

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
April 30, 2008
6:30 p.m.

Minutes

1. Call to Order:

President Gustafson called the meeting to order at 6:30 p.m. on April 30, 2008.

2. Roll Call:

Board Members Present:

Howard Gustafson – President
Ken Nishi – Vice President
Tom Moore
Dan Burns
Bill Lee

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Jeff Cattaneo, District Engineer
Suresh Prasad, Director of Finance
Paula Riso, Executive Assistant/Clerk to the Board

Audience:

John Tiernan, MRWPCA
Leif Coponen, Schaaf & Wheeler
Elizabeth Mariano, Resident
Steve Kasower, Rate Payers Advocates
Bob Schaffer, Marina Community Partners
Tom Gaffney, Bartle Wells Associates
Doug Yount, City of Marina
Chandler Roland, Resident

3. Pledge of Allegiance:

President Gustafson led everyone present in the pledge of allegiance.

4. Oral Communications:

Ms. Elizabeth Mariano, Marina resident, addressed the Board with her concerns on the meter base charge for 1" meters and provided a letter explaining her concerns. Ms. Mariano explained that after remodeling her house, the Marina Fire Department required a fire sprinkler system to be installed. To support the sprinkler system, a 1" water meter is required. Ms. Mariano stated that the larger meter results in an approximate \$20 increase per month and asked for consideration to lower the base charge on residences with a 1" meter.

President Gustafson asked Ms. Mariano to meet with the General Manager regarding her concerns.

Director Moore asked for a staff report and agendaizing this issue for an upcoming meeting. President Gustafson commented that a staff report and agendaizing this item wasn't necessary at this time.

5. Rate Study Workshop:

Mr. Jim Heitzman, General Manager, introduced this item. Mr. Suresh Prasad, Director of Finance, gave a presentation on the draft rate study.

There were clarifying questions on water and wastewater capacity charges for both Marina and Ord Community regarding CIP versus new customers. There were questions on calculations of projected growth and when in the future the capacity charges will be revisited. Mr. Prasad stated that past practice has been a rate study every five years, but staff is suggesting revisiting the rate study in two years.

Discussion on flat rate un-metered charges was held. There were comments regarding installing master meters to account for more accurate use; and, the District financing installation of the meters and adding a surcharge to those accounts until the meters are paid for. President Gustafson asked for an agenda item regarding installation of master meters on the Ord Community. Mr. Heitzman stated that it was in the works.

Mr. Prasad reviewed the next steps; 1) selecting an operating rate scenario and capacity charge; 2) accepting the final rate study and authorizing Prop. 218 notices sent to customers and set public hearing date; 3) send Prop. 218 notices; 4) FORA adopt Ord Community Budget; and, 5) joint meeting and Prop. 218 public hearing, MCWD adopt District budget and rates.

Agenda Item 5 (continued):

Director Burns asked what happens if the Prop. 218 process is not passed. Mr. Heitzman answered that the result would be the District could not raise rates and would have to tighten down on spending which would mean no capital improvement work could continue.

Mr. Doug Yount, City of Marina, asked if they could get a copy of the full rate study for their review. Mr. Yount asked for clarification on the difference between “future users” and “all users” and inquired on the debt service coverage amounts. Regarding the Wastewater Rate Survey, Mr. Yount suggested including the MRWPCA charges to the agencies that pay them so it is a more fair comparison. Mr. Yount voiced the City of Marina’s concern over the increased capacity charges and urged the Board not to adopt the capacity charges before adopting the rates.

Mr. Prasad asked for direction from the Board regarding selection of a scenario to move the rate study forward.

6. Director’s Comments:

Vice President Nishi commented that he was in favor of Scenario 4. He also commented that he advocated for moderately raising rates every year to avoid large rate increases.

Director Burns stated that he was in favor of Scenario 4, as well. He also commented that he would like to see something done with the unmetered customers in the Ord Community.

Director Moore agreed with Director Burns regarding the unmetered customers in the Ord Community.

President Gustafson commented that based on the fact of the full capacity of the system and planned developments; there is enough water for the planned projects. President Gustafson added that he was in favor of Scenario 4 on the rate study.

12. Adjournment:

The meeting was adjourned at 7:47 p.m.

Regular Board Meeting
April 30, 2008
Page 4 of 4

APPROVED:

Howard Gustafson, President

Date

ATTEST:

Jim Heitzman, General Manager