

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
September 27, 2006
6:45 p.m.

Minutes

1. Call to Order:

President Brown called the meeting to order at 6:46 p.m. on September 27, 2006 after which the Board entered into closed session.

Board Members Present:

David Brown – President
Tom Moore
Ken Nishi
Charles Scholl

Board Members Absent:

Howard Gustafson – Vice President

Staff Members Present:

Marc Lucca, General Manager
Lloyd Lowrey, Legal Counsel
Suresh Prasad, Director of Finance
Andrew Sterbenz, Interim District Engineer
Jade Sullivan, Capital Projects Manager
James Derbin, Operations Engineer
Paula Riso, Executive Assistant/Clerk to the Board

Audience:

Joe Lucca
Bob Holden, MRWPCA
Allison Imamura, Denise Duffy & Associates
Bob Schaffer, Marina Community Partners
Steve Emerson

3. Closed Session:

- A. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators
Property: Proposed Corporation Yard Site
Negotiating Parties: MCWD and City of Marina
Under Negotiation: Price and Terms

- B. 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

- 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 54957
Public Employee Performance Evaluation
Title: General Manager

- E. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators
Property: Armstrong Ranch Reserved Area and Easements
Negotiating Parties: MCWD and Armstrong Family
Under Negotiation: Price and Terms

President Brown reconvened the meeting to Open Session at 7:20 p.m.

4. Pledge of Allegiance:

Everyone present participated in the pledge of allegiance.

5. Possible Action on Closed Session Items:

President Brown stated that no action was taken in closed session other than to recommend certain items be placed on the agenda for the next meeting.

6. Oral Communications:

Mr. Marc Lucca, General Manager, introduced Mr. James Derbin, Operations Engineer, and his father, Mr. Joe Lucca.

7. Consent Calendar:

Director Moore requested to pull item E (Approve Draft Minutes of the Regular Board Meeting of August 23, 2006). Director Nishi requested to pull items A (Adopt Resolution No. 2006-77 to Authorize a Services Agreement with Industrial Power Systems for a Generator Preventative Maintenance Contract and to Amend the FY 2006/2007 Budget); and B (Adopt Resolution No. 2006-78 to Authorize Monterey Peninsula Engineering to Replace and Relocate the Pressure Reducing Valve and Customer's Meter at the SunBay Apartments and to Amend the FY 2006/2007 Budget) from the consent calendar.

Director Scholl made a motion to approve the consent calendar consisting of items; C) Adopt Resolution No. 2006-79 to Approve a Contract Amendment with Denise Duffy and Associates for Additional Environmental Services for the Recycled Water Portion of the Regional Urban Water Augmentation Project and to Amend the FY 2006/2007 Budget; and D) Direct the General Manager to Send a Letter in Support of AB 2496 Regarding the Establishment of New Standards for Toilets and Urinals. 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			

- A. Adopt Resolution No. 2006-77 to Authorize a Services Agreement with Industrial Power Systems for a Generator Preventative Maintenance Contract and to Amend the FY 2006/2007 Budget:

Director Nishi voiced his concern over the extremely large difference between the two bids received. He asked to postpone this item until information on the proposals could be presented to the Director's for review. Mr. James Derbin, Operations Engineer, explained that the difference in price was contributed to the size of the two companies that submitted bids. He added that Industrial Power Systems has done previous work for the District and because they are just getting their business started they are able to offer very reasonable rates.

Director Scholl made a motion to adopt Resolution No. 2006-77 to authorize a services agreement with Industrial Power Systems for a generator preventative maintenance contract and to amend the FY 2006/2007 budget. Director Moore seconded the motion. Director Nishi asked if any of the generators were self-cycling. Mr. Derbin answered that one was portable and twenty-one of them were on automatic transfer switches.

Agenda Item 7-A (continued):

Director Nishi asked if Industrial Power met the District's insurance requirements. Mr. Derbin answered that they did. Director Nishi stated that he would rather a District staff member do the maintenance on the generators. Mr. Lucca stated that this contract was focused on preparedness and maintaining the equipment in a state of readiness in the case of an emergency. Director Nishi stated he was still concerned over the price difference. The motion was passed.

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

Director Scholl complimented Mr. Derbin on a job well done regarding his first time at the Board.

- B. Adopt Resolution No. 2006-78 to Authorize Monterey Peninsula Engineering to Replace and Relocate the Pressure Reducing Valve and Customer's Meter at the SunBay Apartments and to Amend the FY 2006/2007 Budget:

Director Nishi was concerned that there was only one bid on this project. He added that he was also concerned that the District was taking on the liability of the pressure reducing valve (PRV) and would like to see the liability remain on the property owner's side not the District side. Mr. Derbin and Mr. Lucca explained that this is a relatively small contract and that District staff are very confident in the work performed by Monterey Peninsula Engineering (MPE). Director Nishi inquired about contractor's liability. Mr. Lucca answered that the liability was not a problem and if the Board decided to authorize a contract, the District would require the contractor to provide liability insurance. The insurance language is standard in all District contracts for the Ord Community. Director Nishi again voiced his concern over the District taking on the liability of the PRV. Mr. Lucca explained that this was replacement of a valve the District already owns, operates and maintains. Discussion followed.

Director Scholl made a motion to adopt Resolution No. 2006-78 authorizing MPE to replace and relocate the PRV and customer's meter at the SunBay Apartments and to amend the FY 2006/2007 budget. Director Moore inquired on the policy in Central Marina. Mr. Lucca answered that unless it is on a customer's home, the District owns, operates and maintains it because it is part of the system. Director Moore asked several more clarifying questions. Discussion regarding placement of PRVs followed. Director Moore asked if the District's computer modeler could look at relocating the PRV to a spot further up the line. Mr. Lucca stated that the Master Plan would have shown if there were more advantageous locations for PRVs and stressed the urgency of this item due to the uncertain state of the current PRV. He added that staff could certainly request the modeler to look into Director Moore's request.

Agenda Item 7-B (continued):

Director Scholl commented that he had already made a motion to adopt Resolution No. 2006-78 authorizing MPE to replace and relocate the PRV and customer's meter at the SunBay Apartments and to amend the FY 2006/2007 budget. He advised the other Directors to leave the engineering to the appropriate people. Director Moore seconded the motion. Director Moore stated that he would like to see information on relocating the PRV before work on the line begins just in case there is better placement for the PRV. The motion was passed.

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

E. Approve Draft Minutes of the Regular Board Meeting of August 23, 2006:

Director Moore stated he thought he had articulated his concerns over the letter to be sent to the Fort Ord Reuse Authority and would like staff to review the tapes and possibly modify page six of the minutes. Director Nishi asked for a correction on page eight of the minutes under the FORA section. Last word of the first sentence should be "her".

President Brown asked that the minutes be revised by staff and returned to the October 11, 2006 meeting for consideration.

8. Action Items:

A. Consider Adoption of Resolution No. 2006-80 to Approve a Professional Services Agreement with Carollo Engineers for Design and Bid Phase Services for Well No. 33 and Phase One of the Eastern Distribution System:

Mr. Jade Sullivan, Capital Projects Manager, introduced this item and gave a brief presentation to the Board. Director Moore asked several clarifying questions. He also asked what security measures the District anticipates Carollo Engineers designing into these facilities given that they are in remote locations. Mr. Sullivan answered that there are several security measures being looked into, which include fencing, cameras, and motion sensors with lighting and alarms that are attached to the Operations and Maintenance paging system.

Director Scholl made a motion to adopt Resolution No. 2006-80 approving a Professional Services Agreement with Carollo Engineers for design and bid phase services for Well No. 33 and phase one of the eastern distribution system. President Brown seconded the motion. Director Nishi inquired on the cost for phase one of the project; all phases of the project; and, the cost per acre foot of delivered water. Mr. Lucca gave a brief explanation of the different phase work do be performed. Discussion followed.

Agenda Item 8-A (continued):

Director Nishi questioned the placement of the well sites and the cost per acre foot for phase one of the project. Director Scholl stated that it is really hard to compare cost as this project is not comparable to anything else. The current well field is in jeopardy and a new well field needs to be contemplated. Mr. Lucca stated that a rough estimate is five to six hundred dollars an acre foot. Discussion followed. The motion was passed.

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

- B. Consider Adoption of Resolution No. 2006-81 to Approve a Professional Services Agreement with Denise Duffy and Associates for CEQA Documentation Services for Well No. 33 and Phase One of the Eastern Distribution System Project:

Mr. Lucca introduced this item.

Director Scholl made a motion to adopt Resolution No. 2006-81 approving a Professional Services Agreement with Denise Duffy and Associates (DD&A) for CEQA documentation services for Well No. 33 and phase one of the eastern distribution system project. President Brown seconded the motion. Director Moore inquired if this CEQA documentation included all phases. Mr. Sullivan answered that it only included Phases 1A and 1B. Director Moore asked if the cost for this service is reasonable. Director Nishi commented that the District has a good track record with DD&A. The motion failed.

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

President Brown commented that he voted against this item as he would like Vice President Gustafson present for considering this item.

President Brown made a motion to reconsider item 8-A (Consider Adoption of Resolution No. 2006-80 to Approve a Professional Services Agreement with Carollo Engineers for Design and Bid Phase Services for Well No. 33 and Phase One of the Eastern Distribution System) to allow input from Vice President Gustafson. Director Nishi seconded the motion to reconsider. Discussion followed. President Brown withdrew his motion.

- C. Consider Adoption of Resolution No. 2006-82 to Approve a Professional Services Agreement with RMC Water and Environment for Program Management Services during Detailed Design of the Recycled Water Portion of the Regional Urban Water Augmentation Project and to Amend the FY 2006/2007 Budget:

Mr. Andrew Sterbenz, Interim District Engineer, introduced this item. Director Nishi asked if the MRWPCA was funding part of this agreement. Mr. Sterbenz answered they were not. Director Moore asked several clarifying questions.

President Brown made a motion to adopt Resolution No. 2006-82 approving a Professional Services Agreement with RMC Water and Environment for Program Management Services during detailed design of the recycled water portion of the Regional Urban Water Augmentation Project and to amend the FY 2006/2007 budget. Director Scholl seconded the motion. The motion was passed.

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

President Brown recessed the meeting from 8:30 until 8:40 p.m.

9. Staff Reports:

- A. Receive Update on Draft Ordinance XX on Maintaining Separate Cost Centers:

Mr. Suresh Prasad, Director of Finance, introduced this item. Director Moore commented that the Ordinance looked good and asked if Legal Counsel felt the first phrase needed to be in the document. Mr. Lowrey answered that he put the language there and felt it was necessary. Director Scholl agreed that the Ordinance looked good. Director Nishi and President Brown agreed. President Brown asked that it be placed on the October 11, 2006 agenda.

- B. Revisit Strategic Plan Goals and Objectives Quarterly:

Mr. Lucca introduced this item. Director Moore suggested continuing the Strategic Plan Process and scheduling a meeting immediately following the Christmas holiday. Director Scholl commented that a Strategic Plan is generally intended to run for a period of five to seven years and should be updated on an annual basis. He also encouraged the Board to consider directing staff to develop an operating plan for the next year. Director Moore stated that Director Scholl's comments were along the lines of what he was thinking as well. Mr. Lucca commented that the Board would revisit this item in December and give direction on what they want scheduled in January 2007.

10. Informational Items:

A. General Manager's Report:

Mr. Lucca commented that he attended a candidate forum held at the City of Marina Council Chambers on September 23, 2006 with Mr. Bill Lee, Mr. Steve Emerson, and Director Gustafson present. He added that it was well attended with approximately twenty-five people present and all participants were well prepared and their answers were well thought out. Mr. Lucca also announced that the District had received a letter from Ms. Kate McKenna, Local Agency Formation Commission (LAFCO), requesting nominations to fill the expiring term of the Special Districts representative on LAFCO. This item will be brought before the Board on October 11, 2006 for direction on nominations.

B. Counsel's Report:

Mr. Lowrey stated that he had no comments.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Scholl commented that several initiatives are being brought forward including high-efficiency toilet, high-efficiency washers and toilet flapper rebates.

2. Joint City-District Committee:

No meeting was held in September.

3. MRWPCA Board Member:

Director Nishi distributed a handout titled *E. Coli and Spinach*.

4. LAFCO Liaison:

Director Nishi stated that the Marina Station Annexation was discussed.

5. JPIA Liaison:

Director Moore commented that JPIA continues to have good insurance rates for the District and there was a meeting coming up in the fall.

6. Special Districts Association (SDA) Liaison:

Director Moore commented that the meeting was coming up on October 17, 2006.

7. FORA:

Director Nishi stated that nothing of interest to the District was discussed at the meeting.

8. Executive Committee:

No comments.

9. Community Outreach:

No comments.

D. Director's Comments:

Director Scholl commented that the Board needs to stay focused on governance and policy setting, not the details of engineering. If a Board member has questions they should call staff for answers before the meeting. President Brown commented that Board members should be dealing with policy, however, as a governmental entity, certain statutes dictate the types of things that the Board needs to consider and are sometimes faced with having to ask questions. Director Scholl clarified that he didn't agree with the Board challenging the engineering decision-making process and shouldn't get into that level of detail. Mr. Lucca stated that he is always available to answer any questions a Board member may have. He encouraged the Board to approach him with questions instead of staff and he would make every effort to answer those questions or, if he doesn't know, to get the answers from staff.

Director Nishi commented that if this was a perfect world, he would agree, but sometimes things come up and there are questions that need to be asked. He stated that if a Board member had a question, he shouldn't be ridiculed for it. There are five different people with five different ideas and there has to be a little bit of tolerance on how everybody comes to decisions.

Director Scholl asked what value the Board thought they brought to the meeting tonight. He stated that he didn't believe any value was brought by spending this time at the meeting.

President Brown commented that the Board was required to approve certain things and not rubber stamp them and that is what was done.

Director Moore commented that he normally asked his questions in advance of the meeting but was on vacation and did not have time to ask questions prior to the meeting.

The Board re-entered into closed session at 9:05 p.m.

3. Closed Session:

- A. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators
Property: Proposed Corporation Yard Site
Negotiating Parties: MCWD and City of Marina
Under Negotiation: Price and Terms
- B. Pursuant to Government Code Section 54956.9
Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9
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- D. Pursuant to Government Code Section 54957
Public Employee Performance Evaluation
Title: General Manager
- E. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators
Property: Armstrong Ranch Reserved Area and Easements
Negotiating Parties: MCWD and Armstrong Family
Under Negotiation: Price and Terms

President Brown reconvened the meeting to Open Session at 9:54 p.m. Director Scholl left the meeting at 9:40 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 to staff.

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12. Adjournment:

The meeting was adjourned at 9:55 p.m.

APPROVED:

David W. Brown, President

Date

ATTEST:

Marc A. Lucca, General Manager