

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
May 12, 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 May 12, 2004.

Board Members Present:

Charles Scholl – President
Tom Moore – Vice-President – arrived at 7:06 p.m.
Ken Nishi
Dan O'Brien
David Brown – arrived at 7:06 p.m.

Board Members Absent:

None

Staff Members Present:

Mike Armstrong, General Manager
Lloyd Lowrey, Legal Counsel
Rich Youngblood, Water Conservation Specialist
Marc Lucca, District Engineer
Suresh Prasad, ASO Finance and Technology
Paula Carina, Executive Assistant/Board Clerk

Audience:

Simon Whitmey
Yvonne Martinez, SEIU Local 817

2. Oral Communications:

Director Nishi commented that he would like to have Director's comments on the agenda for both meetings of the month.

3. Review Draft Board Items:

A. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Approve the District Budget and Ord Community Compensation Plan for FY 2004-2005:

Mr. Prasad introduced this item. Director Nishi asked what percent was put into the reserve accounts. Mr. Prasad stated there was not a set percentage but a set dollar amount put into the reserve accounts. Director Nishi asked who was allowed to protest the rate increase for the Ord Community. Mr. Lowrey stated that anyone who pays a bill to the District can protest. Director Nishi asked if any State agencies are not paying the capital component charge other than CSUMB. Mr. Prasad stated that CSUMB is the only one not paying the capital component charge. Director Nishi asked for a list of State agencies within the District's service area. Director Nishi stated he felt the Koff & Associates recommendations should be a negotiated issue and not included in the budget. He also asked if healthcare and CalPERS figures were figured into the budget. Mr. Prasad stated that there was a 20% increase in healthcare in the budget and nothing regarding CalPERS. Director Nishi stated he would like to see a cumulative amount that CSUMB owes the District mentioned in the budget. Vice-President Moore asked if the District Ordinances allow interest to be charged on the capital component fees that CSUMB currently owes. Mr. Armstrong stated staff would review both the District Code and the Agreement with CSUMB. Mr. Armstrong reminded the Board that the Public Hearing is set for Wednesday, May 19, 2004 at 6:30 p.m. President Scholl stated the Board will be present for the hearing. President Scholl asked staff to put information together showing the impact of not raising rates on the Ord Community. Director Nishi asked if capital projects are taking place on the CSUMB property. Mr. Armstrong stated there have not been any capital improvements done on the property. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

B. Review Draft Board Transmittal to Receive an Update on the Draft Programmatic EIR for the Regional Water Augmentation Project:

Mr. Lucca introduced this item. Vice-President Moore asked if the Draft EIR would be provided before the Board meeting for review. Mr. Lucca stated it would be provided as soon as possible. President Scholl stated that the availability 6600 afy is not guaranteed. Mr. Armstrong stated it is a voluntary agreed upon amount. President Scholl asked how much of the 3000 afy can be supplied without a storage reservoir. Mr. Armstrong stated 1500 – 1700 afy of recycled water can be supplied without any storage. President Scholl commented on a workshop for the Regional Water Augmentation Project. Mr. Armstrong stated that during the review period, the consulting team will publicize a workshop for agencies to voice their questions and concerns.

- C. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Approve a Professional Services Agreement with Bill Lovvorn to Provide Consultant Services for the Water Education Program:

Mr. Youngblood introduced this item. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

- D. Review Draft Board Transmittal to Consider Approval of a Letter of Support of AB 2918 (Laird) Related to Energy Costs for Desalination Facilities:

Mr. Armstrong introduced this item. President Scholl commented that this issue was something the District needed to keep informed on. Vice-President Moore voiced his concern that the costs would be passed to other customers. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

- E. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Consider Calling a General District Election on November 2, 2004:

Mr. Armstrong introduced this item. President Scholl asked when the filing period ends. Mr. Armstrong stated the last possible day would be August 11, 2004. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

- F. Review Draft Board Transmittal to Consider Approving Expenditures for the Month of April 2004:

The Board had no questions on any expenditure. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

- G. Review Draft Board Transmittal to Review Quarterly Financial Statements for January 1, 2004 – March 31, 2004:

Mr. Prasad introduced this item. Director Nishi questioned the reserves. Mr. Prasad stated that the budget is split evenly over the four quarters and it may show more revenue over certain quarters but should even out at the end of the fiscal year. The FY 04/05 budget will be a period budget and should run closer to the numbers throughout the year. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

- H. Review Draft Board Transmittal to Consider Revising the Director Appointments to Board of Director's Standing Committees and to Outside Agencies for 2004:

President Scholl introduced this item. Following discussion, it was suggested to appoint Director O'Brien to the Water Conservation Commission and as an alternate to the JPIA. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

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

Mr. Lowrey referred to a handout that revised item 6 of the minutes. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

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

Mr. Lowrey referred to a handout that revised item 7-A of the minutes. President Scholl requested this item to be placed on the Consent Calendar for May 26, 2004.

4. Staff Reports:

A. Highway One – 24 Inch Diameter Sewer Main Project

Mr. Lucca updated the Board on the latest information received on the sewer main project. He explained that a man hole was being put in to divert the sewer flow from the 24" sewer main to the 18" sewer main and after the 24" line is reconditioned, the flow will be diverted back. Director Nishi asked how deep the pipeline was buried. Mr. Armstrong stated it was approximately 10 feet deep. President Scholl asked how the District could keep the 18" sewer main from deteriorating as had the 24" main. Mr. Lucca stated the line could be flushed periodically.

B. Bayer Tank Structural/Operational Improvements Project

Mr. Lucca updated the Board on the recently received information regarding the Bayer tank. He explained that the tank is at high risk of complete or partial failure during an earthquake. To rehabilitate the tank on site will be very expensive and difficult. Mr. Lucca stated that staff is looking at several alternatives i.e. an intertie with the Ord system, or replacing it with two tanks instead of one. Director O'Brien asked if the volume of the two tanks would be equal to the volume of the current Bayer tank. Mr. Lucca stated that the volume would be greater. Director O'Brien asked if there would be an issue with the agreement with FORA if the District used the intertie. Mr. Lucca stated if that was an alternative that was selected, it would be discussed by legal counsel as well as all pertinent parties. Director Brown asked if the deterioration of the tank was due to geometry or age. Mr. Lucca stated it was a combination of both.

7. District Correspondence:

Mr. Armstrong stated that the letter from Mr. Callahan thanked the District for their donation to Olson school. He clarified that the dollars Mr. Callahan is speaking about was the cost of the In-School Water Education Workshop and not a donation.

President Scholl recessed the meeting from 8:28 until 8:37 p.m. The Board entered into closed session at 8:37 p.m.

5. Closed Session:

- A. Pursuant to Government Code Section 54957.6
Conference with Labor Negotiators
Agency Designated Representatives: Charles Scholl and Tom Moore
Unrepresented Employee: General Manager

The Board returned to open session at 9:15 p.m.

6. Possible Action on Closed Session Items:

Mr. Lowrey reported that no action was taken in closed session. The negotiating team had conversation with the Board concerning negotiations with the unrepresented employee.

7. Adjournment:

The meeting was adjourned at 9:15 p.m.

APPROVED:

Charles H. Scholl, President Date

ATTEST:

Michael D. Armstrong, General Manager