

Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Regular Board Meeting  
August 9, 2006  
6:45 p.m.

**Minutes**

1. Call to Order:

Vice President Gustafson called the meeting to order at 6:45 p.m. on August 9, 2006 after which the Board entered into closed session.

Board Members Present:

Howard Gustafson – Vice President  
Tom Moore  
Ken Nishi  
Charles Scholl

Board Members Absent:

David Brown – President

Staff Members Present:

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

Audience:

Bob Holden, MRWPCA  
Tim O'Halloran, City of Seaside  
Bob Schaffer, Marina Community Partners  
Steve Emerson, Marina resident

3. 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

- B. Pursuant to Government Code Section 54956.9  
Conference with Real Property Negotiators  
Property: Proposed Corporation Yard Site  
Negotiating Parties: MCWD and City of Marina  
Under Negotiation: Price and Terms
  
- C. Pursuant to Government Code Section 54956.8  
Conference with Real Property Negotiator  
Property: Easements, Rights-of-Way, Pipelines and Appurtenances, and Water Rights  
Negotiating Parties: MCWD and MRWPCA  
Under Negotiation: Price and Terms
  
- D. Pursuant to Government Code Section 54956.9  
Conference with Real Property Negotiators  
Property: Communications Site Lease  
Negotiating Parties: MCWD and Nextel  
Under Negotiation: Price and Terms

Vice President Gustafson reconvened the meeting to Open Session at 7:01 p.m.

4. Pledge of Allegiance:

Everyone present participated in the pledge of allegiance.

5. Possible Action on Closed Session Items:

Mr. Marc Lucca, General Manager, stated that no action was taken in closed session and staff was provided direction.

6. Oral Communications:

There were no public comments.

7. Consent Calendar:

Director Moore requested to pull item E (Approve the Draft Minutes of the Regular Board Meeting of July 12, 2006) and Director Nishi requested to pull item D (Approve Expenditures for the Month of July 2006).

Agenda Item 7 (continued):

Vice President Gustafson made a motion to approve the consent calendar consisting of items; A) Adopt Resolution No. 2006-65 to Renew the Professional Services Agreement with Alamar Construction, Inc. for Construction Management and Inspection Services; B) Adopt Resolution No. 2006-66 to Amend the Marina Coast Water District Conflict of Interest Code; C) Approve the Draft September 2006 Newsletter; and, F) Approve the Draft Minutes of the Regular Board Meeting of July 26, 2006. Director Scholl seconded the motion. The motion was passed.

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

D. Approve Expenditures for the Month of July 2006:

Director Nishi inquired on the salt used for the well sites and booster stations. Mr. Lucca answered that the well sites now use on-site sodium hypochlorite generation systems. Director Nishi asked if the wells could use something else because the MRWPCA is asking everyone to cut down on the sodium discharge into the sewer collection system. Mr. Lucca answered that there is no brine discharge into the system from the well sites.

Director Nishi questioned check number 41212. He asked if the check was supposed to be four hundred dollars. Mr. Lucca answered that the check was originally four hundred dollars, and state and federal taxes were taken out. Director Nishi commented that the minutes stated that a four hundred dollar check was to be given. Director Scholl asked what the policy stated. Mr. Suresh Prasad, Director of Finance, answered that the policy was silent on that issue and only states "four hundred dollars", it doesn't specify "after taxes". He added that the auditors notified the District that it was mandatory for taxes to be taken out of all bonuses given to employees. Director Scholl stated that if the District did not take out taxes, the individual would be responsible to claim the bonus on their taxes as additional income. Director Moore asked if the District would be liable for penalties to the IRS on unpaid taxes. Mr. Prasad answered that the District would be liable. Director Nishi commented that the July 26, 2006 minutes stated a four hundred dollar check was to be given to the employee. He then asked who pays the taxes when a Director is reimbursed for travel. Staff explained that a bonus was different from travel reimbursement.

Director Scholl made a motion to approve expenditures for the month of July 2006. Director Moore seconded the motion. The motion was passed.

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

E. Approve the Draft Minutes of the Regular Board Meeting of July 12, 2006:

Director Nishi commented that the minutes should reflect that Mr. Roland stated the changes were substantial. Mr. Lucca answered that staff could review the tapes and bring the minutes back to the next meeting. Director Moore commented that he had requested verbiage to be added to page 4 of the minutes but the Board could review it at the next meeting. Vice President Gustafson requested that the minutes be placed on the August 23, 2006 agenda for further discussion.

The Board discussed whether to reconsider the July 26, 2006 minutes to allow further discussion. Vice President Gustafson stated that the July 26, 2006 minutes would not be reconsidered.

8. Action Items:

A. Consider Adoption of Resolution No. 2006-67 to Approve Funding for Water and Recycled Water Lines in the FORA Project – General Jim Moore Blvd. Phase 3:

Mr. Lucca introduced this item. Director Moore inquired if this project was being funded from what was leftover of the FY 2005/2006 Budget. Mr. Lucca answered that the amount left unused from the FY 2005/2006 Budget was being used to fund part of the project and the rest would be funded from the existing FY 2006/2007 Budget.

Director Moore made a motion to consider adoption of Resolution No. 2006-67 approving funding for water and recycled water lines in the FORA Project – General Jim Moore Blvd. Phase 3. Director Scholl seconded the motion. The motion was passed.

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

B. Consider Adoption of Resolution No. 2006-68 to Approve a Professional Services Agreement for Design and Bid Phase Services for Recycled Water Pipeline:

Mr. Jade Sullivan, Capital Projects Manager, introduced this item.

Director Moore asked if the District needs to build this pipeline right now. Mr. Lucca answered that it was needed to move to the next step of the project and meet an in-service date of 2008.

Director Moore asked to see the hourly charge sheet. Mr. Lucca answered that it would be provided in the future.

Agenda Item 8-B (continued):

Director Scholl made a motion to consider adoption of Resolution No. 2006-68 approving a Professional Services Agreement for design and bid phase services for Recycled Water Pipeline. Vice President Gustafson seconded the motion. The motion was passed.

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

C. Consider Approving a Letter to Fort Ord Reuse Authority Regarding US Army's Final Water Needs Assessment Report – Presidio of Monterey/Ord Military Community:

Mr. Lucca introduced this item explaining that the Army's use of the District's water demand factors was misinterpreted. He explained that this letter would clarify the District's water demand factors.

Director Moore asked if the District has received any indication that the Army is in danger of running out of their water allocation. Mr. Lucca stated that only indication he received is the conclusion in the Army's report that states they will need additional water by 2051. Director Moore questioned if the District should do a Water Supply Assessment (WSA) for the Army. Mr. Lucca answered that they are not subject to SB221 and SB610 so don't require a WSA. Mr. Lloyd Lowrey, Legal Counsel, stated that the Army was subject to State Water Law. Director Moore commented that all land use jurisdictions on the Ord Community should be treated the same and the District should provide WSA's for all. He added that this issue was over water allocation and the District should avoid getting in the middle of the conflict.

Director Nishi stated that it is the District's obligation to set the record straight as a result of the FORA meeting on July 14, 2006.

Mr. Lowrey clarified that if the Zoning and Planning Use Laws do not apply to the entity within the land use jurisdiction, they are not subject to SB221 and SB610. Mr. Lowrey stated that in the conveyance from the Army, the Army had accepted an amount of water to keep for use by the military and that is theirs to do with as they please. Director Moore suggested having Mr. Byron Buck do calculations for all the projects on the Ord Community showing what their projected water use would be over the next forty years plus years.

Director Scholl commented that the way the letter is written opens the District up to taking sides. He suggested the District stay out of this issue.

Vice President Gustafson requested this item be brought back to the August 23, 2006 meeting.

9. Planning Workshop:

A. Provide Update on Closed Session Rules

Mr. Lowrey gave a brief presentation to the Board on the rules and regulations regarding closed session. He explained that there can be no semi-closed meetings and no secret ballots. The closed session needs to be briefly described on the agenda with an oral announcement made prior to the closed session and an oral report following the closed session on any action taken during closed session. Mr. Lowrey explained the closed session rules regarding personnel issues; public security; pending litigation; labor negotiation; real property negotiations; confidentiality and records of closed session. The Board asked several clarifying questions to which Mr. Lowrey answered. Mr. Lowrey stated that policy dictates that it is always better to err on the side of the public's right to know. Director Nishi asked if the anticipated litigation closed session on this agenda could show more information i.e. name of the entity in the anticipated litigation. Mr. Lowrey answered it was up to the legal counsel who was advising the District on that specific issue. Mr. Lucca stated he would check into it.

11. Discuss Possible Agenda Items for the August 23, 2006 Planning Workshop and Provide Direction to Staff:

Mr. Lucca stated that at the next meeting, the Board would be asked to select a Strategic Planning Housekeeping item which will be discussed at an upcoming meeting.

Director Scholl questioned how much the District spent annually on the *Water Report*. He would like to see how many customers actually read the *Water Report* and by offering the water leak detection tablets and water survey offers in the *Report*, staff could track how many people respond to those offers.

Mr. Lucca stated that another item the Board had previously requested for a workshop item is Public Outreach. The Board concurred to have Public Outreach as a Planning Workshop item for August 23, 2006.

12. Directors Comments:

Director Scholl commented that it was a well run meeting.

Director Moore commented that it was a nice short meeting.

Regular Board Meeting  
August 9, 2006  
Page 7 of 7

13. Adjournment:

The meeting was adjourned at 8:08 p.m.

APPROVED:

---

Howard Gustafson, Vice President

Date

ATTEST:

---

Marc A. Lucca, General Manager