

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
February 11, 2004
7:00 p.m.

Minutes

1. Call to Order/Roll Call:

President Scholl called the meeting to order at 7:00 p.m. on February 11, 2004.

Board Members Present:

Charles Scholl – President
Ron Russo – Vice-President
Tom Moore
David Brown – arrived at 7:02 p.m.
Ken Nishi

Board Members Absent:

None.

Staff Members Present:

Mike Armstrong, General Manager
Lloyd Lowrey, Legal Counsel
Suresh Prasad, Director of Finance
Rich Youngblood, Conservation Coordinator
Pete Koehn, Plan Check Engineer
Paula Carina, Executive Assistant/Clerk to the Board

Audience:

Bob Schaffer
Monique Farques
Jim Brezack, RBF Consulting
Mike Wilson, Schaaf & Wheeler
Dewey Baird
Marc Lucca
Fran Coen, Clarke Pinnacle
Michael Shaw, Marina Heights
Doug Yount, City of Marina

2. Oral Communications:

Mr. Armstrong introduced a member of the audience, Mr. Marc Lucca, who recently accepted the District Engineer position with the District. The Board welcomed Mr. Lucca to the District.

3. Action Item:

- A. Consider Adoption of Resolution No. 2004-13 to Appoint William Avery of Avery & Associates as the District Negotiator:

Mr. Armstrong introduced this item. Director Moore asked if Mr. Avery would also be negotiating the upcoming Union contracts and MOU's. Mr. Armstrong said he was available to do so and noted the correct fee for Mr. Avery is \$210 per hour. Director Nishi asked if the Executive Committee recommended this item. Mr. Armstrong stated the Executive Committee requested this item be brought to the Board. Director Nishi voiced his concerns regarding hiring a negotiator when the Board has yet to decide what they want to do.

On motion by Director Moore, seconded by Director Brown; the Board adopt Resolution No. 2004-13 to appoint William Avery of Avery & Associates as the District negotiator and to have the contract reflect the fee of \$210 per hour. With a vote of 3-Ayes, 2-Noes, 0-Absent, the motion was passed.

4. Review Draft Board Items:

- A. Review Draft Board Transmittal to Consider Approval of the Draft Urban Water Conservation Feasibility Study:

Mr. Youngblood introduced this item and Mr. Jim Brezack of RBF Consulting. Mr. Brezack reviewed the data produced by the study and explained the recommendations that derived from the study. Director Moore asked the cost to install and remove a data logger. Mr. Brezack stated the cost includes installation and reading of the information collected, which requires special software. He did not know the cost off hand, but he would provide it. Director Moore stated that the second sentence at the top of page 2-2 was unclear and requested it be revised. He also asked for clarification regarding the third paragraph on page 2-2 that refers to figure 25. Director Moore stated he would talk with Mr. Brezack offline to discuss small typos in the document. Director Russo inquired on the leaks that were detected. Mr. Brezack stated that a large percent of the leaks were the result of toilet flappers not working properly. Mr. Youngblood stated that the national average for leaks is 14%. Director Nishi complimented Mr. Brezack on the quality of the report and stated the District could do great things with the study. Director Moore asked if Mr. Brezack could add confidence level percentages to the ranges and to clarify Table 2.1 confidence level numbers. President Scholl asked that the first line on page ex-1 be corrected to show "representative" not "reprehensive".

Agenda Item 4-A (continued):

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar.

B. Review Draft Board Transmittal to Consider Approval of the Draft Construction and Transfer of Infrastructure Agreement for the RCI Development:

Mr. Koehn introduced this item and stated that approximately 70% of water and 60% of sewer infrastructure would be replaced with this development project. Mr. Lowrey explained that this agreement treats the Hayes Park project as though it were subject to requirements for remodel projects under the District's In-Tract Policy, without conceding on the part of the Army or Clarke Pinnacle that the In-Tract Policy applies to the Ord Military Community. That is left to further discussion on the remaining phases and should be resolved by September.

Fran Coen, Clarke Pinnacle, stated that the transmittal refers to "Financial Impact". He stated the maintenance costs will go down as a result of replacing up to 70% of infrastructure. Mr. Lowrey stated there may be several technical, non-substantive changes to the agreement within the next two weeks. Director Nishi stated he was concerned the Board did not give direction on this item. Mr. Lowrey stated this item has been under consideration since November with thorough discussion.

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar.

C. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Approve a Professional Services Agreement with Byron Buck & Associates to Prepare Water Supply Assessments and Updated Urban Water Management Plan:

Mr. Armstrong introduced this item. Director Nishi suggested this item have three separate resolutions to cover the Urban Water Management Plan, University Villages, and East Garrison Water Supply Assessments (WSA). Director Moore asked if the District has considered a way of keeping the costs from being driven higher if a developer keeps delaying and/or making changes to their projects thus causing more work for Mr. Buck. Mr. Armstrong, referring to the East Garrison WSA, explained that after the developer received the draft WSA, they were asked to refine their information to provide more accurate information on the development. In turn, the District would re-evaluate the revisions and provide a revised WSA with more accurate information. At this time, Mr. Armstrong does not see a problem with developers delaying the process.

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar.

D. Review Draft Board Transmittal to Consider Approval of the Draft Water Supply Assessment and Written Verification of Supply for the East Garrison Development Project:

Mr. Armstrong explained that a letter was received from Monterey County requesting additional time to provide information for the assessment. This item was postponed.

E. Review Draft Board Transmittal to Reconsider Board Action to Engage Third Party Review of Oases Contract and Submittals and Terminate Contract with Oases International:

Mr. Armstrong introduced this item. Director Nishi asked why the Adhoc Committee met when the direction given was not followed through. Mr. Armstrong stated he did not believe spending an additional \$10,000 on outside consultants would be beneficial to the District and is asking the Board to reconsider engaging third parties. Director Nishi stated that Mr. Laska was not a third party. Mr. Lowrey said the contract between the District and Oases International clearly states the contract can be terminated with 30 days notice. Discussion followed.

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar. He then recessed the meeting from 8:25 until 8:35 p.m. Director Brown left the meeting at 8:30 p.m.

F. Review Draft Budget Schedule for FY 2004/2005:

Mr. Prasad introduced this item. Director Nishi voiced his concerns that other agencies see the draft budget before the District Board members do. Director Moore stated the District works for FORA on the former Fort Ord and needs their input. Director Nishi said the District is showing much more revenue than budgeted. Mr. Prasad answered the District does not budget by period. The District takes the annual budget and divides it evenly over the four quarters thus showing larger revenue the first two quarters which will even out the last two quarters. Discussion regarding who should see the budget first and scheduling changes for next year followed. Director Moore suggested the Board should discuss broad policy input for the new year in December. President Scholl requested having an agenda item in early December for Board input on the budget. He then asked to have period budgeting instead of four equal quarters. Mr. Prasad stated it was doable. Director Moore said if Mr. Prasad could provide the monthly power records, he would have his students calculate monthly seasonal costs as a class project. Mr. Armstrong reminded the Board that they would see the draft budget on February 25th and a workshop was scheduled for March 3, 2004.

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar.

G. Review Draft Board Transmittal to Consider Approval of January 2004 Expenditures:

Vice-President Russo inquired on the \$96,000 desal plant payment. Mr. Armstrong answered that it was the debt on the desal plant construction loan.

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar.

H. Review Draft Board Transmittal to Receive Quarterly Financial Statements for October 1, 2003 – December 31, 2003:

Mr. Prasad introduced this item. Director Moore asked if the Capital Fee Revenue, Capital Component/Equalization and Grant Revenue amounts are also incorporated in the total revenues or are they separate. Mr. Prasad stated they are separate. Director Moore inquired on the Capital Component/Equalization fund. Mr. Prasad stated those funds are earmarked. Director Nishi asked if the checking and cd accounts are earmarked as well. Mr. Prasad stated they were not. Director Moore inquired on the internal loan interest rates.

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar.

I. Review Draft Board Transmittal to Consider Approval of Minutes of the Regular Board Meeting of January 14, 2004:

President Scholl requested this item be placed on the February 25, 2004 Consent Calendar.

J. Review Draft Board Transmittal to Consider Approval of Minutes of the Regular Board Meeting of January 28, 2004:

Director Nishi voiced his concern that the Consent Calendar was approved with only three members present. Discussion followed regarding the Community Outreach Committee. President Scholl requested an item to modify the membership of the Community Outreach Committee to be placed on the February 24, 2004 agenda.

5. Staff Reports:

A. Receive Staff Report on the Marina Disinfection Replacement Project:

Mr. Armstrong introduced this item. Director Nishi asked if this item was separate from the grants received. Mr. Armstrong answered they were separate. Director Moore inquired about only receiving one bid. Mr. Armstrong stated the District was anticipating receiving a second bid.

B. Receive Staff Report on the Bayer Tank Structural/Hydraulic Analysis:

Director Moore asked if the District was still in negotiation on this item. Mr. Armstrong affirmed negotiations were in progress.

C. Receive Staff Report on the Draft EIR for the Regional Water Augmentation Project:

Mr. Armstrong stated the District was looking at the end of April to begin review of the Admin Draft with MRWPCA and FORA staff. The Draft EIR should be ready by mid-May.

6. Adjournment:

The meeting was adjourned at 9:38 p.m.

APPROVED:

Charles H. Scholl, President Date

ATTEST:

Michael D. Armstrong, General Manager