

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
July 13, 2005
7:00 p.m.

Minutes

1. Call to Order:

President Moore called the meeting to order at 7:00 p.m. on July 13, 2005.

Board Members Present:

Tom Moore – President
David Brown – Vice President – arrived at 7:07 p.m.
Ken Nishi
Charles Scholl
Howard Gustafson

Board Members Absent:

None.

Staff Members Present:

Mike Armstrong, General Manager
Mike Masuda, Legal Counsel
Marc Lucca, Deputy General Manager/District Engineer
Suresh Prasad, Director of Finance
Jade Sullivan, Capital Projects Manager
Ken Demmons, Project Manager
Paula Riso, Executive Assistant/Clerk to the Board

Audience:

Tom Gaffney, Bartle Wells & Associates
Dave Houston, Citigroup
Nick Chiulos, Monterey County
Michael Shaw, Cypress Knolls
Bob Schaffer, Marina Community Partners
Simon Whitmey, Marina Community Partners
Jill Anderson, City of Seaside
Doug Yount, City of Marina
Dick Goblirsch
Ian Gillis

Rich Taylor, CSUMB
Steve Reed, CSUMB

2. Oral Communications:

Mr. Marc Lucca, Deputy General Manager/District Engineer, introduced Mr. Ken Demmons the District's new Project Manager.

3. Action Item:

- A. Consider Adoption of Resolution Nos. 2005-37 (Ord Community Compensation Plan), 2005-38 (Capital Elements of Ord Community Plan), and 2005-39 (District Budget) to Approve the District Budget and Ord Community Compensation Plan for FY 2005-2006:

Mr. Suresh Prasad, Director of Finance, introduced this item. Mr. Tom Gaffney, Bartle Wells & Associates gave a brief presentation. Director Nishi questioned if the R&R (Repair and Refurbishment) portion of the capital work is 22% and the rest was expansion. Mr. Gaffney answered it was. Director Nishi commented the .70 cents component charge customers on the Ord Community were paying is now wrapped into the operating expenses and inquired how those funds were allocated. Mr. Gaffney answered that those funds were for O&M expenses which included R&R. Expansion will be funded by monthly surcharges paid by new customers and capacity charges paid by developers. Discussion followed. Vice President Brown asked if customer revenue was stronger than capacity charges is acquiring bonds. Mr. Gaffney answered affirmatively. President Moore asked if the revenue from the .70 cents capital component charge was enough to fund all the R&R. Mr. Gaffney stated that the program is partial pay-as-you-go and partial financing. President Moore suggested staff and Board carefully monitor development and the number of new customers as well as expenditures on R&R projects so the District doesn't get ahead of itself. Director Nishi asked if University Villages would be completed within the next two years. Mr. Simon Whitmey, Marina Community Partners, answered that occupancy should start in approximately two years.

Director Scholl made a motion to adopt Resolution Nos. 2005-37, 2005-38, and 2005-39. Vice President Brown seconded the motion. The motion was passed.

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

4. Review Draft Board Items:

- A. Review Draft Board Transmittal to Receive the Draft 2005 Urban Water Management Plan and Schedule a Public Hearing for August 24, 2005:

Agenda Item 4-A (continued):

Mr. Lucca introduced this item. President Moore asked if the Board could take action by scheduling a Public Hearing as the item is listed as a "Review Draft Board Item". Mr. Armstrong clarified that staff would like to supply the draft 2005 Urban Water Management Plan (UWMP) to the Board and public for review and for the Board to schedule a Public Hearing for August 24, 2005.

Vice President Brown made a motion to schedule a Public Hearing for August 24, 2005. Director Scholl seconded the motion. Director Nishi suggested receiving the document at the second meeting of the month and scheduling the Public Hearing at that time. Director Scholl stated that he did not feel that action was limited to the second meeting of the month. President Moore stated that the longer the public has to review this document the better.

Mr. Doug Yount, City of Marina, commented that since the UWMP relates to future water supply, he suggested the Board and District look at a broad interpretation of future supplies verses a narrow interpretation as it relates to SB610, particularly secured funding. He added that the City of Marina will be working closely with District staff on water demand factors. Lastly, Mr. Yount suggested the Board recognize the City of Marina's jurisdiction and right, under SB610, to allocate water and provide allocations of water in accordance with those regulations.

Director Gustafson asked if the UWMP includes the recycled water project. Mr. Lucca answered the hybrid alternative is included in the UWMP. Director Gustafson inquired who was funding the Water Augmentation Project. Mr. Lucca stated those details have yet to be discussed as staff has just received direction to begin scoping the project.

Director Scholl suggested the Water Augmentation Project be a discussion item for the next Board workshop.

With a vote of 3-Ayes, 2-Noes, 0-Absent, the motion to schedule a Public Hearing for August 24, 2005 was passed.

B. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Authorize Disbursement of the Water Construction Cost Share of the Fort Ord Reuse Authority General Jim Moore Blvd. Phase II Project:

Mr. Jade Sullivan, Capital Projects Manager, introduced this item. Director Nishi asked if presentation slides could be provided in the packet in the future. President Moore asked when future customers will begin arriving and paying bills to MCWD. Mr. Sullivan provided several projects that would be online in the near future.

Agenda Item 4-B (continued):

Director Nishi inquired on the cost breakdown percentage of existing and future customers for this project. Mr. Lucca answered the engineering department was just providing the cost of the project and the financing department would determine the breakdown. Director Nishi stated the budget lists the project and cautioned doing projects before they are needed. This item will be placed as an action item on the August 10, 2005 agenda to allow FORA to open bids and award the contract at the end of July.

C. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Approve the Construction Budget and Contract with Monterey Peninsula Engineers for the Ord Community Lift Station Improvements Project:

Mr. Sullivan introduced this item. Director Gustafson asked who Pacific Infrastructure was. Mr. Sullivan stated they were a company from the Bay area. Director Nishi had budgetary questions on this item. Director Nishi asked how the Marina San Pablo Lift Station and the Ord Community San Pablo Lift Stations are identified. Mr. Sullivan stated the Marina Lift Station is referred to as Lift Station #5 and the Ord Community Lift Station is referred to as the San Pablo Lift Station. President Moore asked if the improvements would make these stations more cost and energy efficient. Mr. Sullivan answered it would. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

D. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Approve a Professional Services Agreement for Specialty Services:

Mr. Lucca introduced this item. There were no questions or comments on this item. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

E. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Approve a Professional Services Agreement with Carollo Engineers to Initiate Preliminary Design of Well No. 33 and Well Field Reservoir Project:

Mr. Sullivan introduced this item. Director Nishi questioned the prior Committee or Board action information. Discussion followed. Vice President Brown asked how deep the well would be. Mr. Sullivan answered that it would be about 400' deep. Director Scholl inquired which well was at greatest risk today. Mr. Sullivan answered well 29 was at greatest risk. President Moore asked if in final construction of this project well 29 would be closed. Mr. Sullivan answered it would not. Mr. Lucca followed up saying that treatment of well 29 is in the CIP several years from now. President Moore requested this item to be placed as an action item for the July 27, 2005 Board meeting.

- F. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2205-xx to Approve a Professional Services Agreement with Winzler & Kelly Consulting Engineers for Design Phase Services of the 2005 Marina Sewer Improvements Project:

Mr. Lucca introduced this item. President Moore asked if this project included expansion of Lift Station 5. Mr. Lucca answered that it did address the potential for the Armstrong Ranch development and the additional cost would be tracked to ensure the Armstrong Ranch development funds their portion of the cost. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

- G. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Authorize Disbursement of the Water Construction Cost Share of the California Avenue Water Pipeline Extension Project:

Mr. Lucca introduced this item. Vice President Brown asked which part of California Avenue wasn't open. Mr. Lucca explained this project will open it all the way through from Reservation to Imjin Parkway. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

- H. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Approve a Professional Services Agreement with Schaaf & Wheeler for Design Phase Services of the Reservation Road Water Pipeline Extension Project:

Mr. Lucca introduced this item. There were no questions or comments on this item. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

- I. Review Draft Board Transmittal to Consider Adoption of Resolution No. 2005-xx to Update Authorized Signature for the Local Agency Investment Fund (LAIF) Account:

Mr. Armstrong introduced this item. There were no questions or comments on this item. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

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

Director Nishi asked if the District has written any checks this month. Mr. Prasad answered that checks had been processed. Director Nishi stated he thought the Board had to pass a resolution to write checks. Mr. Prasad answered that the District does not have to have an adopted budget to write checks.

Agenda Item 4-J (continued):

Director Nishi requested that Mr. Lowrey provide information if a resolution is needed at the next meeting. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

K. Review Draft Board Transmittal to Consider Approval of the Draft Minutes of the Regular Board Meeting of May 25, 2005:

There were no questions or comments on this item. President Moore requested this item to be placed on the consent calendar for the July 27, 2005 Board meeting.

5. Action Items:

A. Receive Update on Negotiations with CSUMB Regarding Capital Charges and Provide Direction to the District Negotiators:

Mr. Armstrong introduced this item. He noted that Mr. Steve Reed and Mr. Rich Taylor were present representing CSUMB. Director Nishi stated that he expected the negotiators to return to the Board for further direction after receiving a response from CSUMB. Director Gustafson stated that neither had he heard anything from the negotiators nor given any further direction to them. Director Scholl commented that the negotiators were doing what they were instructed and he would prefer clear concise instructions from the Board regarding negotiations. Discussion followed. Director Nishi requested the negotiating team not meet with the CSUMB negotiators until the Board discusses this issue with the attorney.

B. Consider Request by the Monterey Peninsula Water Management District for Information Regarding the MCWD Desalination Plant and Provide Direction to Staff:

Mr. Armstrong introduced this item. He explained the Monterey Peninsula Water Management District (MPWMD) is asking if the District would be interested in expanding the water augmentation desal plant project to help meet the water supply needs of the entire Monterey Peninsula. Discussion followed. Directors Nishi and Gustafson voiced their concerns over the proposal. President Moore suggested offering an amount less than the projected capacity to allow for expansion. Director Nishi commented that the District should only respond if the entire MPWMD Board was requesting the desal expansion and not just one director. Vice President Brown suggested sending a non-committal letter. Director Scholl agreed with Vice President Brown. Mr. Armstrong commented the MPWMD wanted an answer by July 30, 2005. Director Nishi suggested the General Manager send a letter on July 30, 2005 stating the District would like to have the entire MPWMD Board request the desal expansion.

Agenda Item 5-B (continued):

Mr. Armstrong answered that he was not aware if the request came from only one Board member or the entire Board but he would find out. President Moore suggested this topic be a Planning Workshop item. Director Nishi stated he would talk with Ms. Michelle Knight and report back to the General Manager.

Mr. Armstrong stated if the Board would like to speak with Mr. Rob Saperstein, Hatch & Parent, regarding the closed session item, he was available by phone. The Board agreed to speak with Mr. Saperstein. Mr. Armstrong suggested taking a break while he established contact with Mr. Saperstein.

President Moore recessed the meeting from 9:26 until 9:35 p.m. He then suggested moving to items 7, 8 and 9 before going into closed session.

7. Discuss Possible Agenda Items for the July 27, 2005 Planning Workshop and Provide Direction to Staff:

President Moore stated one item that would be discussed is the MPWMD's request. Director Nishi suggested the fees on how to track in-tract capacity charges and the difference between Marina and Fort Ord and who would pay for out-of-tract projects. Mr. Armstrong asked for more clarification. Director Nishi asked who would pay for the pipeline from Del Rey Oaks to the District's line. Mr. Armstrong answered that the project was in the CIP and it would be funded through the uniform capacity charge by all people who pay capacity charges. Director Nishi asked why others would have to pay for something that they get no benefit from. Discussion followed. The Board also identified the Water Augmentation Project (WAP) as a discussion item. Vice President Brown asked if the desal plant could also be discussed under the WAP item. The answer was affirmative. The three topics for discussion will be: 1) MPWMD's request for desalinated water; 2) Capacity charges for Marina and Ord Community regarding out-of-tract projects; and, 3) the WAP and District's desal plant.

8. Director's Comments:

Director Nishi stated he has yet to receive the information requested on CSUMB hooking up with the District. Mr. Armstrong stated there is no more information on the Visitor Center to be provided.

Director Scholl commented that with the packet he received a memorandum from Ms. Riso stating Director Nishi requested copies of the first page of the Water Conservation Commission's minutes from the previous year. He asked Director Nishi what the reason was for the request. Director Nishi answered to check the attendance.

9. Correspondence:

The Board did not have time to discuss this item.

The Board entered into closed session at 9:47 p.m.

6. Closed Session:

- A. Pursuant to Government Code Section 54956.9
Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9
1 – case

The Board returned to open session at 10:17 p.m.

President Moore reported that advice was provided by counsel to the Board.

10. Adjournment:

The meeting was adjourned at 10:18 p.m.

APPROVED:

Thomas P. Moore, President Date

ATTEST:

Michael D. Armstrong, General Manager