

Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Regular Board Meeting  
March 23, 2005  
7:00 p.m.

**Minutes**

1. Call to Order:

President Moore called the meeting to order at 7:00 p.m. on March 23, 2005.

Board Members Present:

Tom Moore – President  
Ken Nishi  
Charles Scholl  
Howard Gustafson

Board Members Absent:

David Brown – Vice President

Staff Members Present:

Mike Armstrong, General Manager  
Lloyd Lowrey, Legal Counsel  
Marc Lucca, Deputy General Manager/District Engineer  
Rich Youngblood, Conservation Coordinator  
Suresh Prasad, Director of Finance  
Paula Riso, Executive Assistant/Clerk to the Board

Audience:

Martin Rosales  
Maria Rosales  
Bob Schaffer, Marina Community Partners  
Fran Coen, Clark Pinnacle  
Greg Slack, Clark Pinnacle  
Sean Calahan, Clark Pinnacle  
Alison Imamura, Denise Duffy and Associates

2. Oral Communications:

None.

3. Presentation:

- A. Consider Adoption of Resolution No. 2005-17 in Recognition of Martin Rosales, Meter Reader, as Employee of the Quarter for April – June 2005:

Mr. Mike Armstrong, General Manager, read the narration.

President Moore made a motion to adopt Resolution No. 2005-17 recognizing Martin Rosales as employee of the quarter for April – June 2005 and to award him with \$100 and four hours off with pay. Director Scholl seconded the motion. The motion was passed.

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

4. Action Items:

- A. Consider Adoption of Resolution No. 2005-18 for Extension of Draw Period for Loan Program from City National Bank to Fund Capital Improvement Program Projects for the Ord Community Service Area:

Mr. Suresh Prasad, Director of Finance, introduced this item.

Director Gustafson made a motion to adopt Resolution No. 2005-18 to extend the draw period for the loan program with City National Bank to fund capital improvement program projects for the Ord Community service area. Director Scholl seconded the motion. The motion was passed.

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

- B. Review LAFCO Process and Materials for Election of Independent Special District (ISD) LAFCO Commissioners:

President Moore introduced this item. Director Scholl commented that he would like to vote for Anne McGowan as she communicated her commitment more strongly. Director Nishi voiced his concern over not following the correct format of review at the first meeting of the month and action at the second meeting of the month. He commented that he would like more time to research the two candidates. Director Nishi voiced his concern over electing Peggy Shirrel and recommended voting for Anne McGowan. Discussion followed. President Moore asked if, as President, he could exercise the vote. Mr. Lloyd Lowrey, Legal Counsel, answered that as President and the District representative to ISD, President Moore could take into

Agenda Item 4-B (continued):

consideration his fellow Board members' recommendations, but ultimately the vote was his. President Moore stated that he would be out of town, but would leave a signed ballot with Mr. Armstrong.

C. Consider Adoption of Resolution No. 2005-19 to Approve a Right-of-Entry Agreement with Monterey Bay Military Housing for Initiation of Construction at Fitch Park:

Mr. Marc Lucca, Deputy General Manager/District Engineer, introduced this item. Mr. Armstrong stated that over the years, the District has held several discussions with Clark Pinnacle regarding the RCI project and in recent months the two parties are nearing an agreement that is compliant with the District's In-Tract policy. Director Gustafson asked the location of the project. Mr. Fran Coen, Clark Pinnacle, answered that it was across from Bayonet Golf Course. Director Scholl asked Mr. Coen's assessment of the water mains and valves that were inspected. Mr. Greg Slack, Clark Pinnacle, answered that while the system doesn't comply with the current standards of the District, for its age it is comparable to most other water district's infrastructure. He said Clark Pinnacle is trying to cooperate and meet the District's goal to upgrade the system. President Moore asked Mr. Coen's vision of an infrastructure agreement. Mr. Coen answered that it would be similar to the Haye's Park agreement and the only significant difference would be the maintenance fees for maintaining the old infrastructure left in the ground.

Director Scholl made a motion to adopt Resolution No. 2005-19 approving a Right-of-Entry Agreement with Monterey Bay Military Housing for initiation of construction at Fitch Park. Director Gustafson seconded the motion. Director Scholl complimented everyone on working together to complete what needed to get done. The motion was passed.

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

5. Consent Calendar:

Director Scholl requested to pull item C from the consent calendar. Director Nishi requested to pull items B, D, and F from the consent calendar.

Director Gustafson made a motion to approve the consent calendar consisting of items A) Consider Adoption of Resolution No. 2005-20 to Authorize District Property to be Surplussed; and, E) Consider Approval of the Draft Minutes of the Regular Board Meeting of January 26, 2005. Director Scholl seconded the motion. The motion passed.

Agenda Item 5 (continued):

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

B. Consider Adoption of Resolution No. 2005-21 to Accept the Marina Wastewater Collection System Master Plan:

Director Nishi stated he pulled the item so he could vote no.

Director Scholl made a motion to adopt Resolution No. 2005-21 to accept the Marina Wastewater Collection System Master Plan. President Moore seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Brown	-	Absent
Director Scholl	-	Yes	President Moore	-	Yes
Director Nishi	-	No			

C. Consider Adoption of Resolution No. 2005-22 to Approve a Professional Services Agreement with the Monterey Regional Water Pollution Control Agency for the Fats, Oils and Grease Source Control Program:

Director Scholl recused himself from this item and left the room.

President Moore made a motion to adopt Resolution No. 2005-22 to approve a PSA with the MRWPCA for the Fats, Oils, and Grease Source Control Program. Director Gustafson seconded the motion. The motion was passed.

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

Director Scholl returned to the room and the dias.

D. Consider Approving Expenditures for the Month of February 2005:

Director Scholl made a motion to approve the expenditures for the month of February 2005. Director Gustafson seconded the motion. The motion was passed.

Agenda Item 5-D (continued):

Director Gustafson	-	Yes	Vice President Brown	-	Absent
Director Scholl	-	Yes	President Moore	-	Yes
Director Nishi	-	No			

F. Review Draft Board Transmittal to Consider Approval of the Draft Minutes of the Regular Board Meeting of February 9, 2005:

Director Nishi asked that his comments under Director's Comments on page 5 of the February 9<sup>th</sup> minutes be more specific. Following revision, this item is to return in April for approval.

6. Informational Items:

A. General Manager's Report:

Mr. Armstrong discussed the FORA budget and told the Board that the Financial Group that FORA appointed to come up with solutions to allow the FORA and MCWD CIP's to move forward met twice and will meet again. So far discussions have not been fruitful. Mr. Armstrong stated that in April an amendment to the FORA facilities agreement will be presented for Board review and approval. He added that several infrastructure agreements will be coming before the Board in the next few months and the Urban Water Management Plan should be ready for Board review in May. Mr. Armstrong stated that planning for a new test well south on Reservation Road (Well 33) is beginning.

B. Counsel's Report:

Mr. Lowrey reminded the Board that the Statement of Economic Form 700 is due by the end of the month and two Directors have yet to turn theirs in.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Scholl commented that the WCC minutes shouldn't be in the Board packet until they are approved by the Commission. Director Nishi commented that he likes to see the minutes even though they are only draft.

Director Scholl stated that at the last meeting everyone had a first look at the major commission and staff activities. He added that he recently met with Mr. Youngblood to discuss the high priority conservation activities. Director Scholl stated that there are several public members who are looking to join the WCC and they may fill all the vacant spots for the remainder of the year.

Agenda Item 6-C1 (continued):

Director Scholl added that this would be a great opportunity for public recognition and suggested that Mr. Youngblood work with Director Gustafson and the Community Outreach Committee and put together a press release. Director Nishi asked how the District is reaching out to candidates. Director Scholl answered that he suggested ads in the newspapers and Marina Gazette as well as contacting candidates that applied for the Water Board or City Council and did not get elected to office. He also suggested having a professional sign made for the Festival of the Winds and the Garden Tour for future recruitment. Director Scholl commented on making public contact with the Community Outreach Committee through Lions and Rotary Clubs.

2. Joint City-District Committee:

Mr. Armstrong announced that the meeting was cancelled by mutual consent.

3. MRWPCA Board Member:

Director Scholl announced that Dave Pendergrass was elected President and Carlos Cortopassi was elected Vice President of the MRWPCA Board of Directors. He added that after much campaigning, he will likely be appointed to a main MRWPCA committee. Director Scholl stated the main agenda items at the last MRWPCA meeting were the MOU with the District on fats, oils and grease; and, aquifer storage with recycled water.

4. LAFCO Liaison:

No comments.

5. JPIA Liaison:

No comments.

6. Special Districts Association (SDA) Liaison:

A meeting is scheduled for April 19, 2005.

7. FORA:

Director Scholl stated he stood in as alternate for Vice President Brown at the FORA Board retreat where the first five items all dealt with water issues as Mr. Armstrong already announced.

8. Executive Committee:

No comments.

9. Community Outreach:

Director Gustafson apologized for not working on the Community Outreach due to a busy schedule, but promised to get started on it real soon.

D. Director's Comments:

Director Nishi asked for a legal opinion on contracts: 1) do they need to be written; 2) do rates/fees need to be known; 3) how does the Board know if contracts that are not written; and, 4) whose responsibility are job descriptions.

Director Nishi commented that the capacity charge issue is a very difficult one and when the Board took on the responsibility to go after the Fort Ord water system it was not agreed that at any point someone would get a free ride because someone else would have to pay. He stated that he has several concerns: 1) the Board doesn't provide input; 2) the capacity charges in Central Marina have not been looked at in a long time; and, 3) he hopes the District doesn't use the same format that is used in the Ord Community i.e. the Marina build-out total, Marina future development capacity, and Marina existing capacity. Director Nishi stated that if he knew this was the format that was to be used in the Ord Community he would not have supported acquiring the system.

Director Gustafson commented that his number one issue is CSUMB.

President Moore commented that due to military obligations he would be unavailable for the next three meetings and Vice President Brown would be taking the gavel.

7. Planning Workshop:

A. Regional Water Augmentation Project – Plan of Action and Next Steps:

Mr. Lucca introduced this item and explained the three alternatives that are being considered. He then stated that a Notice of Determination (NOD) will be brought before the Board in April and a request to move forward on the hybrid project will be brought before the Board in May. Mr. Armstrong stated that the District has a very unique relationship with FORA due to the agreement between the two agencies. He added that there was a possibility of a joint Board meeting with FORA.

Agenda Item 7-A (continued):

Director Scholl commented that the purpose of the Water Augmentation study was to look for non-groundwater solutions. He recalled that the hybrid alternative using recycled water was the most expensive and the desal alternative was least expensive. Mr. Armstrong explained the reason for selecting the hybrid alternative. Director Scholl commented that the District needed a major customer for recycled water to make it work. Mr. Armstrong answered that the City of Seaside is ready to engage MCWD to supply recycled water to the Bayonet and Blackhorse golf courses. Director Nishi commented that the City of Seaside is looking to use its groundwater for other uses if the District supplies recycled water to them. He added that the pipeline from the treatment plant should have already been laid in the ground for recycled water and surface storage should have been constructed.

Director Scholl stated the real issue of recycled water is ownership and operation of the recycled water system and that the District and MRWPCA negotiation committees need to meet again for more discussion. Mr. Armstrong agreed that if the District moves in the direction of recycled water, the two agencies will indeed meet again and continue discussions.

Director Gustafson commented that a combination of everything except surface storage should be considered until there is a need for surface storage. He also agreed with moving the well field out on Reservation Road. Director Gustafson would like to see expansion of the desal plant and encourages cooperation with Pajaro/Sunny Mesa.

Director Nishi commented it is the Board's responsibility to be pro-active and if you wait to build a project when it is needed, you will pay premium prices. He agreed that the negotiating group needs to meet and stated the District does not need to partner with MRWPCA as the District has the capability to do it alone but storage is the key.

President Moore asked if the 600 afy of potable water being pumped from the well at Bayonet and Blackhorse golf course belongs to Seaside. Mr. Armstrong answered that it is known to belong to Seaside and is not part of the water allocation from FORA. Discussion followed. Mr. Lowrey stated the District cannot make a customer pay more for recycled water than what they pay for potable water. Discussion followed. Mr. Armstrong stated that the land use jurisdictions want FORA and MCWD to move forward on recycled water project even though the details are not yet known. He added that partnership with the MRWPCA has been a reality for years and if there are any questions if the District shouldn't partner with them it needs to be known before negotiations go any further. Director Nishi stated that he has had concerns over the partnership for three years. Discussion followed.

Mr. Bob Schaffer, Marina Community Partners, stated that Mr. Armstrong's analysis of the situation is correct. He stated the Board needs to put aside personal prejudices and focus on solving the problem for the region.



Agenda Item 7-A (continued):

Director Scholl stated that he is in favor of having staff proceed as outlined.

Mr. Lowrey stated that it was a different Board that competed for and received the right to provide the service to Fort Ord. The customers served by the District within its jurisdictional boundaries would benefit and the people who would be customers within the Ord Community could also benefit by the District providing service. Mr. Lowrey added that as the Board changes members, they have the privilege to undo, to the extent of what is legally possible, what previous Boards have done and with the conveyance and contracts with FORA those decisions carried with them a perspective which was broader. The District has a responsibility to understand whether that continues to be a perspective which the Board embraces because the time is coming when the Board is going to have to make significant choices about those perspectives.

Director Gustafson stated that he is agreeable to anything as long as there is enough water for all the Marina development projects. Mr. Armstrong stated that the District does not allocate water on the Ord Community. The facilities agreement with FORA states that MCWD will be the water purveyor but that FORA will allocate water to the jurisdictions. Director Nishi stated that MCWD is not owned by FORA and that the District has an obligation to take care of the customers that own it first. President Moore stated the first part of the hybrid project was recycled water and the District would contribute 300 afy and the other 1400 afy belongs to MRWPCA which is why a partnership on this project was formed. Director Nishi stated that the split of wastewater flow was in MRWPCA's favor.

President Moore asked if Mr. Armstrong had enough direction. Mr. Armstrong answered that he did.

8. Adjournment:

The meeting was adjourned at 9:10 p.m.

APPROVED:

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Thomas P. Moore, President

Date

ATTEST:

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Michael D. Armstrong, General Manager