

Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Regular Board Meeting  
September 8, 2004  
7:00 p.m.

**Minutes**

1. Call to Order:

President Scholl called the meeting to order at 7:00 p.m. on September 8, 2004.

Board Members Present:

Charles Scholl – President  
Tom Moore – Vice-President  
Ken Nishi  
David Brown  
Dan O'Brien

Board Members Absent:

None.

Staff Members Present:

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

Audience:

Tony Kelsey  
Susan Kiefert  
Joshua Kelsey  
Howard Gustafson  
Jim Brezack, RBF Consulting  
Bob Shaffer  
Sid Williams  
Joe Rosa, Pajaro-Sunny Mesa Community Services District  
Marc Del Piero, Pajaro-Sunny Mesa Community Services District  
Val Frenkel, Ph.D., PE, Kennedy/Jenks Consultants  
Tom Yaeger, Kennedy/Jenks Consultants  
Jim Heitzman, MRWPCA

2. Oral Communications:

None.

3. Presentations:

- A. Consider Adoption of Resolution No. 2004-46 in Recognition of Tony Kelsey, System Operator II, and Awarding a Plaque and Gift Certificate for 25 Years of Service to MCWD:

Mr. Armstrong read the narration on this item.

On motion by Director Nishi, seconded by Vice-President Moore; the Board adopt Resolution No. 2004-46 recognizing Tony Kelsey for 25 years of service to the MCWD. The motion was passed.

Director O'Brien	-	Yes	Vice-President Moore	-	Yes
Director Brown	-	Yes	President Scholl	-	Yes
Director Nishi	-	Yes			

- B. Receive Presentation on the Pajaro/Sunny Mesa Water District Proposed Desalination Project Concept:

Mr. Armstrong introduced Mr. Marc Del Piero, Counsel for the Pajaro-Sunny Mesa Community Services District. Mr. Del Piero introduced Mr. Joe Rosa, General Manager, and Mr. Tom Yaeger and Dr. Val Frenkel of Kennedy & Jenks Consultants. The Pajaro-Sunny Mesa team then gave a presentation to the Board on their proposed desalination project. They highlighted the location, size, cost, and schedule of events for the proposed plant.

President Scholl recessed the meeting from 7:47 until 7:55 p.m.

4. Review Draft Board Items:

- A. Review Draft Board Transmittal to Consider Second Reading of Ordinance No. 39 Approving Developer Payment for Water Supply Assessments and Water Supply Verifications:

Mr. Armstrong introduced this item. Vice-President Moore requested Section 6.16.030, paragraph C. Notice of Obligation to read: "The District will record a notice of obligation with the Monterey County Recorder's office against the property for any fee not collected at the time the Water Supply Assessment or Water Supply Verification is requested." This item was forwarded to the September 22, 2004 agenda as an action item.

B. Review Draft Board Transmittal to Consider the Letter to Ord Community Customers Regarding Proposed Workshop:

Mr. Armstrong introduced this item. Vice-President Moore suggested listing approximate times on the agenda for each staff presentation. President Scholl suggested limiting staff presentations to a total of 45 minutes. Mr. Lowrey suggested moving item 2 (Public comment on any item that is not on the agenda) to after item 5 (Questions and Answers). Director O'Brien suggested a staff presentation on Board representation and who is able to vote on Board members. Director Brown asked if a Spanish version of the letter and agenda was ready for the public. President Scholl stated that after the letter and agenda is final, a Spanish version will be ready. He also requested Water Quality reports to be on hand for the public. Vice-President Moore requested to have agenda item 3E re-titled to "Condition description of the..." Mr. Bob Shaffer suggested discussing the fact that decisions made for CSUMB are not made at the local level but on a state level. President Scholl recommended that staff pass the draft letter and agenda by the public who have been attending the Board meetings and are interested in the workshop.

5. Closed Session:

This item was postponed to another meeting.

6. Possible Action on Closed Session Items:

This item was postponed to another meeting.

4. Review Draft Board Items (continued):

C. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Approve a Professional Services Agreement for Construction Management and Inspection Services:

Mr. Lucca introduced this item. Vice-President Moore inquired on cost proposals. Mr. Lucca stated that the contractors were asked to submit costs in a sealed envelope. Once a contractor was selected only that cost proposal was opened and the rest were returned unopened. Director Nishi inquired how CSUMB was affected by the inspections. Mr. Lucca stated that any inspections involving CSUMB has been handled by District staff and was covered by the plan check fee. This item was forwarded to the September 22, 2004 agenda as an action item.

D. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Approve Acceptance of Infrastructure Projects Completed by the Fort Ord Reuse Authority with EDA Funding Assistance:

Mr. Armstrong introduced this item. Vice-President Moore asked what the oldest completion date for the projects was. Mr. Armstrong stated it was 1997. Vice-President Moore inquired on the special conditions and the reports that EDA requires on projects completed with EDA funding. Mr. Armstrong stated that he was not aware of any special conditions or reports that FORA had to complete but would inquire of FORA. This item was forwarded to the September 22, 2004 agenda as an action item.

E. Review Draft Board Transmittal to Consider Approving Expenditures for the Month of August 2004:

There were no questions or comments on this item. This item was forwarded to the consent calendar on the September 22, 2004 agenda.

F. Review Draft Board Transmittal to Receive the Quarterly Financial Statements for April 1, 2004 – June 30, 2004:

Vice-President Moore asked why the sewer sales were lower than last year. Mr. Prasad stated that the capital component charge was not a separate item last year as it is this year, and that he would look into it and get back to Vice-President Moore. Vice-President Moore suggested adding a footnote stating that capital component charges were not separate last year. Director Nishi inquired on the capital component charges and why CSUMB's were not included in the financials. Mr. Prasad stated that until the negotiation with CSUMB is complete he is unable to put the numbers into financial documents. This item was forwarded to the consent calendar on the September 22, 2004 agenda.

G. Review Draft Board Transmittal to Consider 10:00 PM Adjournment Policy:

This item was forwarded to the consent calendar on the September 22, 2004 agenda.

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

Director Nishi requested the minutes to be corrected to remove "...from the hydrant." on page 7 of the minutes. This item was forwarded to the consent calendar on the September 22, 2004 agenda.

- I. Review Draft Board Transmittal to Consider Approval of the Draft Minutes of the Regular Board Meeting of August 11, 2004:

This item was forwarded to the consent calendar on the September 22, 2004 agenda.

- J. Review Draft Board Transmittal to Consider Approval of the Draft Minutes of the Regular Board Meeting of August 25, 2004:

Director Nishi requested to have page 6 reflect that Director's Comments were deferred and due to the lateness of the hour were not covered. This item was forwarded to the consent calendar on the September 22, 2004 agenda.

- K. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Approve Amendment No. 1 for Byron Buck & Associates to Complete the Urban Water Management Plan Update:

Mr. Lucca introduced this item. He mentioned that the District has patiently waited for all jurisdictions to provide their comments on the UWMP. Director O'Brien asked if the limited history available on the deep aquifer has any effect on the credibility of the UWMP. Mr. Lucca stated that the District can only provide the information that is available and rely on other agencies that may have additional information. Director Nishi stated that the District doesn't rely on only one source of water but has different sources of water i.e. desalination and recycled water as well. Director Nishi inquired on the Well 33 budget. This item was forwarded to the consent calendar on the September 22, 2004 agenda.

- L. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2004-xx to Approve the Water Conservation Specialist Job Description, Amend the FY 2004-2005 Budget, and Direct the General Manager to Recruit and Fill the Position:

Mr. Youngblood introduced this item. Vice-President Moore asked if the Water Conservation Commission recommended this item. Mr. Youngblood stated that the Commission would review this item on September 15, 2004. President Scholl stated that he would like to see specific projects and goals for this position. Discussion followed. President Scholl questioned the need for a full time position and instead suggested hiring several consultants to put together water conservation documents geared towards new development. Vice-President Moore agreed with President Scholl and would like to see this item go before the Commission for recommendation. Vice-President Moore stated that the job description was too similar to the current Water Conservation Specialist's and would like to see this as a limited-term position. Director Nishi stated that water conservation is the cheapest water the District can acquire. President Scholl stated he would like to see the job description for the Water Conservation Coordinator to

Agenda Item 4-L (continued):

see the difference between the two positions. This item was forwarded to the September 22, 2004 agenda as an action item.

M. Review Draft Board Transmittal to Consider Directing the General Manager to Work with the Monterey Peninsula Water Management District Staff to Develop a Draft Memorandum of Cooperation on Regional Water Supply Planning:

Mr. Armstrong introduced this item and asked for direction from the Board. Director Brown asked if the letter was asking the MCWD to stay out of the desalination business. Mr. Armstrong stated he did not believe so and he felt that the MPWMD is asking the District to work together with them. Discussion followed. Director Nishi suggested that President Scholl meet with the MPWMD Chair and discuss this issue. Direction was given for the General Manager to respond to the MPWMD.

7. Staff Reports:

A. Bayer Tank Structural Improvement Project:

Mr. Lucca gave a brief update of the Bayer tank structural improvement project.

B. Highway One – 24 Inch Diameter Sewer Main Project:

Mr. Lucca gave a brief update of the Highway One sewer main project.

C. Review the Terms of Noland, Hamerly, Etienne, and Hoss' Engagement with the Marina Coast Water District:

Mr. Lowrey introduced this item. He explained that he served at the pleasure of the Board through the General Manager. Mr. Lowrey discussed possible situations where conflict of interest or perceived conflict of interest may take place, i.e. dealings with CSUMB and what the District could do and has done when these situations have arisen. Director O'Brien asked if NHEH would take MCWD on as a client if they were not already one. Mr. Lowrey stated that it would depend on the potential for conflict. President Scholl stated that in such a small community it would be difficult to find any law firm that did not have a conflict at some point. Director Nishi stated the problem becomes who the law firm represents in a conflict situation. Mr. Lowrey suggested discussing with CSUMB an agreement between CSUMB, NHEH, and MCWD, delineating areas that are off limits for discussion and that might require special counsel. The Board discussed getting advice from outside counsel regarding this issue. It was decided to have Mr. Rob Saperstein available to give advice at the October Board meeting.

8. Discuss Possible Agenda Items for September 22, 2004 Planning Workshop:

Director Nishi asked to have capital fees on Fort Ord as a discussion item as well as discussing capital charges verses user fees with FORA. Mr. Armstrong stated that he would have the information on those items for the October meeting.

Noting that it was 10:07 p.m., President Scholl asked if there was a motion to adjourn.

On motion by Director Brown, seconded by Director Nishi; the Board adjourn the meeting. President Scholl commented that the closed session item was important and suggested the Board complete that item before adjourning. Director Brown stated that the meeting should have been managed in a manner that allowed all items to be completed before adjournment. Vice-President Moore made a motion to adjourn the meeting at 10:30 p.m. The motion failed for lack of a second. With a vote of 2-Ayes, 3-Noes, 0-Absent, the motion failed.

Director Brown left the meeting at 10:10 p.m.

9. Correspondence:

There were no questions or comments on this item.

10. Director's Comments:

President Scholl informed the Board that he would be out of town for the next two Board meetings and would be unable to attend the MRWPCA Board meeting. Vice-President Moore stated that he would attend as the alternate.

Vice-President Moore stated that he would like to see a summary showing the amount of write-offs, losses from the write-offs, late payments, and collection time.

Director Nishi stated that the District should be doing outreach in the Salinas Basin and not the Carmel Foundation and Monterey Rotary. He also stated that he had not received a response to his email to the General Manager regarding the issue of conflict with NHEH and collection of capital fees in Fort Ord. President Scholl stated that Mr. Armstrong had responded on the NHEH issue. Director Nishi agreed and stated he was still waiting for a response on the second item. Mr. Armstrong answered that he was waiting for Mr. Prasad to provide him with that information so he could forward it to the Board. Director Nishi stated that the email regarding Ms. Paula Pelot's comments on how the meeting is run should have been sent to the President as he is responsible for running the meetings.

The Board discussed holding the closed session even though one member was absent. It was decided to hold the closed session without Director Brown present.

President Scholl recessed the meeting from 10:15 until 10:17 p.m.

The Board entered into closed session at 10:17 p.m.

11. Closed Session:

- A. Pursuant to Government Code Section 54957.6  
Conference with Labor Negotiator  
Agency Designated Representatives: Charles Scholl & Thomas Moore  
Unrepresented Employee: General Manager

The Board returned to open session at 10:29 p.m.

12. Possible Action on Closed Session Item:

Mr. Lowrey stated that no action was taken in closed session and direction was given to negotiators.

On motion by Director Nishi, seconded by Vice-President Moore; the Board schedule a special meeting on Wednesday, September 15, 2004 at 7:00 p.m. With a vote of 3-Ayes, 1-Noes, 1-Absent, the motion was passed.

13. Adjournment:

The meeting was adjourned at 10:31 p.m.

APPROVED:

\_\_\_\_\_  
Charles H. Scholl, President

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Michael D. Armstrong, General Manager