

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
August 28, 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 August 28, 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
Rich Youngblood, Water Conservation Coordinator
Paula Carina, Board Clerk

Audience:

Toan Bui
Jeff Kilpatrick, Marina Gas/Diesel/Motel
Luigi Delucchi, CS

2. Oral Communications:

None.

3. Action Items:

A. Consider Adoption of Resolution No. 2002-36 Approving Water Capacity Charge Variance for Mr. Toan Bui – Marina Gas/Diesel/Motel:

Mr. Meza introduced this item. Director Nishi requested a copy of all documents on the Dunes Drive Project showing the amount negotiated with the District. Mr. Jeff Kilpatrick, of the architect firm of Wald, Ruhnke & Dost, explained the reasons for the variance request. District Counsel, Lloyd Lowrey, clarified “residential” vs. “non-residential” and, “commercial” vs. “non-commercial” in water and sewer capacity fees. Discussion followed.

On motion by Vice-President Brown, seconded by Director Randle; the Board approve Resolution No. 2002-36 approving water capacity charge variance for the Marina Gas/Diesel/Motel, as presented. Discussion followed. Director Nishi asked Legal Counsel if the Board could discuss the sewer fees when it is not mentioned in the agenda title. Legal Counsel stated that the contents of the packet support discussion and action on sewer fees.

Vice-President Brown moved to amend his previous motion to include language in Resolution No. 2002-36 that states, “Table 6.12.040 articulates the same charge per unit and therefore the denial of the sewage variance is appropriate”. Director Randle seconded the amendment.

Vice-President Brown amended his last two motions to include in title of Resolution No. 2002-36 that the water capacity charge variance is approved and the sewer capacity charge variance is denied. Director Randle seconded the motion. Discussion followed.

Vice-President Brown moved to call the question. President Moore seconded the motion. With a vote of 3-Ayes, 2-Noes, 0-Absent, the motion to call the question was passed. The amended motion was passed.

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

President Moore requested to pull item 5-F from the Consent Calendar and discuss it at this time as it was also for the property represented by Mr. Bui and Mr. Kilpatrick.

Director Nishi asked for a Point of Order. Mr. Lowrey clarified that Roberts Rules of Order gives guidance to the Board but that the President could request the item be taken out of order.

On motion by Director Randle, seconded by Director Nishi; the Board bring item 5-F to the table for discussion at this time. With a vote of 5-Ayes, 0-Noes, 0-Absent, the motion was passed.

Consent Calendar Item 5-F.

F. Consider Approval of the Construction and Transfer of Water and Sewer Infrastructure Agreement for 416 Reservation Road:

Mr. Meza introduced this item. Director Nishi asked what the Projects and Planning Committee recommended. Mr. Meza stated that staff recommends approval, but that the Projects and Planning Committee did not recommend approval due to a concern not pertaining to the business of the District. Director Nishi asked Legal Counsel for clarification on conflict of interest when a member lives within 300 feet of the project. Mr. Lowrey stated that it would not be appropriate for a Director to be involved in the consideration of an item in which there was a development within 300 feet of the Director's house. If the member was not a Director but a public member, Mr. Lowrey stated there would be no conflict of interest since the member of the Committee is in an advisory capacity only.

On motion by Vice-President Brown, seconded by Director Scholl; the Board approve the construction and transfer of water and sewer infrastructure for 416 Reservation Road. The motion was passed.

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

Mr. Kilpatrick asked if there was an appeals process regarding agenda item 3-A. Mr. Lowrey explained the process.

B. Consider Adoption of Resolution No. 2002-37 Approving Investment Policy for FY 2002/2003:

Mr. Lowrey explained that after reviewing the MCWD Code, there are a few technical amendments that need to be made to the investment policy. On page 1 of the Investment Policy, at the end of paragraph 2, the last sentence shall read as follows: "...Section 53635.2, observing the limitations specified in Sections 53601 and 53635." On page 2, Section II, item C-4 shall read "Which are specified in Government Code Section 53601.6". On page 3, Section III, the last sentence shall read "as required by Section 53601.5", and Section IV item C, at the end of the paragraph, add the word "and" after the comma. On page 4, Section IV item C continued, delete "and 53635 (i)."

Agenda Item 3-B (continued):

On motion by Vice-President Brown, seconded by Director Randle; the Board adopt Resolution No. 2002-37 approving the Marina Coast Water District Investment Policy for 2002-2003. Director Nishi asked when the Board received the last quarterly report? Mr. Prasad stated that every quarter the Board receives the quarterly financials which include the District's investments. 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. 2002-38 Abolishing the Engineering Technician Position and Approving the Plan Check Engineering Position and Job Description:

Mr. Meza went over the two changes made to the job description for the Plan Check Engineering position. Director Nishi inquired who was going to do the basic duties for the Engineering Technician position after the Plan Check Engineer position is in place? Mr. Meza stated that the duties are shared between the Engineer, the Project Engineer and the Plan Check Engineer. Director Nishi inquired how long before the Plan Check Engineer was working at full capacity? Mr. Meza stated that, if needed, outside consultants would be hired to assist with plan checking, and one duty of this position is to supervise those outside consultants. Director Nishi asked for a comparison between in-house engineering and outsourcing the engineering duties.

On motion by Director Randle, seconded by Vice-President Brown; the Board approve Resolution No. 2002-38 approving the Plan Check Engineering position and job description, and abolishing the Engineering Technician position. Discussion followed. The motion failed.

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

President Moore suggested staff bring justification on salary range to the Budget and Personnel Committee for review.

D. Consider Adoption of Resolution No. 2002-39 to Approve Amendment No. 2 of the Professional Services Contract with RBF Consultants to Complete the Engineering Basis of Design for the Regional Urban Recycled Water Project:

Mr. Meza introduced this item. Director Nishi asked if the MRWPCA's Board approved their share of this expenditure? President Moore answered that the MRWPCA Board approved \$10,500 of the local share for this project, but has yet to approve the \$19,400 for the additional cost of the amendment.

Agenda Item 3-D (continued):

On motion by Director Scholl, seconded by Director Randle; the Board approve Resolution No. 2002-39 amended to show that the District only make the payment of \$19,400 upon MRWPCA approving their share of the fee and adding language at the end of the "Now, Therefore, Be It Resolved" paragraph stating "The District allocates \$19,400 to this project and requires MRWPCA to reimburse the District for the remaining \$19,400."

- E. Consider Adoption of Resolution No. 2002-40 Approving a Professional Services Agreement with Viking Services to Provide Design/Build of the Marina/Fort Ord Water and Wastewater SCADA Project:

Mr. Meza introduced this item. Director Nishi questioned the funding for this project. Discussion followed. President Moore asked for clarification on the tasks in the scope of work. Mr. Meza stated that the scope of work provided in the packet has the tasks that had been modified.

On motion by Director Randle, seconded by Director Scholl; the Board approve Resolution No. 2002-40 approving the Professional Services Agreement with Viking Services to provide Design/Build of the Marina/Fort Ord Water and Wastewater SCADA project. The motion was passed.

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

- F. Consider Adoption of Resolution No. 2002-41 Approving Professional Services Agreement with Winzler & Kelly Consulting Engineers to Provide Design Services for the Ord Community Sewer System Improvement Project:

Mr. Meza introduced this item. Director Nishi inquired why the other bids were not provided.

On motion by Director Randle, seconded by Vice-President Brown; the Board approve Resolution No. 2002-41 approving the Professional Services Agreement with Winzler & Kelly Consulting Engineers to provide design services for the Ord Community Sewer System Improvement project. Discussion followed. Mr. Meza explained the method of choosing a consultant for this project. He explained that each consultant was graded on certain aspects of the scope of work they provided. Director Scholl stated that this question had been asked at the Projects and Planning Committee and staff had provided a thorough process that rated each proposal against many criteria. The motion was passed.

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

G. Consider Approval of the Draft Scope of Work for the Ord Community Water and Sewer System Map Update Project:

Mr. Meza introduced this item.

On motion by Vice-President Brown, seconded by Director Randle; the Board approve the draft scope of work for the Ord Community Water and Sewer System Map Update project. Director Scholl asked what the benefits were by the District allocating this expense. Mr. Meza stated the benefits were immeasurable. President Moore called the question. The motion was passed.

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

H. Consider Approval of the Draft Scope of Work to Provide Design Services for the Ord Community Water System Valve Rehabilitation Project:

Mr. Meza introduced this item. President Moore inquired whether the design budget needed to be listed on the transmittal? Mr. Meza stated that it did not.

On motion by Director Randle, seconded by Vice-President Brown; the Board approve the draft scope of work to provide design services for the Ord Community Water System Valve Rehabilitation project. The motion was passed.

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

President Moore recessed the meeting from 8:55 p.m. until 9:02 p.m.

I. Consider Approval of the Draft Scope of Work for Hazardous Material Surveys for the Corporation Yard and the Main Garrison Wastewater Treatment Plant:

Mr. Meza introduced this item.

On motion by Director Randle, seconded by Vice-President Brown; the Board approve the draft scope of work for Hazardous Material Survey for the Corporation Yard and the Main Garrison Wastewater Treatment Plant. With a vote of 5-Ayes, 0-Noes, 0-Absent, the motion was passed.

J. Consider Providing Direction to Staff Regarding Water Capacity Charges Paid by the Comfort Inn:

Mr. Meza introduced this item. Vice-President inquired what factor the Comfort Inn paid their water capacity charges? Mr. Meza stated the Comfort Inn paid water capacity charges at the 0.33 rate instead of the 0.5 rate. Director Nishi asked if the District was aware of other instances of incorrect capacity charges being charged to customers? Mr. Meza stated that staff was only tasked to look into the Comfort Inn charges. Director Scholl inquired if the District has a checking procedure in place to insure that customers are charged at the appropriate rate? Mr. Meza assured him the District has a procedure in place. President Moore asked if the District has contacted the Comfort Inn on this issue? Mr. Meza stated the District has not contacted the Comfort Inn, and was unable to contact the developer. Mr. Lowrey stated that he recommended the Board conclude that the 0.5 rate was in place at the time and grant a variance for the 0.33 rate that the Comfort Inn was given to bring them into compliance with the District.

On motion by Director Randle, seconded by Vice-President Brown; the Board grant a variance for the Comfort Inn a required in the Code and waive the deadline requirements. Discussion followed. The motion was passed.

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

K. Receive Final Report of Water Conservation Education Program for the 2001-2002 School Year:

Mr. Youngblood introduced this item and provided the Board an overview of the inaugural year of the In-School Water Conservation Education Program. This item was for review only.

L. Consider Adoption of Resolution No. 2002-42 Approving Professional Services Agreement with Bill Lovvorn to Provide Consultant Services for the Water Education Program:

Mr. Youngblood introduced this item.

On motion by Director Randle, seconded by Director Scholl; the Board adopt Resolution No. 2002-42 approving a Professional Services Agreement with Bill Lovvorn to provide consultant services for the Water Education Program. Director Nishi suggested the District honor Mr. Lovvorn with a resolution and plaque at the next meeting so that the Board could thank him personally. The motion was passed.

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

M. Review and Discuss Board Committee Meeting Dates and Times and a Procedure for Scheduling Special Committee Meetings:

Mr. Armstrong introduced this item.

On motion by Vice-President Brown, seconded by Director Randle; the Board approve the Board Committee and Board meeting dates provided in the packet. Mr. Armstrong suggested the Board consider adding a procedure to address changes in meeting dates and times. Vice-President Brown amended his motion to include the following language:

“If a committee member’s schedule in any given month precludes that director from attending a regularly scheduled committee meeting, that director will ask the alternate committee member to attend the meeting. If the alternate committee member can not attend the regularly scheduled meeting, the two primary committee members will then select a special committee meeting date and time. If the two primary committee members’ schedules can not accommodate the scheduling of a special meeting date/time, the committee chair will contact the alternate committee member in an attempt to have two directors available for the meeting.”

Director Randle seconded the amended motion. Discussion followed. Vice-President Brown motioned to cut off debate. Director Randle seconded the motion. With a vote of 3-Ayes, 2-Noes, 0-Absent, the motion was passed to cut off debate. With a vote of 3-Ayes, 1-No, 0-Absent, 1-Abstained, the amended motion to approve Board and Committee meeting dates was passed.

5. Consent Calendar:

Director Scholl requested to pull item E, and, Director Nishi requested to pull items D and G from the Consent Calendar. Item 5-F was pulled and voted on earlier in the meeting.

On motion by Vice-President Brown, seconded by Director Randle; the Board approve Consent Calendar items, A (Approve minutes of the Regular Board Meeting of July 24, 2002), B (Approve Expenditures for the Month of July 2002), and C (Review Financial Statement for April 1, 2002 – June 30, 2002) as presented. The motion was passed.

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

D. Consider Hiring Temporary Employee for Engineering Department:

On motion by Vice-President Brown, seconded by Director Randle; the Board approve hiring a temporary employee for the Engineering Department. The motion was passed.

Agenda Item 5-D (continued):

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

E. Consider Adoption of Resolution No. 2002-43 Approving the Purchase of Two F-250 Heavy Duty Work Trucks:

Director Scholl commented that the bids received from the dealers were not comparable due to the difference in accessories on the bids. Director Nishi asked if staff had considered placing an ad in the newspaper? Mr. Armstrong explained the problems the District has at times in obtaining comparable bids. He advised staff would look into advertising bids. Director Randle asked if the trucks included a tow package? Mr. Armstrong answered that they did.

On motion by Vice-President Brown, seconded by Director Randle; the Board approve Resolution No. 2002-43 approving the purchase of two F-250 heavy-duty work trucks. The motion was passed.

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

G. Consider Adoption of Resolution No. 2002-44 Approving a Scope of Services with ENS Resources of Washington, D.C. and an Initial Expenditure of \$4,000:

On motion by Vice-President Brown, seconded by Director Randle; the Board approve Resolution No. 2002-44 approving a scope of services with ENS Resources of Washington, D.C. and an Initial Expenditure of \$4,000. Director Nishi asked if the District should wait until the MRWPCA approved this expenditure first? President Moore stated the MRWPCA already approved their share of this expenditure. The motion was passed.

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

President Moore asked if there was a motion to adjourn? After hearing no motion, the meeting resumed.

6. Informational Items:

A. General Manager's Report:

Mr. Armstrong distributed copies and explained the mailings that Noland, Hammerly, Etienne and Hoss sent to the Ord Community customers regarding the Validation Action.

B. Staff Reports

1. LAIF Investment

Mr. Prasad explained the changes made to the investment report. Director Scholl stated his questions were:

1. The longest term and the average term of the bonds in each of these portfolios, i.e. if you have treasuries, what is the longest term treasury that is in the treasury portion of the portfolio and what is the average life of treasuries by portfolio?
2. What is the credit rating of bonds in aggregate by class, i.e. if you have corporate bonds, there should be a policy that you don't buy anything that is worse than a triple B, or a double A, or single A? There should be a policy of rating by type.
3. What are the management fees for this fund and is the extended yield before or after the fees?

President Moore asked if LAIF could answer these questions? Mr. Prasad stated that LAIF was unable to provide answers to the first question about the life of the treasuries, and stated that he had misunderstood the other questions but would get the information to the Board. President Moore asked if LAIF would research the life of treasuries? Mr. Prasad stated that he would contact them and request it again.

2. Open House

President Moore commented on the Open House sign and Mr. Youngblood stated that it was to be hung at soccer games and on the Desal Plant. Director Scholl volunteered to help at the Open House. Director Brown has volunteered to help Director Randle with the barbecue.

B. Strategic Plan Update:

Mr. Armstrong stated that he had only received comments from Director Scholl and the revised listing of prioritized key issues was distributed to the Board.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice-President Brown commented that he was on vacation and was unable to attend the August meeting.

2. Operations and Maintenance Committee:

No comments.

3. Budget and Personnel Committee:

Director Scholl had several corrections to the minutes:

Page 1, Item 3, first paragraph – Third sentence should read, “...originally met and made the selection of funds and how the funds would be invested.”

Page 1, Item 3, second paragraph – First sentence should read, “Director Scholl asked what were the management fees for funds within the portfolio.”

Page 2, Item 6, third paragraph – The sentence should read, “The Committee recommended to not accept the variance on the wastewater capacity charges...”

4. Projects and Planning Committee:

Director Scholl wanted to clarify that on page 2, item 10 of the minutes, he stated that this appeared to be a policy issue and should be brought before the Board for direction. Discussion followed.

5. Joint City-District Committee:

No meeting.

6. MRWPCA Board Member:

No comments.

7. LAFCO:

No comments.

8. JPIA:

No comments.

D. District Correspondence:

No comments.

E. Director's Comments:

Director Nishi had several comments:

1. He had asked for a letter from legal counsel on prevailing wage.
2. When is the District going to address the issue on the sewer fees being charged by MRWPCA on Sarita's restaurant. Do the capacity charges stay at a particular site or do they move with the restaurant and who has ownership to the capacity charges?
3. Copies of contracts on John Bonow and someone else.
4. Copies of the Comfort Inn packet.

Director Scholl had no comments.

Vice-President Brown had no comments.

Director Randle had no comments.

President Moore commented that there would not be a Closed Session.

9. Adjournment:

The meeting was adjourned at 10:22 p.m.

APPROVED:

David W. Brown, Vice-President

ATTEST:

Michael D. Armstrong, General Manager