

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
October 22, 2003
7:00 p.m.

Minutes

1. Call to Order/Roll Call:

President Nishi called the meeting to order at 7:01 p.m. on October 22, 2003.

Board Members Present:

Ken Nishi – President
Charles Scholl – Vice-President
Tom Moore
David Brown – arrived at 7:03 p.m.
Ron Russo

Staff Members Present:

Mike Armstrong, General Manager
Lloyd Lowrey, Legal Counsel – arrived at 7:02 p.m.
Suresh Prasad, ASO for Finance & Technology
David Meza, District Engineer
Jade Sullivan, Project Engineer
Paula Carina, Board Clerk

Audience:

Jim Brezack, RBF Consulting
Brett Miller, Moss, Levy, & Hartzheim Accountants
Emmette Randle, Jr.

2. Oral Communications:

Mr. Lowrey arrived at 7:02 p.m. Mr. Armstrong informed the Board of the un-agendized transmittal (Approve Waiver of Potential Conflict for Hatch and Parent) Mr. Lowrey, Legal Counsel, submitted for consideration to be added to the agenda.

On motion by Director Moore, seconded by Vice-President Scholl; the item be added to the agenda as item 4-C. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

Director Brown arrived at 7:03 p.m.

3. Presentations:

- A. Consider Adoption of Resolution No. 2003-54 in Recognition of Community Member, Mr. Emmette Randle, Jr., for His Dedicated Service to the MCWD as a Public Member on the Projects and Planning Committee and the Operations and Maintenance Committee:

Mr. Armstrong read the narration thanking and commending Mr. Randle for his services to the District and wishing him well in future.

On motion by Director Moore, seconded by Director Brown; the Board approve Resolution No. 2003-54 recognizing Mr. Randle for his dedicated service to the MCWD as a public member on the Projects and Planning, and Operations and Maintenance Committees. The motion was passed.

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

- B. Consider Adoption of Resolution No. 2003-55 in Recognition of Community Member, Mr. Tim Quick, for His Dedicated Service to the MCWD as a Public Member on the Projects and Planning Committee:

President Nishi asked to hold this item as Mr. Quick had a schedule conflict and might arrive later in the meeting.

- C. Receive Presentation from Moss, Levy, and Hartzheim, Certified Public Accountants, and Consider Accepting the 2002/2003 Audit Report:

Mr. Prasad introduced this item then turned the presentation over to Mr. Brett Miller, Moss Levy, and Hartzheim. Mr. Miller presented the 2002/2003 audit report stating his firm gave the District an unqualified opinion. He also reviewed the management letter recommendations that the District adopt policies for cell phones, travel and credit cards to guard against possible fraud.

Director Moore asked if the cash vs. accumulated depreciation ratio is adverse for the District. Mr. Miller answered that it is not significant and the District is doing a good job planning for the future with the approved rate plan.

President Nishi questioned restricted assets and reserves for capital projects.

Agenda Item 3-C (continued):

President Nishi also inquired if the CSUMB capacity and connection fees are included in the Fort Ord water and Fort Ord sewer funds. Mr. Miller stated he would provide the details of the capacity and connection fees for those funds. Director Moore asked if staff researched the amount needed to replace depreciated assets. Mr. Prasad stated the study Bartle & Wells performed in 2001 provided information on what the District needed to do to prepare for replacement of depreciated assets i.e. the five-year rate increase.

On motion by Vice-President Scholl, seconded by Director Brown; the Board accept the 2002-2003 Audit Report as presented. With a vote of 4-Ayes, 1-No, 0-Absent, the motion was passed.

President Nishi recessed the meeting from 7:39 p.m. until 7:53 p.m.

4. Action Items:

- A. Consider Reconsideration of Resolution No. 2003-46, Procedures Guidelines and Design Requirements and the Standard Plans and Specifications for Construction of Domestic Water, Sewer, and Recycled Water Facilities:

Mr. Lowrey explained the process to reconsider or rescind the prior action on Resolution No. 2003-46. President Nishi stated he asked for this to be placed on the agenda because he wanted to change his vote to on this item.

On motion by President Nishi, seconded by Vice-President Scholl; the Board rescind the vote on Resolution No. 2003-46. The motion was passed.

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

On motion by Vice-President Scholl, seconded by Director Brown; the Board to reinstate the adoption of Resolution No. 2003-46 to approve the Procedures Guidelines and Design Requirements and the Standard Plans and Specifications for Construction of Domestic Water, Sewer, and Recycled Water Facilities. The motion was passed.

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

B. Receive Staff Report on the Seawater Desalination Facility 300 HP Motor:

Mr. Meza introduced this item and explained the problem with the 300hp motor is a thrust issue. Vice-President Scholl stated staff needed to provide documentation showing all contact between the District and Ionics so that President Nishi can follow up with a phone call as he had previously stated he would. Discussion followed.

Director Brown asked if the District has any legal recourse. Mr. Lowrey stated he would rather the Board schedule a closed session to discuss any possible legal recourse. Vice-President Scholl reiterated that staff document everything i.e. phone calls and conversations. Director Moore asked when Ionics was sending someone out to look at the motor. Mr. Meza answered is should be within the next two weeks. Director Moore suggested waiting until Ionics reviewed the issue and depending on their response, consider scheduling a closed session for discussion.

President Nishi asked when the second and third motors were installed. Mr. Meza stated he would look up those dates and provide them to the Board. President Nishi asked if the District has a shop drawing for the first motor. Mr. Meza stated we did not. President Nishi asked where the first motor was. Mr. Meza stated he believed it was at Valley Electric as they had performed the evaluation of that motor. President Nishi asked if there were shop drawings for motors two and three. Mr. Meza stated the District has drawing of motor two and that motor three was a rebuild of motor two. Following more discussion, President Nishi asked for the following from staff:

- 1) Dates second and third motors were installed;
- 2) Shop drawings of motors one and two;
- 3) How the motor was used the first three years; and,
- 4) When the regime was changed.

This item will be brought back in November for further discussion.

C. Approve Waiver of Potential Conflict for Hatch and Parent:

Mr. Lowrey introduced this item. Discussion followed.

On motion by Vice-President Scholl, seconded by Director Moore; the Board deny the waiver of potential conflict for Hatch and Parent. With a vote of 5-Ayes, 0-Noes, 0-Absent, the motion was passed.

5. Consent Calendar:

President Nishi requested to pull items D (Consider Adoption of Resolution 2003-51 to Approve a Professional Services Agreement with Winzler & Kelly Consulting Engineers to Provide Master Planning Services for the Marina Sewer System Master Plan Project and to Amend the FY 2003-2004 Budget) and E (Consider Adoption of Resolution No. 2003-52 to Approve a Professional Services Agreement with RBF Consulting to Provide Master Planning Services for the Ord Community Sewer System Master Plan Project and to Amend the FY 2003-2004 Budget) from the consent calendar. President Nishi asked if anyone from the public wanted to pull any items from the consent calendar. Hearing none, he asked for a motion.

On motion by Director Brown, seconded by Director Russo; the Board approve the Consent Calendar consisting of items: A) Consider Approval of the September 2003 Expenditures; B) Consider Second Reading and Adoption of Ordinance No. 38 to Approve Proposed Revisions to Portions of Title 1, 3, 5 and 6 of the District Code; C) Consider Recommending Approval of the District's In-Tract Water and Wastewater Collection System Infrastructure Policy to the Fort Ord Reuse Authority; F) Consider Adoption of Resolution No. 2003-53 to Approve a Professional Services Agreement with RBF Consulting to Provide Plan Check Services for the Residential Communities Initiative (RCI) Project; G) Review District Construction Inspection Process; H) Consider Approving Minutes of the Regular Board Meeting of September 24, 2003; I) Consider Approving Minutes of the Regular Board Meeting of October 8, 2003; and, J) Draft Agenda Items for November 2003 Board Meeting. The motion was passed.

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

President Nishi requested to discuss items D and E together. President Nishi stated he pulled both items because he would like to wait until the District had a new Engineer on staff following Mr. Meza's departure. Director Moore asked what ramifications there would be if this item was postponed. Mr. Sullivan stated that these proposed master plans help the District meet a required RWQCB schedule.

D. Consider Adoption of Resolution 2003-51 to Approve a Professional Services Agreement with Winzler & Kelly Consulting Engineers to Provide Master Planning Services for the Marina Sewer System Master Plan Project and to Amend the FY 2003-2004 Budget:

On motion by Vice-President Scholl, seconded by Director Moore; the Board adopt Resolution No. 2003-51 to Approve a Professional Services Agreement with Winzler & Kelly Consulting Engineers to Provide Master Planning Services for the Marina Sewer System Master Plan Project and to Amend the FY 2003-2004 Budget. The motion was passed.

Agenda Item 5-D (continued):

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

- E. Consider Adoption of Resolution No. 2003-52 to Approve a Professional Services Agreement with RBF Consulting to Provide Master Planning Services for the Ord Community Sewer System Master Plan Project and to Amend the FY 2003-2004 Budget:

On motion by Vice-President Scholl, seconded by Director Brown; the Board adopt Resolution No. 2003-52 to Approve a Professional Services Agreement with RBF Consulting to Provide Master Planning Services for the Ord Community Sewer System Master Plan Project and to Amend the FY 2003-2004 Budget. The motion was passed.

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

6. Informational Items:

A. General Managers Report:

Mr. Armstrong announced the District received correspondence from the Armstrong Ranch attorneys requesting a letter from the District, per the agreement, supporting inclusion of the Armstrong property into Zone 2B. He stated he would draft a letter, per their request, and provide a copy to the Board.

B. Counsel's Report:

No comments.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Moore stated he was unable to attend due to a scheduling conflict. Director Brown attended the meeting as the alternate. President Nishi asked the minutes be corrected where it pertains to Mr. McCall making a comment. Mr. McCall was not present at the meeting. Mr. Armstrong stated the minutes would be corrected accordingly.

2. Joint City District Committee:

No meeting was held due to lack of quorum.

3. MRWPCA Board Member:

Director Moore stated he spoke with Mr. Keith Israel, MRWPCA General Manager, regarding the letter sent by MRWPCA, asking if it had been reviewed by Mr. Armstrong. Several days later, Mr. Moore called Mr. Israel to discuss the issue and also had a conversation with the MRWPCA Board Chair.

4. LAFCO Liaison:

No comment.

5. JPIA Liaison:

No comment.

6. FORA:

No comments.

D. Director's Comments:

Vice-President Scholl commented he recently participated in a Special District Institute seminar. He suggested Board members contact staff, regarding questions on items in Board packets prior to the meeting, thus allowing staff time to provide the information requested. He also shared that some districts were going paperless by providing the Board with laptops and CD's of meeting materials.

Director Moore commented that he, Vice-President Scholl, and Mr. Armstrong attended a special City Council meeting regarding water and water allocation issues. Director Moore noted that the City Council was not entirely correct in their approach and that he provided a spreadsheet to Mr. Armstrong for District staff to complete and provide to the City Council prior to the next workshop. Director Moore also informed the Board, as liaison to Special District's Association (SDA), that the SDA recently voted to join CSDA. He explained a voter initiative to safeguard reserve funds for Special Districts. Discussion followed. Mr. Lowrey stated the District is moving towards earmarking funds for specific uses via CIP projects. The District has done what it can to protect itself with the Urban Water Master Plan, the Engineering Study and Financial Study. Discussion followed.

Agenda Item 6-D (continued):

Vice-President Scholl inquired if Mr. Lowrey followed up with the Attorney General on the right to include cost in decision when hiring consultants. Discussion followed. Vice-President Scholl stated he would provide the name of the speaker from the seminar he recently attended who discussed this issue.

President Nishi asked if Governor Gray Davis signed AB1051. Mr. Armstrong stated the bill was vetoed. President Nishi then stated he was concerned by what happened at the last meeting. He was told that he did not call for public comments. He was concerned that no one present heard him call for public comments.

President Nishi recessed the meeting from 9:01 until 9:06 p.m. while he went to his car to get his cassette recorder.

President Nishi played the portion of tape that showed he did indeed call for public comments then he distributed and read aloud a letter from himself addressed to the Board.

Director Brown commented he was favorably impressed on how President Nishi has been running the meetings over the past several months.

7. Planning Workshop:

A. Receive District Governance Report:

Mr. Armstrong introduced this item. Following discussion, the Board decided to rule out alternatives 4 and 5 which require State Legislation. They also decided to rule out alternative 6. Direction was given to the General Manager and Legal Counsel to continue defining options 1, 2, 3 and possibly 7 of the District Governance Report assuming annexation occurs.

8. Adjournment:

The meeting was adjourned at 9:53 p.m.

APPROVED:

Charles H. Scholl, President

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ATTEST:

Michael D. Armstrong, General Manager