

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
August 23, 2006
6:45 p.m.

Minutes

1. Call to Order:

President Brown called the meeting to order at 6:45 p.m. on August 23, 2006 after which the Board entered into closed session.

Board Members Present:

David Brown – President
Howard Gustafson – Vice President
Tom Moore – arrived at 6:46 p.m.
Ken Nishi
Charles Scholl

Board Members Absent:

None.

Staff Members Present:

Marc Lucca, General Manager
Dan Griffee, Legal Counsel
Ken Demmons, Project Engineer
Suresh Prasad, Director of Finance
Andrew Sterbenz, Interim District Engineer
Jim Dowless, Operations and Maintenance Superintendent
Rich Youngblood, Conservation Coordinator
Stephenie Fogel, Administrative Assistant

Audience:

Bob Holden, MRWPCA
Justina Walsh, Marina resident
Michael Lopez, Marina resident
John Lopez, Marina resident
Debra Daniels, Marina resident
Bob Schaffer, Marina Community Partners

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

President Brown reconvened the meeting to Open Session at 7:05 p.m.

5. Possible Action on Closed Session Items:

President Brown stated that no action was taken in closed session other than to provide direction.

4. Pledge of Allegiance:

Everyone present participated in the pledge of allegiance.

6. Oral Communications:

Mr. Marc Lucca, General Manager, commented that Mr. Dan Griffee was sitting in as legal counsel for Mr. Lloyd Lowrey.

7. Consent Calendar:

President Brown requested to pull item C (Approve the Draft Minutes of the Regular Board Meeting of August 9, 2006) from the consent calendar as he was not present at the August 9, 2006 Board meeting.

Vice President Gustafson made a motion to approve the consent calendar consisting of items; A) Adopt Resolution No. 2006-69 to Authorize District Property to be Surplused; and B) Approve the Draft Minutes of the Regular Board Meeting of July 12, 2006. Director Scholl seconded the motion. The motion was passed.

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

C. Approve the Draft Minutes of the Regular Board Meeting of August 9, 2006:

Director Scholl made a motion to approve the draft minutes of the regular Board meeting of August 9, 2006. Vice President Gustafson seconded the motion. The motion was passed.

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

8. Action Items:

A. Consider Adoption of Resolution No. 2006-70 to Approve Guaranteed Investment Contract for 2006 Series Bond Proceeds:

Mr. Suresh Prasad, Director of Finance, introduced this item and provided a handout for review. Director Moore asked several clarifying questions regarding interest rates, the bond processes, and pre-payment penalties.

Director Moore made a motion to approve Guaranteed Investment Contract for 2006 Series Bond Proceeds. President Brown seconded the motion. The motion was passed.

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

B. Consider Adoption of Resolution No. 2006-71 to Authorize a Professional Services Agreement for Completion of an Engineer's Report in Support of the Formation of a Lake Court Special Assessment District:

Mr. Ken Demmons, Project Engineer, introduced this item. Director Moore inquired if the total budget for this project includes funds for the Engineer's Report. Mr. Demmons answered it did.

Ms. Justina Walsh, Lake Court property owner, commented that she is willing to participate in forming a Special Assessment District (SAD) for Lake Court. She thanked the Board for the variance they granted her in 2005 and commented that she may need to ask for an extension on that variance until a SAD is formed.

Mr. Michael Lopez, Lake Court property owner, commented that his property uses a well for water and septic tank for sewer. He is looking forward to the formation of a SAD and would also be willing to pay an extra cost to see sewer connected as well as water.

Ms. Debra Daniels, Lake Court property owner, urged the Board to authorize the PSA for the Engineer's Report so things could move forward.

Mr. John Lopez, Lake Court property owner, commented that he is eager for the formation of a SAD to allow property owners to move forward with their building/expansion plans.

Director Moore made a motion to adopt Resolution No. 2006-71 to authorize a Professional Services Agreement for completion of an Engineer's Report in support of the formation of a Lake Court Special Assessment District. Vice President Gustafson seconded the motion. Director Nishi asked if, for example, there was only one parcel and someone wanted to split the parcel into multiple lots how would the District handle the water and sewer connections. Mr. Griffie stated he would have to refer that question to Mr. Lloyd Lowrey, the District's counsel. Director Nishi stated he would like to get a commitment from the Lake Court residents before the District expends any funds. Director Scholl commented that he did some research and the cost of sewer infrastructure would be much higher than water infrastructure as that area is one of the lowest points in the District. Director Moore inquired on the process of payback for the funds expended by the District. Mr. Griffie stated that there would be an assessment added to the water bills of the Lake Court residents. Mr. Lucca stated that all details of repayment would be revealed in the report. Mr. Michael Lopez, stated that he already paid for a sewer connection to the District's system and was very interested in getting the sewer infrastructure included in this SAD. Director Nishi asked the legality of providing a SAD for water service only. Mr. Lucca answered that he had not heard mention of including sewer in the SAD until this meeting. He did not believe there was an issue of legality of providing a SAD for water service only but would discuss the issue with Mr. Lowrey. Discussion followed. The motion was passed.

Agenda Item 8-B (continued):

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

President Brown postponed item 8-C until after item 8-E.

- D. Consider Adoption of Resolution No. 2006-72 to Approve a Memorandum of Understanding with the FORA, Monterey County, City of Seaside, City of Marina, Monterey Peninsula College, Transportation Agency of Monterey County, and Monterey Salinas Transit Regarding the Allocation of Self-Insured Retention:

Director Moore made a motion to adopt Resolution No. 2006-72 approving a Memorandum of Understanding with the FORA, Monterey County, City of Seaside, City of Marina, Monterey Peninsula College, Transportation Agency of Monterey County, and Monterey Salinas Transit regarding the allocation of Self-Insured Retention. President Brown seconded the motion. Vice President Gustafson stated that he did not think it was beneficial to the District or District's customers to continue to hold this insurance. President Brown commented that this agenda item was to spread around the uninsured cost. Director Moore stated that the District already owned the insurance and this item was to smooth the mechanisms for any claims that may be made against multiple parties. Vice President Gustafson stated that Hold Harmless Indemnification would protect the District. Director Scholl stated that the Board should make a decision regarding the allocation.

Mr. Lucca read the changes into the record: 1) Section 1-C, first sentence to read, "Board or FOR A's successor in interests, whose decisions..."; 2) Section 1-C, third sentence to read, "In the event of a Claim, or in the event that FORA has ceased to exist and has no single successor in interest, if FORA becomes..."

The motion was passed.

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

- E. 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. President Brown commented that this letter takes into account the changes the Board had requested.

Agenda Item 8-E (continued):

Director Nishi made a motion to approve a letter to Fort Ord Reuse Authority regarding US Army's Final Water Needs Assessment Report – Presidio of Monterey/Ord Military Community. President Brown seconded the motion. Director Scholl commented that the language in the letter better describes the water use factors and how they are used. Director Moore suggested putting a comma in the third paragraph, last sentence, after the word "possible". He added that he felt the language in this letter was improved over the last letter although he is still concerned that it appears the District is beginning to move into the business of allocating water, which it has said repeatedly they are trying not to do. The motion was passed.

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

C. Consider Adoption of Revised Board Meeting Agenda Format:

Mr. Lucca introduced this item. Vice President Gustafson commented that he wanted to keep the 6:45 pm start time. Director Scholl agreed and asked if Vice President Gustafson wanted to start the meeting at 6:45 or closed session at 6:45 pm. Vice President Gustafson stated it didn't matter; he just wants to start at 6:45 pm. President Brown voiced his approval of starting the meeting at 6:45 pm and holding closed session at the beginning of the meeting. Director Moore commented that he preferred starting the meeting at 7:00 pm due to his work schedule, although for the most part 6:45 pm is no problem. He added that he would like to see the closed session held at the end of the meeting.

Vice President Gustafson made a motion to keep the current Board meeting agenda format with the closed session beginning at 6:45 pm. President Brown seconded the motion. The motion was passed.

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

President Brown recessed the meeting from 8:15 until 8:25 p.m.

9. Staff Reports:

A. Receive Update on District Emergency Operations:

Mr. Lucca introduced this item. Mr. Rich Youngblood, Conservation Coordinator, gave a brief presentation on the emergency operation exercises that staff had recently taken and explained that the District participated in the exercises with several other agencies and cities.

Director Moore asked how many District staff members participated. Mr. Youngblood answered that the entire management team participated which is about eight staff members. Director Moore stated that he was glad to see the District participating in these exercises and asked if the schedule for 2007 has been set yet. Mr. Youngblood answered that it has not been finalized yet. Director Moore asked staff to recommend how many exercises the District should participate in for 2007. Mr. Lucca answered that there are several items that staff will be bringing before the Board for approval and there will be opportunity for feedback on this item. Discussion on radio communications followed.

B. 2006 Strategic Plan – Board Housekeeping Items:

Mr. Lucca introduced this item. The Board agreed to discuss “Conflict of Interest” at the October 25th meeting and selected “Duties of the Board President and Vice President” for the January 24, 2007 meeting.

10. Information Items:

A. General Manager’s Report:

Mr. Lucca commented that he made a presentation to the City of Seaside City Council on August 15, 2006. He stated that an inter-tie was discussed between MCWD and the City of Seaside and he would update the Board as more information was received. Mr. Lucca gave a brief update on the Fats, Oils and Grease Program and the letters that local business owners are receiving. He also reminded the Board that AB1234 training must be completed by December 31st and informed them that they can take the training locally or online. Director Nishi stated that he could not access the online training class. Mr. Lucca stated he would send a website link to the Directors.

B. Counsel’s Report:

Mr. Griffie stated there was no report.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Scholl stated that the WCC had a good meeting and they will be coming forward with additional changes to Ordinance 41. He also spoke of revamping the toilet rebate program.

2. Joint City-District Committee:

Vice President Gustafson stated that there was a lack of quorum resulting in no meeting. Director Nishi commented that although a meeting was not held, the Assistant City Manager of Seaside was in attendance. He added that the District needed to look into having another Joint Committee with either the City of Seaside or Fort Ord.

3. MRWPCA Board Member:

Director Nishi stated the next meeting was scheduled for August 28, 2006.

4. LAFCO Liaison:

Director Nishi stated that LAFCO doesn't hold meetings in August.

5. JPIA Liaison:

No comments.

6. Special Districts Association (SDA) Liaison:

No comments.

7. FORA:

Director Nishi commented that the new Chancellor of CSUMB was present and there was a nice reception for her. He added that the Army's Water Assessment Report was discussed very cordially.

8. Executive Committee:

No comments.

9. Community Outreach:

No comments.

D. Director's Comments:

Director Nishi asked if the Board members could receive correspondence in a timely manner.

Vice President Gustafson commented that he was sorry he missed the reception for the new CSUMB Chancellor.

11. Planning Workshop:

A. Public Outreach Program Update:

Mr. Lucca introduced this item. He explained that the newly redesigned District website recently went live. He added that the District also sends quarterly newsletters and participates in local public affairs. Mr. Lucca discussed several ideas on how to expand the District's public outreach. Director Moore asked to see a copy of the *Central Coast Reporter*. Director Scholl suggested that Mr. Youngblood keep a record on how many people respond to the survey and water leak dye tablets offered in the latest newsletter to gauge how many people are actually reading the information. He also suggested that the headlines in the newsletter be worded differently to catch customers' attention. Discussion followed. Director Moore advocated customer service and clear communication with all customers. Mr. Lucca suggested the Board consider hiring a consultant to survey District customers and track how much information is reaching them and if there are ways to better inform them. Director Scholl suggested hiring a marketing student. Director Moore suggested MIIS and Fisher Graduate of International Business have students that are looking for marketing projects. Director Nishi stated he is concerned that the Board never gave feedback on the newsletters when they were presented for approval. Director Moore asked Mr. Lucca to provide some estimates on a marketing survey for consideration.

12. Adjournment:

The meeting was adjourned at 9:05 p.m.

APPROVED:

Howard Gustafson, Vice President

Date

ATTEST:

Marc A. Lucca, General Manager