

Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Regular Board Meeting  
October 23, 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 October 23, 2002.

Board Members Present:

Tom Moore – President  
David Brown – Vice-President  
Emmette Randle – arrived at 7:35 p.m.  
Kenneth Nishi  
Charles Scholl

Board Members Absent:

None.

Staff Members Present:

Leo Laska, Acting General Manager  
Lloyd Lowrey, Legal Counsel  
Dave Meza, District Engineer  
Suresh Prasad, ASO Finance and Technology  
Rich Youngblood, Water Conservation Coordinator  
Jade Sullivan, Project Engineer  
Paula Carina, Board Clerk

Audience:

Gerald Bowden, Dawson, Passafuime & Bowden  
Tom Gaffney, Bartle Wells & Associates  
Denise Duffy, Denise Duffy & Associates  
Jim Brezack, RBF Consulting  
Richard Taylor, CSUMB Representative  
Brian Congleton, Congleton Architects

2. Oral Communications:

None.

The Board entered into closed session at 7:01 p.m.

3. Closed Session:

- A. Pursuant to Government Code Section 54956.9  
Conference with Legal Counsel – Existing Litigation  
Case No. M60728 – Validation Action

The Board returned to open session at 7:37 p.m.

4. Possible Action on Closed Session Items:

President Moore stated that direction had been provided to Mr. Bowden, acting legal counsel.

5. Presentations:

- A. Presentation by Denise Duffy & Associates: Progress Report on Alternatives Analysis for Regional Water Augmentation Project:

Ms. Duffy updated the Board on the progress of the first phase of identifying and evaluating alternatives for the water augmentation project. President Moore mentioned considering analyzing the possibility of taking tertiary treated water and, after performing reverse osmosis, putting it back into the aquifer. Ms. Duffy stated that they would look into it.

6. Action Items:

- A. Consider Adoption of Resolution No. 2002-55 Approving Selection of Lending Institution and Loan Program to Fund Capital Improvement Projects for the Ord Community Service Area:

Mr. Prasad introduced this item. Mr. Tom Gaffney, Bartle Wells Associates explained the two proposals the District received. Discussion regarding a long-term vs. short-term loan followed. The Board also discussed the possibility of internal loans. Director Nishi asked how much of the LAIF funds are reserved for capital projects in Marina? Mr. Lowrey stated that a portion of the revenue received from capital facilities charges must benefit the people that paid those capital facilities charges, but the operating revenues are not restricted. Further research would be needed to give a definitive opinion on what funds would be available. Mr. Lowrey stated that the Board is asked to decide on long or short-term financing and provide direction to staff on which bank to negotiate with.

Action Item 6-A (continued):

On motion by Director Scholl, seconded by Vice-President Brown; the Board directs staff to negotiate with Municipal Financing Corporation for a short-term line of credit. The motion failed.

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

On motion by Vice-President Brown, seconded by Director Randle, the Board directs staff to negotiate with Community Bank on substantially lowering the startup costs and for a short-term line of credit. The motion was passed.

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

President Moore recessed the meeting from 8:40 p.m. until 8:47 p.m.

B. Consider Appointing District Representatives to Discussions with the Monterey County Water Resources Agency, the Fort Ord Reuse Authority and Possibly Other Urban Entities Regarding Urban Water Supply Projects:

President Moore introduced this item. Mr. Laska and Mr. Lowrey explained the need to appoint a representative to these discussions.

On motion by Vice-President Brown, seconded by Director Randle; the Board appoint President Moore to represent the District in the discussions. With a vote of 5-Ayes, 0-Noes, 0-Absent, the motion was passed.

C. Consider First Reading of Ordinance No. 37 Approving Proposed Revisions to Portions of Title 6 and Appendix C and E of the District Code:

Mr. Meza introduced this item. Director Scholl asked how the District plans to enforce the rates? Mr. Meza stated staff has implemented a process to ensure the proper fees are being assessed, and the developer must sign an agreement as to what conditions they are entering into and will notify the District of any changes. Director Scholl asked how the revisions to the water use factors for determining capacity charges would affect the budget? Mr. Meza stated that it would be difficult to determine the impact. Mr. Laska stated the hotel/motel capacity charges would be less but the majority of the capacity charges will be about the same.

Action Item 6-C (continued):

On motion by Vice-President Brown, seconded by Director Randle; the Board approve the First Reading of Ordinance 37. Director Scholl stated that he would like to see a consistent metric system used when determining capacity charges. Director Nishi was concerned that staff relied too heavily on the study by Monterey Peninsula Water Management District and not historical usage. Director Nishi would like to see the capacity charges stay with the person that paid the charges rather than with the location. President Moore stated that he would support a motion to direct staff to develop a database for the District with not only the District's information, but also information provided by neighboring cities. Mr. Lowrey suggested that the Board add to the motion to set a public hearing and give guidance whether to give notice by publication. Vice-President Brown amended his motion to set the public hearing for the next meeting and not give notice by publication. Director Randle seconded the amended motion. President Moore called the question. The motion was passed.

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

- D. Consider Directing the General Manager to Complete a Study of New and Modified Capacity Charge Accounts Comparing the Current Procedure of Identifying Capacity Charges with Properties and a New Procedure that would Identify Capacity Charges with Persons or Businesses in the Marina Service Area:

President Moore introduced this item. Discussion on capacity charges and whether they should stay with the person or business location followed. The Board directed staff to develop a system to account for capacity charges by person, business location, or assessors parcel number and that would also make the public aware of the capacity charges involved with setting up a business.

- E. Consider Adoption of Resolution No. 2002-56 Approving a Professional Services Agreement with Schaaf & Wheeler to Provide Design Services for the Ord Community Valve Rehabilitation Project:

Mr. Meza introduced this item. Director Randle asked why staff did not negotiate with Harding ESE when they negotiated with Schaaf & Wheeler? Mr. Lowrey stated CELSOC interprets Government Code sections 4525 and up, as allowing the District to select a consulting engineer or land surveyor based on qualifications, not price. After the engineer or surveyor is selected, the District could then negotiate on a price. Discussion followed.

President Moore noted the time was 10:00 p.m. and asked for a consensus of the Board to continue the meeting or adjourn. The consensus was to continue.

Action Item 6-E (continued):

On motion by Director Randle, seconded by Vice-President Brown; the Board table this item until the next Board meeting in December. Discussion followed. The motion failed.

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

On motion by Director Scholl, seconded by President Moore, the Board directs staff to organize a task force to develop a process for request for proposals. Mr. Lowrey stated his opinion that the motion made is not referenced on the agenda.

On motion by Director Scholl, seconded by President Moore, the Board adopt Resolution No. 2002-56 approving a Professional Services Agreement with Schaaf & Wheeler at a cost not to exceed \$86, 082. The motion failed.

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

Director Nishi asked what Director Scholl would like to see by way of more information. Director Scholl stated that he would like to see a staff report that shows a side-by-side comparison of all of the variables. Discussion followed. President Moore asked that the process for sending RFQ's and selecting consultants be agendized for a future meeting.

Director Scholl, being in the majority of the failed motion, restated his previous motion.

On motion by Director Scholl, seconded by President Moore, the Board adopt Resolution No. 2002-56 approving a Professional Services Agreement with Schaaf & Wheeler at a cost not to exceed \$86, 082. The motion was passed.

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

- F. Consider Adoption of Resolution No. 2002-57 Approving a Professional Services Agreement with Congleton Architects to Provide Master Planning Services for the District Corporation Yard Master Plan:

Mr. Sullivan introduced this item.

Agenda Item 6-F (continued):

On motion by Director Randle, seconded by Director Scholl; the Board adopt Resolution No. 2002-57 approving a Professional Services Agreement with Congleton Architects to provide Master Planning Services for the District Corporation Yard Master Plan. 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	

G. Consider Adoption of Resolution No. 2002-58 Approving Minor Construction Contract to Salinas Valley Fence for Fence Replacement at Wastewater Treatment Plant Property on the Former Fort Ord:

Director Randle inquired on the ability to use barbed wire around the fence at the site and if staff looked into the price of slats. Mr. Laska stated that the property is located in the non-incorporated area of Monterey County, which allows barbed wire to be used.

On motion by Director Scholl, seconded by Vice-President Brown; the Board approve Resolution No. 2002-58 approving minor construction contract to Salinas Valley Fence for fence replacement at the wastewater treatment plant property on the former Fort Ord. The motion was passed.

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

F. Consider Staff Proposal for the Development of a Plan to Improve District Recordkeeping and Retention Policies and Procedures and Provide Direction to the General Manager:

President Moore introduced this item. Director Nishi asked if the work plan could be completed before April 2003? Mr. Meza stated that staff was already working toward enhancing the recordkeeping procedure.

On motion by Vice-President Brown, seconded by Director Randle; the Board approve the development of a work plan to improve District recordkeeping and retention policies and procedures. With a vote of 5-Ayes, 0-Noes, 0-Absent, the motion was passed.

G. Consider Adoption of Resolution No. 2002-59 to Authorize Application to the California Department of Water Resources to Obtain a Local Assistance Groundwater Grant:

Action Item 6-I (continued):

On motion by Director Randle, seconded by Vice-President Brown; the Board approve Resolution No. 2002-59 authorizing an application to the California Department of Water Resources to obtain a Local Assistance Groundwater Grant. 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			

On motion by Director Nishi, seconded by President Moore; the Board add an emergency item to the agenda with the findings that the need arose after the agenda was posted and the need for immediate action. The motion was passed.

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

J. Consider Selecting an Acting General Manager in the Absence of Michael Armstrong, General Manager:

On motion by President Moore, seconded by Vice-President Brown; the Board appoint Leo Laska as the acting General Manager and acting Secretary allowing him to sign and execute documents in the absence of Michael Armstrong, General Manager. The motion was passed.

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

7. Consent Calendar:

Director Nishi requested items D, E, H, and I, and President Moore requested item C to be pulled from the agenda.

Vice President Brown left the meeting at 10:39 p.m.

On motion by Director Scholl, seconded by Director Randle; the Board approve Consent Calendar items A (Approve minutes of the Special Board Meeting of September 5, 2002), B (Approve minutes of the Special Board Strategic Planning Workshop of September 18, 2002), F (Consider Approval of the November Newsletter), and G (Consider Adoption of Resolution No. 2002-60 Approving Right of Entry for Groundwater Monitoring by the U.S. Army Corps of Engineers) as presented. The motion was passed.

Consent Calendar (continued):

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

C. Approve Minutes of the Regular Board Meeting of September 25, 2002:

President Moore asked this item to be pulled so that he could abstain from the vote as he was not present from the September 25, 2002 Board meeting.

On motion by Director Scholl, seconded by Director Randle; the Board approve the minutes as presented. With a vote of 4-Ayes, 0-Noes, 1-Absent, 0-Abstained, the motion was passed.

D. Approve Expenditures for the Month of September 2002:

Director Nishi asked for clarification of several refund checks.

On motion by Director Nishi, seconded by Director Randle; the Board approve the September expenditures. The motion was passed.

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

E. Review Quarterly Financial Statements for July 1, 2002:

Director Nishi asked staff to break out capital expenses and revenues on the quarterly financial statements. Mr. Prasad stated that staff was working on breaking out the capital component charges from the Fort Ord revenues and the capacity charges from the Marina revenues. The next quarterly statement would show these changes.

On motion by Director Randle, seconded by Director Nishi; the Board accept the Quarterly Financial statements. The motion was passed.

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

Director Nishi asked the Board to look at both items H and I at the same time.

H. Approve Minutes of the Budget and Personnel Committee Meeting of September 10, 2002:



Consent Calendar (continued):

- I. Approve Minutes of the Budget and Personnel Committee Meeting of September 17, 2002:

Director Nishi asked how the Board could vote on the minutes. Mr. Lowrey stated that the members present at the committee meeting were the ones to approve or disapprove the minutes. President Moore asked if the other Board members should abstain or if they are not a part of the vote? Mr. Lowrey stated the other Board members are not a part of the vote. Discussion followed.

On motion by Director Randle, seconded by Director Scholl; the Board accepts the September 10<sup>th</sup> and 17<sup>th</sup> minutes as unapproved. With a vote of 4-Ayes, 0-Noes, 0-Absent, the motion was passed.

8. Informational Items:

- A. General Manager's Report:

No comments.

- B. Counsel's Report

No comments.

- C. Staff Report

Ms. Carina gave an update on the status of the General Manager's situation.

- D. Strategic Plan Update:

No comments.

- E. Committee and Board Liaison Reports:

1. Water Conservation Commission:

No comments.

2. Operations and Maintenance Committee:

No meeting.

3. Budget and Personnel Committee:

No comments:

4. Projects and Planning Committee:

No comments.

5. Joint City-District Committee:

President Moore stated the District was having discussions with the City of Marina about whether to proceed with FORA items like the new housing development.

6. MRWPCA Board Member:

President Moore stated that the MRWPCA had concerns about several phrases in the RBF/Denise Duffy consulting report not clearly showing the project as joint with the District and MRWPCA.

7. LAFCO:

No comments.

8. JPIA:

No comments.

F. District Correspondence:

Director Nishi asked when the Board gave direction on stopping the capital costs for Fort Ord? President Moore stated he thought it was at one of the last meetings. Discussion followed. Director Nishi asked for the documentation showing Board direction on this item.

G. Director's Comments:

Director Scholl voiced his concern over the process of selecting the consultant for the valve replacement project.

President Moore distributed copies of a presentation on the Joint Urban Reclaimed Project he and Ms. Peggy Shirrel gave to the Monterey Peninsula Water Management District on October 21, 2002.

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9. Adjournment:

The meeting was adjourned at 11:10 p.m.

APPROVED:

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Kenneth K. Nishi, President

ATTEST:

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Michael D. Armstrong, General Manager