

Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Regular Board Meeting  
June 8, 2005  
7:00 p.m.

**Minutes**

1. Call to Order:

President Moore called the meeting to order at 7:00 p.m. on June 8, 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  
Paul Lord, Water Conservation Specialist  
Suresh Prasad, Director of Finance  
Connie Chavoya, Management Services Administrator  
Jim Dowless, Operations and Maintenance Superintendent  
Jade Sullivan, Capital Projects Manager  
Paula Riso, Executive Assistant/Clerk to the Board

Audience:

Curtis Weeks, Monterey County Water Resources Agency  
Michael Shaw, Cypress Knolls  
Fran Coen, Clarke Pinnacle  
Bob Schaffer, Marina Community Partners  
Simon Whitmey, Marina Community Partners  
Jill Anderson, City of Seaside  
Dick Goblirsch  
Madeleine Clark, Elkhorn Slough Coalition

2. Oral Communications:

None.

3. Presentation:

A. Receive a Presentation by the Monterey County Water Resources Agency Regarding the Ongoing Regional Urban Water Supply Planning Project:

Mr. Curtis Weeks, General Manager of the Monterey County Water Resources Agency (MCWRA), gave a brief presentation on the Regional Urban Water Supply Planning Project and stressed the need for all local agencies to work together towards a regional water supply project.

Director Nishi commented on the possibility of a desalination project and the fact that it should be handled by a public agency, like Pajaro/Sunny Mesa Community Services District (PSMCSD), and not a private agency. Mr. Weeks stated that the County was looking for a regional governance body with a collaborative approach, in which everyone has a role to participate. He added that there is a great deal of effort needed to pull a project like this together and PSMCSD has not participated as much as others have. Director Nishi stated that PSMCSD has the location for the desal plant and has gone further than anyone else has. Discussion followed. Mr. Weeks added that if PSMCSD did follow through with the desalination project, the County would be supportive.

Director Gustafson voiced his disapproval of the California American Water Company and MCWRA's association with them. He asked why MCWRA didn't approach PSM more often when considering this project. Director Gustafson suggested the agency work with PSM as they are a responsible water agency. Mr. Weeks stated that the MCWRA wants to provide alternatives; receive input from the agencies involved; and hopes to continue to work together including working with PSMCSD if they so choose.

Ms. Madeleine Clark, Director of Elkhorn Slough Coalition, offered her comments on the Regional Urban Water Supply Planning Project. She noted that she provided a letter to be presented to the District Board. Ms. Clark stated that she would like to see the Regional Management Board be comprised of elected officials. Ms. Clark read the letter she provided into the record.

Director Scholl stated he was supportive of regional collaborative efforts and that he did not feel as though any doors were closed to consideration of any proposed projects.

President Moore asked why the proposals included the Monterey Regional Water Pollution Control Agency (MRWPCA) as they are not a provider of potable water. Mr. Weeks answered

Agenda Item 3-A (continued):

that MRWPCA is looking at providing a recycled water portion of the water supply to the Peninsula.

4. Review Draft Board Items:

A. Review District Draft FY 2005-2006 Budget, Rates, Fees and Charges for the Marina and Ord Community Service Areas:

Mr. Suresh Prasad, Director of Finance, introduced this item. He noted that the resolutions in the Board packet were revised and redlined copies were provided to the Board.

Director Scholl asked why the resolution waives the 25% revenue collection for long-term water supply projects. Mr. Prasad stated the 25% has been waived for the past several years due to financial obligations but the District has been able to set aside approximately 10% each year. Mr. Lloyd Lowrey, District Legal Counsel, stated that when FORA adopted the District Ordinances, the 25% collection which is accounted for in the District Ordinances, became legally attributable to the Ord Community. Thus, the language is needed to legally waive the collection. Mr. Lowrey added his recommendation is to officially repeal the provision from the District's Ordinance.

Director Nishi inquired about page 31 where it states "...any customer may avoid payment of the quantity rates and the services fees or charges by disconnecting from the facilities." He stated that he thought it was not allowed to disconnect from the District. Mr. Lowrey stated that the language could be changed. Director Nishi inquired about public hearings as stated in the resolution. Mr. Lowrey commented that in the revised resolution, public hearing was stricken from the language due to new laws. Director Nishi clarified that a public hearing was not required. Mr. Lowrey stated a public hearing was not required but a public meeting was and by holding public meetings on June 8, 2005, June 10, 2005, and June 22, 2005 the District was fulfilling that obligation. Director Nishi asked for next year's Budget Calendar to reflect public meetings. Director Nishi questioned the capital charges and surcharges. Discussion followed.

Director Nishi inquired on Military Bay Housing putting in more units then they are removing from the Fitch housing area. Mr. Lucca responded that even though more units are going into the Fitch area, the number of units going into the other two Military Bay Housing projects is less so that it evens out.

Mr. Simon Whitmey, Marina Community Partners, commented that the future is unpredictable and no one knows what the development rate will be and when occupancy will occur. He added that the WWOC recommended the \$25 surcharges and \$3800 capacity fees as fair amounts.

Agenda Item 4-A (continued):

Mr. Michael Shaw, Cypress Knolls, supported Mr. Whitmey's statements. He stated that he understands the surcharge is set for the entire term of the bond. Mr. Shaw added that ratepayers will be informed of the surcharge when they purchase the house.

Director Gustafson commented he was worried how the rates might be developed on the Ord Community including the Army housing.

Director Scholl commented his first thoughts of having the developers pay the entire capacity charges changed as he has given it more consideration. His main concern is that the surcharges will increase as unknown factors reveal themselves. Director Scholl added that the Board will need to revisit the surcharges as the rate of development, rate of occupancy, and the cost of projects are more known.

President Moore stated that Marina Station was covered under the requirements for Central Marina's capacity fees and is different from the Ord Community. Although Seaside Highlands did not pay capacity charges it would be difficult to back charge them. President Moore would like to see formal writing or record that buyers are aware of the surcharge. He also stated that he would like to see a District ordinance specify when the capacity charges would be paid. Director Nishi stated that the Ord Community capacity charges should be paid at the same time Central Marina capacity charges are paid. Mr. Lowrey added that when FORA adopted the District's ordinances they adopted the rules that Marina goes by and therefore the Ord Community has to follow the same rules. Mr. Prasad stated that capacity charges in Marina are paid when contractors get the building permit. Mr. Lowrey stated that language could be added to the resolution regarding when capacity charges are paid.

Mr. Whitmey stated that developers are expecting to pay capacity charges at the time building permits are acquired. President Moore asked the length of time from when building permits are acquired to when occupancy is achieved. Mr. Whitmey answered approximately six months.

B. Review Draft Ordinance No. XX Approving Revised Water Conservation Requirements:

Mr. Richard Youngblood, Conservation Coordinator, introduced this item and noted that a redlined version of the ordinance was provided to the Board.

President Moore asked if waterless urinals would be required to replace regular urinals upon change of ownership. Mr. Youngblood answered that it was a possibility.

Agenda Item 4-B (continued):

Director Nishi asked if it was appropriate to have the City of Marina listed first in paragraph B of section 3.36.020. He suggested moving the City of Marina to the section that lists the other cities within the Ord Community service area. Director Nishi questioned putting individual meters on hotel/motel units greater or equal to five hundred square feet. He also asked if granny units would require a separate meter. Mr. Youngblood answered they would. Director Scholl stated that he would support putting individual meters on hotel/motel units that exceeded one thousand square feet. Director Nishi suggested staff come up with an appropriate number and could use the units on Del Monte Blvd. as examples.

President Moore asked if there was a temperature threshold for the hot water recirculating units to have the hot water reach a certain temperature within 2 cups of water. Mr. Youngblood stated there was not. Director Scholl suggested language that states there should be a “detectable rise in temperature”.

President Moore suggested the ordinance contain language for retrofit of waterless urinals upon change of ownership and language for the hot water recirculating units stating “a detectable rise in temperature within two cups of water”.

President Moore recessed the meeting from 8:55 until 9:00 p.m.

- C. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Approve a Professional Services Agreement with Bill Lovvorn to Provide Consultant Services for the District Water Education Program:

Mr. Youngblood introduced this item. Director Scholl commented that Mr. Lovvorn has done a great job with the education program and asked if staff has looked into a replacement for Mr. Lovvorn upon his retirement. Mr. Youngblood responded that staff as well as Mr. Lovvorn has been looking. Director Scholl questioned bringing the education program internally as a staff function. Mr. Youngblood answered that Mr. Lovvorn performs 650 hours of work annually and staff has not looked into internalizing the education program. President Moore encouraged staff to work on a transition plan.

- D. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Authorize Staff to Fill the Two Operations & Maintenance Operator Grade III Positions at Salary Range 26:

Ms. Connie Chavoya, Management Services Administrator, introduced this item. There were no questions regarding this item. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

- E. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Approve a Professional Services Agreement with Byron Buck & Associates for the Preparation of a Water Supply Assessment for the Cypress Knolls Development:

Mr. Marc Lucca, Deputy General Manager/District Engineer, introduced this item. There were no questions regarding this item. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

- F. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2205-xx to Approve a Professional Services Agreement with Carollo Engineers to Complete the Marina Water Systems Master Plan Project and to Amend the FY 2004/2005 Budget:

Mr. Jade Sullivan, Capital Projects Manager, introduced this item and Mr. Tom Kauffman of Carollo Engineers. Director Nishi inquired on the consultants and contingencies. Mr. Sullivan explained that other consultants would be brought in to work with Carollo Engineers and the team to complete the Master Plan; and, the contingency of 10 – 15% would be set aside in case there is an unexpected change. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

- G. Review Draft Board Transmittal to Consider Approval of the Construction and Transfer of Water and Sewer Infrastructure Agreement for the Locke Paddon Point Subdivision:

Mr. Lucca introduced this item and Mr. Piper Loomis. Director Gustafson asked when demolition would begin. Mr. Loomis answered very soon. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

- H. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Approve an Agreement for Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure with Monterey Bay Military Housing, LLC at Fitch Park Development:

Mr. Lucca introduced this item and Mr. Fran Coen, and Mr. Sean Callahan of Clarke Pinnacle. Director Nishi inquired on the number of units to be rebuilt. Mr. Coen responded that the number of units in Fitch Park, Phase II, will slightly increase, but the number of units in Hayes Park, Phase I, decreased as well as will the number of units planned for Phase III. Overall, the number of units will be less than the original number of Army housing units.

Director Nishi asked about the arbitration clause. Mr. Lucca answered that the clause is a standard part of the District agreement. Director Nishi commented that he would like to see future agreements with language that it go before the Board before arbitration. Discussion followed. President Moore asked staff to add language stating why Fitch Park is exempt from fees and charges due to the fact that they will be rebuilding fewer homes than they tear down.

Agenda Item 4-H (continued):

President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting with the modification requested.

I. Review Draft Board Transmittal to Consider Approval of the Draft July 2005 Newsletter:

Mr. Richard Youngblood, Conservation Coordinator, introduced this item. There were no questions regarding this item. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

J. Review Draft Board Transmittal to Consider Approving Expenditures for the Month of May 2005:

Director Nishi inquired on check 38737 and 38841 and asked Mr. Prasad to provide information on check 38737 at a later time. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

K. Review Draft Board Transmittal to Consider Approval of the Draft Minutes of the Regular Board Meeting of April 27, 2005:

There were no questions regarding this item. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

L. Review Draft Board Transmittal to Consider Approval of the Draft Minutes of the Regular Board Meeting of May 11, 2005:

There were no questions regarding this item. President Moore requested this item to be placed on the consent calendar for the June 22, 2005 Board meeting.

5. Staff Reports:

A. Consider Future Sewage Flows from the Southwest Sector of the Ord Community and Determine Board and Staff Involvement in Discussions with the Seaside County Sanitation District:

Mr. Lucca introduced this item. Director Scholl asked Mr. Lucca to summarize the main benefit of running sewage flows through the Seaside County Sanitation District (SCSD). Mr. Lucca answered the main benefit was the cost effectiveness. Discussion followed. Director Scholl stated the Board is being asked to consider creating a Board-level negotiating committee to meet with SCSD Board members to complete the negotiations; or, direct staff to continue working with SCSD staff members and return with a final draft agreement for action by the Board.

Agenda Item 5-A (continued):

President Moore asked what Director Scholl's thoughts on the issue were. Director Scholl answered that he had no objections to the agreement. Director Nishi stated that he thought the agreement was in SCSD's favor. Director Nishi stated he disagreed with sections 7, 7a, 8 and 9 of the agreement. Discussion followed. President Moore asked if SCSD agrees with accepting the sewage flows, would there need to be infrastructure upgrades. Mr. Lucca answered there would be some upgrades. Discussion followed.

Director Scholl reiterated that the Board is being asked to consider creating a Board-level negotiating committee; or, direct staff to continue working with SCSD staff members. He added that this should be brought to the Board level and Director's Nishi and Gustafson should head the committee. Director Gustafson stated he didn't care what was in the Seaside Master Plan. President Moore stated he would like staff to continue working with SCSD.

Ms. Jill Anderson, Assistant to the City Manager for the City of Seaside, stated that the SCSD has had a productive relationship with MCWD staff and is hoping for a win-win situation. She assured the Board that SCSD has no desire to do anything sneaky and is only looking out in the best interest of their customers just as MCWD is. President Moore asked if Ms. Anderson saw any objection with the pricing philosophy where MCWD pays the additional cost burden that is placed on SCSD as a consequence of running the additional sewage through their system. Ms. Anderson answered that from staff's perspective it made sense.

President Moore requested an item to be agendaized for the next meeting regarding selecting a negotiating committee to discuss sewage flows through SCSD.

B. Review June 10, 2005 Joint MCWD – FORA Board Meeting Agenda:

President Moore questioned if all Board members would be present for the joint MCWD-FORA Board meeting. All Board members present answered affirmatively.

Director Scholl, noting that it was 10:00 p.m., made a motion to continue the meeting until 10:15 p.m. or until the agenda is complete, whichever comes first. President Moore seconded the motion. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.

Agenda Item 5-B (continued):

Director Scholl questioned whether the Board agreed with the \$3800.00 capacity charges and \$25.00 surcharges being proposed in the budget. Director Nishi stated he didn't agree with the proposed charges. Discussion followed.



Agenda Item 5-B (continued):

Mr. Bob Schaffer, Marina Community Partners, commented that the pay-as-you-go system was developed by FORA and the District. He added that capacity charges are not paid by the developers but ultimately come out of the individual jurisdictions and are not passed on to the homebuyers. Mr. Schaffer advised the Board to follow the advice of the staff and consultants regarding the capacity charges and surcharges alternative as they concluded that it was the optimal solution.

C. Receive Update on Negotiations with CSUMB Regarding Capital Charges:

Director Nishi voiced his concern over the January 18, 2005 letter to CSUMB that set certain parameters and that there was another meeting without the Board's knowledge. Director Scholl suggested having an agenda item on the June 22, 2005 agenda regarding the next step the Board needs to take.

6. Discuss Possible Agenda Items for the June 22, 2005 Planning Workshop:

The meeting was adjourned so this item was not discussed.

7. Director's Comments:

The meeting was adjourned so this item was not discussed.

8. Adjournment:

The meeting was adjourned at 10:15 p.m.

APPROVED:

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Thomas P. Moore, President

Date

ATTEST:

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Michael D. Armstrong, General Manager