes

1. Call to Order/Roll Call:

President Moore called the meeting to order at 7:00 p.m. on May 22, 2002.

Board Members Present:

Tom Moore – President
David Brown – Vice-President
Emmette Randle
Kenneth Nishi
Charles Scholl

Board Members Absent:

None.

Staff Members Present:

Mike Armstrong, General Manager
Lloyd Lowrey, Legal Counsel
Dave Meza, District Engineer
Suresh Prasad, ASO Finance and Technology
Jim Dowless, O & M Superintendent
Richard Youngblood, Water Conservation Specialist
Paula Carina, Board Clerk

Audience:

Joe Correa
Lester Lee

2. Oral Communications:

None.

3. Presentation:

- A. Consider Awarding Ten-Year Plaque and Gift Certificate to Joe Correa, System Operator II:

Mr. Armstrong read the narration commending Mr. Correa for his ten years of service with the District.

On motion by President Moore, seconded by Director Nishi; the Board award a plaque and a \$50 gift certificate to Joe Correa for ten years of service to the District. The motion was passed.

President Moore	-	Yes	Vice-President Brown	-	Yes
Director Randle	-	Yes	Director Nishi	-	Yes
		Director Scholl	-	Yes	

President Moore presented the plaque and gift certificate to Mr. Correa.

4. Public Hearing:

Second Reading of Ordinance No. 36 Approving Increases in District Rates, Fees, and Charges for Marina:

President Moore opened the Public Hearing at 7:04 p.m.

Director Nishi asked for the chronology to be filled in on the Ordinance checklist and to be provided when staff completed it.

President Moore reported that there were no additional protests filed with the District. Hearing no comments from the public, President Moore closed the Public Hearing at 7:06 p.m.

1. Action Items:

- A. Consider Adoption of Ordinance No. 36 Approving Increases in District Rates, Fees, and Charges for Marina:

On motion by President Moore, seconded by Director Randle; the Board approve Ordinance No. 36 approving increases in District rates, fees, and charges for Marina. Director Randle questioned if the public was amply notified of the public hearing. Due to the lack of public present at the public hearings, Director Randle suggested that the District hold another hearing at a time that would be more convenient for the public to attend. Mr. Lowrey stated that the District has followed all the guidelines and mailed notices to every customer and/or property owner in Marina. Discussion followed.

Action Item 5-A (continued):

Director Scholl moved to call the question. The motion to approve Ordinance No. 36 was passed.

President Moore	-	Yes	Vice-President Brown	-	Yes
Director Randle	-	No	Director Nishi	-	No
		Director Scholl	-	Yes	

B. Consider Adoption of Resolution No. 2002-21 Approving a Professional Services Agreement with Harding ESE to Prepare the Well No. 30 Rehabilitation/Replacement Study:

Mr. Meza introduced this item. Director Scholl suggested the District look into having Harding ESE take samples from the nearby monitoring well as that may provide additional information on seawater intrusion. Mr. Armstrong stated that staff could discuss with the consultant the feasibility of pulling samples from the monitoring well. Director Nishi stated that he couldn't support the agreement with this consultant because he would like to see Mr. Martin Feeny involved with the project.

On motion by Director Scholl, seconded by Director Randle; the Board adopt Resolution No. 2002-21 approving a Professional Services Agreement with Harding ESE to prepare the Well No. 30 rehabilitation/replacement study. Director Scholl noted that the cost in the proposal from Mr. Feeny's group was considerably higher than Harding's proposal. The motion was passed.

President Moore	-	Yes	Vice-President Brown	-	Yes
Director Randle	-	Yes	Director Nishi	-	No
		Director Scholl	-	Yes	

C. Consider Adoption of Resolution No. 2002-22 Approving a Professional Services Agreement with Harris & Associates to Provide On-Call Construction Management and Construction Inspection Services:

Mr. Meza introduced this item.

On motion by Vice-President Brown, seconded by Director Randle; the Board adopt Resolution No. 2002-22 approving a Professional Services Agreement with Harris & Associates to provide On-Call construction management and construction inspection services. The motion was passed.

President Moore	-	Yes	Vice-President Brown	-	Yes
Director Randle	-	Yes	Director Nishi	-	Yes
		Director Scholl	-	Yes	

D. Consider Approval of the Draft Fort Ord Sewer System Improvement Project Scope of Work as to Form and Direct Staff to Solicit Proposals:

Mr. Meza introduced this item. Director Scholl inquired if Schaaf & Wheeler completed the wastewater system Master Plan for the Former Fort Ord? Mr. Meza confirmed that they did.

On motion by Director Randle, seconded by Director Scholl; the Board approve the Draft Fort Ord Sewer System Improvement Project scope of work. The motion was passed.

President Moore	-	Yes	Vice-President Brown	-	Yes
Director Randle	-	Yes	Director Nishi	-	No
		Director Scholl	-	Yes	

E. Consider Adoption of Resolution No. 2002-23 Approving Compensation Policy for District Directors:

Mr. Armstrong introduced this item. Director Brown inquired if there were any Boards that did not receive compensation? Mr. Armstrong stated that there were very few Boards of similar organizations in Monterey County that did not receive compensation.

Director Scholl's questioned and commented that: 1) was the compensation to encourage more citizens to apply for the positions, or to encourage better conduct from the Directors? 2) an extra stipend for the President should be considered as he overlooks most of the Board actions and committees; 3) is it fair to the public members that serve on the committees? and, 4) do Board members receive full compensation if they arrive late or leave early without serving for the entire meeting?

Director Nishi's questioned: 1) what "up to \$100 for each day's attendance" meant, and how does it work for someone who arrives late or leaves early? 2) what are the ramifications when a director misses a meeting? 3) what are the ramifications when a director arrives unprepared for the meeting; and, 4) can the Board vote for compensation to be drafted for a later date after current Board members terms expire?

Mr. Lowrey stated that the resolution was written to read "\$100 per meeting" meaning that there is no time limit on how long a member has to be present for a meeting. The resolution can be changed to include language on how directors are to be paid, i.e. once a month with the sum of the attended meetings minus the missed meetings. Mr. Armstrong added that there is no language that states that compensation must be \$100 per meeting. Compensation can be any amount up to \$100.

On motion by Director Randle, seconded by Vice-President Brown; the Board approve Resolution No. 2002-23 approving a compensation policy for District Directors. Discussion followed.

On motion by Director Scholl, seconded by Vice-President Brown; the Board approve an amended motion to allow \$50 for Board meetings, \$20 for committee meetings, and to become effective in November 2004. Discussion followed. The amended motion failed.

President Moore	-	No	Vice-President Brown	-	Yes
Director Randle	-	Yes	Director Nishi	-	No
		Director Scholl	-	No	

Director Scholl requested a vote for reconsideration of the amended motion. With a vote of 3-Ayes, 2-Noes, 0-absent, the vote for reconsideration passed.

The Board reconsiders amendment of motion allowing \$50 for Board meetings, \$20 for committee meetings, and to become effective in November 2004. The reconsidered amended motion failed.

President Moore	-	No	Vice-President Brown	-	Yes
Director Randle	-	No	Director Nishi	-	No
		Director Scholl	-	Yes	

On motion by Vice-President Brown, seconded by Director Randle; the Board amend the original motion to allow \$50 for Board meetings, \$20 for committee meetings, and to become effective in December 2002. Director Nishi called for the question. Vice-President Brown called for a point of information. Vice-President Brown asked what the vote would be approving. President Moore explained that the vote was on the amendment to the original motion to approve Resolution No. 2002-23 to allow \$50 for Board meetings, \$20 for committee meetings, and to become effective in December 2002. The amended motion failed.

President Moore	-	No	Vice-President Brown	-	Yes
Director Randle	-	Yes	Director Nishi	-	No
		Director Scholl	-	No	

The original motion failed.

President Moore	-	No	Vice-President Brown	-	Yes
Director Randle	-	Yes	Director Nishi	-	No
		Director Scholl	-	No	

President Moore recessed the meeting from 8:20 p.m. until 8:30 p.m.

F. Receive Staff Presentation on Draft FY 2002/2003 Budget and Rates for Marina and Fort Ord and Provide Direction to Staff to Prepare Final Budget Documentation:

Mr. Prasad introduced this item and gave a brief presentation. President Moore asked for an exhibit showing the rate that the District is acquiring debt and the rate of debt repayment. Mr. Prasad acknowledged that staff was already working with the local bank and a financial advisor on that particular issue and it would be presented at the next Budget and Personnel committee meeting.

Mr. Armstrong distributed an opinion prepared by District Legal Counsel and reviewed by FORA's Counsel, along with an opinion prepared by Hatch & Parent, all on the Water/Wastewater Facilities Agreement. Discussion followed.

President Moore requested details on the process and costs of a validating procedure to be agendized for the June 26, 2002 meeting.

Director Nishi inquired about the financial advisor. He also asked who would pay for the infrastructure for water and wastewater in Fort Ord on new developments? Mr. Armstrong stated that the developer would pay for the infrastructure within the development and the District would be responsible for the primary infrastructure. Discussion followed.

Director Nishi asked for a comparison showing previous engineering expenses and projected engineering expenses. He also asked for a sheet showing the difference between salary and hourly wages. Director Nishi asked why the workman's comp expense is lower in engineering than the other departments. Mr. Prasad stated he would look into that.

Director Nishi asked for an analysis to see if in-house engineering was cost effective compared to when the District hired outside engineering consultants. President Moore requested that staff run a quick ratio between capital improvement costs and engineering costs over the last several years.

Director Nishi asked if there is an increase in the budget for contract employees? Mr. Prasad stated there was not.

Vice-President Brown left the meeting at 9:17 p.m.

Director Nishi voiced his concerns over the investments with LAIF. He also requested to see a table of the ranges of employee salaries. Director Nishi inquired on the Admin/Operation facilities line item.

Action Item 5-F (continued):

President Moore requested a Board reexamination of the investment policy. Discussion over District reserves followed. President Moore suggested the Board reconsider modifying the District resolution to allow for a more reasonable reserve target and asked staff to prepare a proposal for the Budget and Personnel Committee.

On motion by Director Nishi, seconded by Director Scholl; the Board schedule a Budget workshop at 4:00 p.m. on June 12, 2002 with the Strategic Planning Workshop immediately following the Budget workshop. With a vote of 3-Ayes, 1-No, 1-Absent, the motion was passed.

G. Consider Approval of Revised Board of Director's Committee Assignments for 2002:

President Moore introduced this item. Director Nishi suggested that Director Scholl replace Vice-President Brown as the alternate to the Budget and Personnel Committee.

On motion by Director Nishi, seconded by Director Scholl; the Board approve the revised Board of Director's Committee assignments with the modification that Director Scholl replace Vice-President Brown as the alternate on the Budget and Personnel Committee. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

H. Receive Update from Board President on Special District Representation on LAFCO (Local Agency Formation Commission) and Consider Endorsement of Selection Criteria, Alternative Cost Allocation Formula and Special District Association Formation:

President Moore introduced this item. Director Nishi voiced his concerns over being unable to provide direction to the President in taking action regarding this matter. Mr. Lowrey clarified that the Independent Special District Selection Committee has a special statute that allows the Special District Chair to make decisions on behalf of the Board. He can ask for direction from the rest of the Board, but has specific statutory authority to meet and take action on behalf of the Board. Discussion followed.

On motion by Director Randle, seconded by Director Scholl; the Board approve voting yes on all three proposals for Special District Representation on LAFCO. Discussion followed. With a vote of 3-Ayes, 1-No, 1-Absent, the motion was passed.

President Moore requested LAFCO candidate nominations be agendized for June 12 and June 27, 2002.

6. Consent Calendar:

Director Scholl requested items A, E, and F and Director Nishi requested item C to be pulled from the Consent Calendar.

Consent Calendar (continued):

On motion by Director Randle, seconded by Director Scholl; the Board approve Consent Calendar items, B (Approve minutes of the Public Hearing of April 24, 2002), and D (Approve Expenditures for the Month of April 2002) as presented. The motion was passed.

President Moore	-	Yes	Vice-President Brown	-	Absent
Director Randle	-	Yes	Director Nishi	-	Yes
		Director Scholl	-	Yes	

A. Approve Minutes of the Regular Board Meeting of April 24, 2002:

Director Scholl requested page 5 of the minutes under item D state, "Director Scholl was opposed to FORA's current policy of having capital charges paid by the ratepayer."

On motion by President Moore, seconded by Director Randle; the Board approve the minutes with said correction. With a vote of 4-Ayes, 0-No, 1- Absent, the motion was passed.

President Moore noted that it was 10:00 p.m. and asked for a motion to adjourn the meeting. Upon hearing no motion, the meeting was continued.

C. Approve the Strategic Planning Workshop Minutes of May 15, 2002:

On motion by Director Nishi, seconded by Director Randle; the Board approve the Strategic Planning Workshop as presented. Director Nishi amended his motion to include the following changes, on page 3 of the minutes, removing "A tentative agreement was reached" and changing it to read, "The following proposals are to be placed on the May 22, 2002 agenda." With a vote of 4-Ayes, 0-Noes, 1-Absent, the amended motion was passed.

E. Consider Approval of Consumer Confidence Reports for Marina and the Presidio of Monterey Annex Water Systems:

Director Scholl inquired on the name of the Presidio of Monterey Annex Water System and if the new name could be placed on the report. President Moore suggested a footnote stating "On April 24, 2002, the name of this system was changed to Ord Community Water System." Mr. Armstrong stated that he would look into the change.

President Moore suggested rewording the sentence under Water Quality Testing, in the Presidio of Monterey Annex Water System report, from "Those that were detected were well below the drinking water standards." to either, "Those that were detected were well below maximum permissible levels" or, "Those that were detected were well within the drinking water standards."

Agenda Item 5-E (continued):

On motion by Director Randle, seconded by Director Scholl; the Board approve the Consumer Confidence Reports for Marina and the Presidio of Monterey Annex Water Systems with suggested modifications. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

F. Consider Approval of Job Description for Administrative Assistant in Engineering Department and Authorize Recruitment for the Position:

Director Scholl questioned the concept of hiring an administrative assistant rather than an engineering assistant with contract people to perform filing duties. Discussion followed. Staff was requested to provide a contrast between hiring outside engineers and hiring and administrative or engineering assistant.

President Moore made a motion to table this item until the June Board meeting. Director Randle seconded the motion. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

7. Informational Items:

A. General Manager's Report:

Mr. Armstrong reminded the Board that they had agreed to look at the mission statement and provide him with ideas on a revised/modified mission statement. He also noted that the Management/Confidential Unit ratified the MOU on May 20, 2002.

Mr. Armstrong was pleased to inform the Board that the District was recently awarded a grant that Mr. Byron Buck helped prepare. The DWR grant will provide the District nearly \$1 million, of the \$8.8 million available statewide for urban water conservation projects through Prop. 13. This money will fund work on the Former Fort Ord to replace pressure-reducing valves.

Mr. Armstrong shared with the Board that Mrs. Evelina Adlawan, Technical Services Manager for the District, had recently lost a brother and is now losing a sister-in-law, and that the District's thoughts and prayers are with her.

B. Staff Report:

1. Annual Economic Interest Reporting Compliance:

Mr. Lowrey stated that all Board members had filed their economic interest forms with the exception of one, and that full compliance is encouraged.

C. Strategic Plan Update:

No comments.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

No Comments.

2. Operations and Maintenance Committee:

No comments.

3. Budget and Personnel Committee:

The Committee members agreed to schedule the next B & P meeting for June 11, 2002 at 3:30 p.m.

4. Projects and Planning Committee:

Director Scholl requested that information for review panels be provided further in advance to allow for more review time.

5. Joint City-District Committee:

No comments.

6. MRWPCA Board Member:

President Moore commented that the District has a scheduled negotiation meeting on May 30, 2002 with the MRWPCA negotiating team.

7. LAFCO:

Director Scholl informed everyone that on May 20, 2002, Mayor Smith was elected LAFCO Chair and Edith Johnson was elected Chair Pro Tempore. He also stated that the Special District's share of the office set-up cost was \$34,700, with an annual recurring office set-up cost of \$33,200, and that it was approved that the County would absorb the start-up cost as a welcome gesture to the Special District's. Director Scholl stated the commission continued work on the Gianolini Reorganization.

8. JPIA:

No comments.

E. District Correspondence:

President Moore commented on the letter of support from Sam Farr's office.

F. Director's Comments:

Director Randle stated that he had heard Mr. James Ballagh was retiring and wanted to know what the District had planned for his retirement? Mr. Armstrong informed him that Ms. Connie Chavoya was planning the retirement party and if the Board wanted they could consider a retirement policy for individuals who served a certain length of time. President Moore requested that the retirement issue be brought to the Budget and Personnel Committee for review.

Director Nishi suggested that the District help the community and MPUSD by donating bottled water and would like to see it discussed at the Budget and Personnel Committee. He also commented that the information he received on prevailing wages was not the correct information. Mr. Armstrong asked Director Nishi to email him with a list of items that he wants information on. Director Nishi voiced his concern over LAIF not being insured enough to cover District funds. He also voiced his concern over the recycled water project ending at the Marina Airport. Director Nishi asked if it would be beneficial to send someone to the NAID conference regarding the MRWPCA's concerns about the conveyance.

Mr. Lowrey stated that at the last meeting with the MRWPCA, they said that they would send a letter acknowledging their only concerns were about the charges for wastewater by EDU vs. metered flow.

Director Nishi stated that a business owner who feels that MRWPCA is charging incorrectly approached him. He would like the District to check into it. President Moore stated that he would as he is on the Rate Committee at the MRWPCA.

Mr. Armstrong reiterated that the letter from MRWPCA would state that they do not have a problem with the conveyance to the District, that their concern is with FORA and the wastewater capacity rights.

The Board entered into closed session at 10:47 p.m.

8. Closed Session:

- A. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators
Property: Water Rights-Reclaimed Water
Agency Negotiators: Board – Thomas Moore and David Brown
Staff – Mike Armstrong and Legal Counsel Lloyd Lowrey
Negotiating Parties: Marina Coast Water District
Monterey County Water Resources Agency
Monterey Regional Water Pollution Control Agency
Under Negotiation: Price and Terms

The Board returned to Open Session at 11:16 p.m.

9. Possible Action on Closed Session Items:

President Moore reported that no action was taken and instructions were given to the negotiating team.

10. Adjournment:

The meeting was adjourned at 11:18 p.m.

APPROVED:

Thomas P. Moore, President

ATTEST:

Michael D. Armstrong, General Manager