

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
August 24, 2005
7:00 p.m.

Minutes

1. Call to Order:

Vice President Brown called the meeting to order at 7:00 p.m. on August 24, 2005.

Board Members Present:

Tom Moore – President – arrived at 7:01 p.m.
David Brown – Vice President
Ken Nishi
Charles Scholl
Howard Gustafson

Board Members Absent:

None

Staff Members Present:

Mike Armstrong, General Manager
Lloyd Lowrey, Legal Counsel
Marc Lucca, Deputy General Manager/District Engineer
Suresh Prasad, Director of Finance

Audience:

Bob Schaffer, Marina Community Partners
Simon Whitney, Marina Community Partners
Dick Goblirsch, City of Del Rey Oaks
Michael Shaw, Cypress Knolls
Byron Buck, Byron Buck & Associates
Doug Yount, City of Marina
Lyndel Melton, RMC
Gary Wilmot

2. Oral Communications:

None.

3. Public Hearing:

- A. Accept Comments from the Public on the District's Draft 2005 Urban Water Management Plan and Extend the Public Comment Period Through September 16, 2005:

Mr. Marc Lucca, Deputy General Manager/District Engineer, introduced this item and Mr. Byron Buck, Byron Buck & Associates.

Mr. Buck gave a brief update of the Draft 2005 Urban Water Management Plan (UWMP). He explained the process, legal requirements, and documentation used to produce the UWMP.

President Moore asked Mr. Buck what he meant when he stated that funding had to be secured by FORA in their capital plan before the District could consider the availability of augmented water. Mr. Buck answered that FORA will be receiving funding for their capital improvements plan and when they forward the funds to the District for the Water Augmentation Project the District could consider augmented water available for the purpose of the UWMP. Discussion followed. Director Scholl asked if accomplishment of the task and adoption of the Resolution does not predicate on the District coming up with the policies but having them on a task list for the future. Mr. Buck answered that was correct. Director Scholl recommended extending the public comment period through September 16, 2005. The rest of the Board concurred.

Vice President Brown made a motion to extend the public comment period through September 16, 2005. Director Gustafson seconded the motion. With a vote of 5-Ayes, 0-Noes, 0-Absent, the motion was passed.

4. Action Items:

- A. Consider Adoption of Resolution No. 2005-56 to Approve a Professional Services Agreement with RMC Water and Environment for Program Management Services for the Regional Urban Water Augmentation Project:

Mr. Lucca introduced this item. He explained that the scope-of-work was still being refined and the cost could go down. Director Scholl asked if the scoping would be of both elements of the hybrid project. Mr. Lucca answered affirmatively. Director Scholl asked if working on both elements simultaneously would slow either element down. Mr. Lucca answered that he did not think so. Director Scholl inquired about customers for recycled water. Mr. Lucca answered that customers and their water needs needed to be defined. Director Scholl questioned getting commitments or letters of intent from developers regarding how much and what type of water is needed. Director Scholl asked if RMC could help with the political and structural strategies of the joint project. Mr. Lucca answered that RMC could provide guidance with the project. Director Scholl inquired if the other members of the Board would be interested in having RMC help guide the project.

Director Nishi voiced his concern over the agreement with FORA and would like the terms and conditions of the reimbursement negotiated before going further with the joint project.

Director Scholl made a motion to adopt Resolution No. 2005-56 to approve a Professional Services Agreement with RMC Water and Environment for Program Management Services for the Regional Urban Water Augmentation Project. Vice President Brown seconded the motion.

Director Nishi asked what recommendation Director Scholl was looking for from the Board. President Moore answered that Director Scholl wanted to know if the rest of the Board members would be interested in having RMC help guide the political, mechanical and functional aspects of the joint project. Discussion followed.

Mr. Gary Wilmot, Marina resident, encouraged the Board to adopt Resolution No. 2005-56 and have RMC look for the most successful way of handling the joint project.

The motion was passed.

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

B. Consider Selecting Facilitator to Conduct Strategic Planning and Provide Direction to Staff:

Mr. Armstrong introduced this item.

Director Scholl made a motion to select Ms. Eileen Goodwin, Apex Strategies, to facilitate the District's Strategic Planning for 2005. Vice President Brown seconded the motion. Director Scholl stated that he spoke with Ms. Goodwin and believed she would be an asset to have as a facilitator for Strategic Planning. The motion was passed.

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

5. Consent Calendar:

Director Nishi requested to pull item A from the Consent Calendar. President Moore requested to pull item E from the Consent Calendar.

Director Gustafson made a motion to approve the Consent Calendar consisting of items B) Consider Approving Expenditures for the Month of July 2005; C) Consider Approval of the Draft Minutes of the Regular Board Meeting of June 8, 2005; and, D) Consider Approval of the

Agenda Item 5 (continued):

Draft Minutes of the Special Joint Board Meeting of June 10, 2005. Vice President Brown seconded the motion. The motion was passed.

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

- A. Consider Adoption of Resolution No. 2005-57 to Approve Contract Change Orders to the Ord Community Valve Replacement Project with Monterey Peninsula Engineering and Amend the Fiscal Year 2005/2006 Budget:

Director Nishi commented that he didn't approve going over the contingency allowed for this project.

Director Gustafson made a motion to adopt Resolution No. 2005-57 to approve a contract change order to the Ord Community Valve Replacement Project with Monterey Peninsula Engineering and amend the Fiscal Year 2005/2006 budget. Director Scholl seconded the motion. The motion was passed.

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

- B. Consider Approval of the Draft Minutes of the Regular Board Meeting of June 22, 2005:

President Moore asked for page 7, paragraph 4, of the minutes to state "...staff ask SCSD to consider performing the service for free." The same change is suggested for page 8, second paragraph.

President Moore made a motion to approve the minutes of the June 22, 2005 Board meeting as amended. Director Scholl seconded the motion. Director Nishi suggested having the clerk check the tapes. Director Scholl stated the changes don't change the substance and doesn't see the need to spend more time on this issue. Vice President Brown agreed. With a vote of 3-Ayes, 2-Noes, 0-Absent, the motion was passed.

6. Informational Items:

- A. General Manager's Report:

Mr. Armstrong commented that the Monterey Peninsula Water Management District is holding a town hall meeting where several agencies will discuss the water projects that are in various stages of planning.

Agenda Item 6-A (continued):

Mr. Armstrong also stated that the District has been part of a four party group in negotiating wastewater capacity rights on the former Fort Ord. He added that the US Army, MRWPCA, FORA and the District staffs have reached an agreement on a draft Memorandum of Agreement and each entity will bring it to their Boards for approval in September.

B. Counsel's Report:

Mr. Lloyd Lowrey, Legal Counsel, commented that he was asked to provide information on surplus property procedures and a copy of that information was provided to the Board.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Brown stated that the minutes of the July 7th meeting were included in the packet. He also stated that the WCC met again on August 4th and there was a presentation on synthetic grass. Vice President Brown commented the WCC also discussed Commission attendance and how the last two meetings started late due to waiting for members to arrive to make a quorum. He added that the Commission will discuss an attendance policy at the next meeting.

2. Joint City-District Committee:

President Moore stated there were discussions of the on-going projects.

3. MRWPCA Board Member:

Director Scholl commented that there was a Recycled Water Committee meeting where the Recycled Water Project was discussed and different opinions were expressed. Director Scholl added that this comment should be under Director's Comments.

4. LAFCO Liaison:

No comments.

5. JPIA Liaison:

No comments.

6. Special Districts Association (SDA) Liaison:

No comments.

7. FORA:

Director Scholl stated he attended the meeting and the only item of District interest was that the City of Seaside gave a presentation on a resort project that surrounds the Bayonet and Blackhorse golf courses.

8. Executive Committee:

No comments.

9. Community Outreach:

Director Gustafson stated he was asked to talk at two meetings about water issues; one was the VFW and the other was the United Veteran's Council.

D. Director's Comments:

Director Nishi commented that the town hall article in the newspaper stated there was a partnership between the MRWPCA and the District on the Water Augmentation Project; both recycled water and desalination. He asked if that should be clarified.

Director Gustafson stated he would like to see the article.

Director Scholl commented that he would rather Director Nishi approach him regarding information from the Recycled Water Committee instead of commenting on secondhand information.

Director Nishi stated that he asked Ms. Betty Nebb, MRWPCA Executive Assistant, for copies of the minutes of the Recycled Water Committee and was waiting for those to be provided.

7. Planning Workshop:

A. District Desalination Plant: Status, Chronology and Events, Options:

Mr. Armstrong introduced this item. President Moore stated the most important thing is to maintain the permits for the desal plant. Director Gustafson commented there was a developer willing to fund the desal plant and help to get it operating again.

Director Nishi voiced his concern over staff continuing to talk with Oases instead of Ionics and the consultant Pajaro/Sunny Mesa has been working with. Director Nishi asked what the cost would be to run the plant full time. He would like to look into possibly running the plant for several months to get a history for use in the hybrid project. Director Nishi commented that he didn't like to see the plant idle and wanted to know where the first motor was located.

Agenda Item 7 (continued):

Director Gustafson commented that he asked the General Manger to get a proposal from the developers interested in funding the desalination plant and would like the Board to discuss it in the future possibly in closed session.

Vice President Brown commented that the District is saving about \$800,000 per year in operation and maintenance costs by not running the desal plant. Although the District is paying capital costs on the plant, those costs would need to be paid regardless if it runs or not. Director Brown questioned the need to run the plant unless there is an emergency and also agreed with President Moore in the need to keep the permits current.

Director Scholl stated that if anyone were to come before the Board with a proposal, he would be willing to consider it. He added he didn't believe investing more funds in the desal plant was a wise idea.

President Moore gave a brief background on the desal plant. He added that he would consider a proposal from a developer as long as there is no negative impact; and, commented that if the District should sell the desal plant and the developer uses the desal as a primary water supply then the District couldn't use the desal plant as a back up in case of an emergency with the wells.

Director Nishi stated that it isn't known if the \$800,000 per year cost is for running the desal plant full time or not and would like to see the desal plant back online. Director Nishi would like to have an agenda item on the desal plant for the Board to set goals on what to do regarding the plant.

President Moore asked Legal Counsel to provide information on what could jeopardize the permits for the desal plant.

Mr. Wilmot commented that he served on the Board when the District designed and built the desal plant but that a lot has changed since then. The District is now part of Zones 2 and 2A and if there is an emergency with the wells, the District could pull water from those zones as well as from the Ord wells as the system is now interconnected. Mr. Wilmot added that the most critical thing is to maintain the permits for the desal plant.

Director Scholl asked to return to Director's Comments. Director Scholl congratulated Mr. Lucca and his wife on the birth of their new son.

The Board entered into closed session at 8:45 p.m.

8. 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 10:00 p.m. Director's Gustafson and Nishi left the meeting before adjournment.

9. Possible Action on Closed Session Items:

President Moore stated direction was provided to staff and no action was taken.

10. Adjournment:

The meeting was adjourned at 10:01 p.m.

APPROVED:

Thomas P. Moore, President Date

ATTEST:

Michael D. Armstrong, General Manager