

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
July 27, 2005
7:00 p.m.

Minutes

1. Call to Order:

President Moore called the meeting to order at 7:00 p.m. on July 27, 2005.

Board Members Present:

Tom Moore – President
David Brown – Vice President
Ken Nishi
Charles Scholl

Board Members Absent:

Howard Gustafson

Staff Members Present:

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

Audience:

Michael Shaw, Marina Heights
Dick Goblirsch, Del Rey Oaks
Bob Schaffer, Marina Community Partners
Dale Hudson, City of Marina
Bill Brasher, Marina Heights

2. Oral Communications:

None.

3. Action Items:

- A. Consider Adoption of Resolution No. 2005-48 to Approve a Professional Services Agreement with Carollo Engineers to Initiate Preliminary Design of Well No. 33 and Well Field Reservoir Project:

Mr. Mike Armstrong, General Manager, introduced this item.

Vice President Brown made a motion to approve Resolution No. 2005-48 approving a Professional Services Agreement with Carollo Engineers to initiate preliminary design of Well No. 33 and Well Field Reservoir Project. Director Scholl seconded the motion.

Director Scholl commented that this solution makes sense and it will help with the salt water intrusion. Director Nishi agreed that it was a necessity but stated he had concerns there will be resistance from the agricultural community. President Moore asked what Director Nishi wants the District to do. Director Nishi stated he was concerned that the agricultural community would provide a lot of resistance to this action. President Moore commented the District was able to join Zones 2 and 2A with little resistance. Director Scholl commented the District could have the support of the developers with this project. Director Nishi stated the District's water costs the most because the District needs to dig deeper to get the water. He added that MCWRA needs to make the District whole because others are using too much water which is causing salt water intrusion. Director Nishi stated that is one reason the District needs to look at desalinated water. He added the District pays for Zones 2 and 2A but does not receive equal benefits.

The motion was passed.

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

- B. Consider Approval of Proposed Management Services Specialist Job Description:

Mr. Armstrong introduced this item.

Director Scholl made a motion to approve the proposed Management Services Specialist job description. Vice President Brown seconded the motion.

Director Nishi voiced his concerns over the qualifications required for this position. He would like to see the position geared more towards Human Resources. Director Nishi questioned the General Manager bringing this position before the Board because the last job title change was never brought before the Board. Discussion followed.

Agenda Item 3-B (continued):

The motion was passed.

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

4. Consent Calendar:

Mr. Armstrong requested to pull item D from the Consent Calendar.

Vice President Brown made a motion to approve the Consent Calendar consisting of items A) Consider Adoption of Resolution No. 2005-49 to Approve the Construction Budget and Contract with Monterey Peninsula Engineers for the Ord Community Lift Station Improvements Project; B) Consider Adoption of Resolution No. 2005-50 to Approve a Professional Services Agreement for Specialty Services; C) Consider Adoption of Resolution No. 2005-51 to Approve a Professional Services Agreement with Winzler & Kelly Consulting Engineers for Design Phase Services of the 2005 Marina Sewer Improvements Project; E) Consider Adoption of Resolution No. 2005-53 to Approve a Professional Services Agreement with Schaaf & Wheeler for Design Phase Services of the Reservation Road Water Pipeline Extension Project; F) Consider Adoption of Resolution No. 2005-54 to Update Authorized Signatures for the Local Agency Investment Fund (LAIF) Account; G) Consider Approving Expenditures for the Month of June 2005; and, H) Consider Approval of the Draft Minutes of the Regular Board Meeting of May 25, 2005. Director Scholl seconded the motion. The motion was passed.

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

D. Consider Adoption of Resolution No. 2005-52 to Authorize Disbursement of the Water Construction Cost Share of the California Avenue Water Pipeline Extension Project:

Mr. Marc Lucca, Deputy General Manager/District Engineer, introduced this item.

Director Scholl made a motion to adopt Resolution No. 2005-52 to authorize disbursement of the water construction cost share of the California Avenue Water Pipeline Extension Project. Vice President Brown seconded the motion.

Agenda Item 4-D (continued):

The motion was passed.

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

5. Informational Items:

A. General Manager's Report:

No comments.

B. Counsel's Report:

Mr. Lloyd Lowrey, Legal Counsel, stated Director Nishi had questioned if the District could write checks without the budget being approved. Mr. Lowrey answered the District does not have to have an approved budget in place to pay expenditures. He added the budget provides a guideline for expenditures and the Board reviews all expenditures monthly. Mr. Lowrey stated the contracts the Board entered into with the employees and other contractors, authorizes expenditures of those contracts. In his opinion, authorization exists for the District to write checks even if the Budget is not approved, and the Board has the authority to approve or disapprove any expenditure.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Brown stated there was a lengthy discussion on ETO controllers that use telephone lines to control irrigation.

2. Joint City-District Committee:

President Moore commented that there was discussion between a City Council member and District Board member where the Council member rebuked the District Board member for making critical comments of the MCWRA while on the dais.

3. MRWPCA Board Member:

Director Scholl commented the PCA was purchasing two scoop presses to replace the belt press. He added there was also discussion on the reduction of sodium in water softeners.

4. LAFCO Liaison:

No comments.

5. JPIA Liaison:

No comments.

6. Special Districts Association (SDA) Liaison:

President Moore commented the quarterly meeting was held on July 19th. During the meeting, two main issues were discussed; 1) County Office of Emergency Services is working on a Hazard Mitigation Plan; and, 2) the County obtained GIS maps for potential inundation levels from tsunamis that might occur on the peninsula.

7. FORA:

Director Scholl commented that the FORA Board approved the determination of consistency for the University Villages Project.

8. Executive Committee:

No comments.

9. Community Outreach:

No comments.

D. Director's Comments:

Director Nishi would like to see Mr. Rob Saperstein part of the negotiations for CSUMB. He also stated he was shocked at how much turf area the Army is including in the RCI development.

Director Scholl commented that Mr. Dan O'Brien was moving resulting in a vacancy in the WCC. He also commented that he agreed with Mr. Wilmot's comments during the Joint City-District Committee meeting. Director Scholl inquired as to Director Nishi's reason for requesting the front pages of the WCC minutes. Director Nishi answered it was to check attendance of the Commission.

Vice President Brown asked what authority, if any, a Board member has to request something of staff or the District Counsel requiring them to spend time researching the request.

Agenda item 5-D (continued):

Mr. Lowrey answered that the Board adopted a policy that allows any Board member to request information from Mr. Lowrey as long as it does not take more than an hour of time. Anything that requires more than an hour of time must be authorized by the General Manager.

Director Scholl commented that Directors have an office and that is here on the dais and they should stay out of the day to day operations of the District.

President Moore voiced his appreciation to staff for their hard work with all the projects that are in process and the ability to keep so many things going at once.

6. Planning Workshop:

A. Discuss the Water Augmentation Project – Desalination Plant

Mr. Armstrong introduced this item.

President Moore commented that he believes the difficult part of this project could be the MRWPCA as they want to own, operate and maintain the trunkline of the recycled water project and that they want a JPA. He also voiced concerns on pricing and would like to see the costs placed on the actual users of recycled water and not all District customers.

Director Scholl commented that originally he was not in favor of recycled water because of the cost. However, he has acquiesced since learning more about recharging the aquifer during the wet months. Director Scholl added that looking at what is best for everyone he believes this is a good plan. He also voiced his concerns over project ownership and operation and believes that the proposal to recharge the (Seaside Basin) aquifer makes it more complicated. Director Scholl stated that the discussions/negotiations with the MRWPCA to date have not been of any value because until a project is identified you can't really negotiate. He added that recycled water is in everyone's future. As to the project funding, Director Scholl commented that the cost of installing the system is earmarked in FORA's budget.

Mr. Armstrong stated that the FORA budget contains \$38 million spread over 15 years designated to pay for the Water Augmentation Project (WAP).

President Moore commented on the recycled water project and the 300 afy that is earmarked for the Monterey Peninsula saying that it was never discussed who would pay to move the 300 afy to the Peninsula.

Director Nishi stated he had been pushing the Board to get a reservoir for storage. Whether it is aquifer or surface storage, the key is storing winter flows. Director Nishi stated he has had concerns since the first rights were negotiated and the District settled for 300 afy.

Agenda item 6-A (continued):

Director Nishi commented that if funds are going to be made available for projects, the District needs to be there before the project.

Director Scholl commented that it is very important to have customers signed up before going forward with this project. He also stated that open storage of recycled water does not work because of algae.

Mr. Armstrong reviewed the amount of water negotiated with the MRWPCA. Mr. Armstrong stated that the negotiations in 1989 gave MCWD first rights to recycled water equal to the amount of wastewater sent to the MRWPCA plant. He added that that still stands but the agreement was later modified to limit the amount to 300 afy from April through September with no limits in the winter months. Mr. Armstrong stated that this project can only happen if the District and the MRWPCA work together during the irrigation months of April through September. He stated that governance and ownership is another issue. Discussion followed.

Director Scholl stated that the MRWPCA is focusing on getting customers signed up for recycled water. Director Nishi stated that if that is the case, he believes this will be difficult as a joint project. Director Scholl agreed. Discussion followed. Mr. Armstrong stated that the District is moving forward quickly on the WAP because it is the District's job to produce water for its customers. He believes that there is some level of partnership with the MRWPCA and the joint project, but finding that level is the challenge.

Mr. Bob Schaffer, Marina Community Partners, concurred and supported what Mr. Armstrong said. It is critical for the economical redevelopment of the former Fort Ord that this project moves forward. Mr. Schaffer hopes the Board will support the work staff has done on this project and would like to see it move forward expeditiously.

President Moore inquired where the MRWPCA's desalination/reverse osmosis facility to treat the recycled water before injecting into the aquifer would be located and where the brine would be disposed of.

Mr. Armstrong answered the plan is to put the desal/reverse osmosis facility near the MRWPCA's injection well. President Moore asked where the brine would be disposed of. Mr. Armstrong has not heard any preferred option of where the brine will be disposed. Discussion followed.

Mr. Michael Shaw, Marina Heights, suggested separate EIR's for each 1,500 afy project.

Mr. Armstrong clarified that he heard several Board members state the partnership between the District and the MRWPCA should share the recycled water that each are entitled to, but the conveyance and distribution of that water through Marina and Fort Ord should be the purview of the District. Director Scholl stated that could be the deal breaker. Director Nishi agreed.

Agenda item 6-A (continued):

President Moore stated he would be willing to cooperate in creating a trunkline with the capacity to serve the recharge project. Director Nishi suggested the negotiating committee discuss the expediency of the project, the trunkline concept and moving forward. President Moore stated staff could relay those concepts. The consensus of the Board was that the District should own and operate the pipelines after they leave the plant.

Director Scholl asked about the desalination plant. Mr. Armstrong answered the District needs to look at both the recycled and potable water portions of the WAP. Although the EIR focused on the current desal plant location, other locations such as the wastewater treatment plant location will need to be investigated as well for a larger desalination facility. Director Scholl commented that he would like to see the desalination portion of the WAP delayed to allow time for new technology that might make it a more viable project. Mr. Armstrong stated that right now the focus will be on scoping and trying to define what the project will be. President Moore stated he would like to see an estimate of the maximum desalination capacity of both sites.

President Moore recessed the meeting from 9:15 until 9:26 p.m.

B. Discuss Uniform Capacity Charges

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

President Moore inquired how recovering CSUMB's outstanding debt would impact other customers. Mr. Prasad explained that projects have been funded without receiving funds from CSUMB and any funds recovered would go to pay existing debt first.

Director Nishi inquired on the in-tract and out-of-tract infrastructure. Mr. Prasad clarified that anything in-tract is paid by the developers. Out-of-tract infrastructure is funded by uniform capacity charges. Discussion followed.

Director Nishi asked if the CSUMB negotiations concluded with the District recovering the entire amount of funds owed, would the uniform capacity charge have to be adjusted to a lower amount. Mr. Lowrey answered he would need to look into that. President Moore asked Mr. Lowrey to provide that information at a later date. Mr. Armstrong stated that every year the District looks at the budget and CIP and the capacity charges are adjusted as needed. Director Nishi stated the capacity charges do not include revenue from CSUMB, but if CSUMB were to agree to pay their full share of funds then the capacity charge needs to be reevaluated. Mr. Armstrong agreed that the capacity charges do not include CSUMB revenue. President Moore stated if CSUMB were to pay the outstanding debt they owe and agree to continue to pay their share of the costs, then he would like to see the surcharge that Ord customers pay reevaluated. Discussion followed.

The Board entered into closed session at 9:45 p.m.

7. 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 10:20 p.m.

8. Possible Action on Closed Session Item:

President Moore stated direction was provided to the negotiating team with no action taken. President Moore asked to schedule a special meeting the following week. It was agreed to set the meeting for August 1, 2005 with the time to be determined after contacting Director Gustafson, preferably between 5:30 and 8:00 p.m.

9. Correspondence:

The Board did not discuss this item as time did not allow.

10. Adjournment:

The meeting was adjourned at 10:23 p.m.

APPROVED:

Thomas P. Moore, President Date

ATTEST:

Michael D. Armstrong, General Manager