

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
May 19, 2009
5:00 p.m.

Minutes

1. Call to Order:

President Gustafson called the meeting to order at 5:00 p.m. on May 19, 2009.

2. Roll Call:

Board Members Present:

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

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Jean Premutati, Management Services Administrator
Jim Dowless, Operations and Maintenance Superintendent
Brian True, Interim District Engineer
Suresh Prasad, Director of Finance
Evelina Adlawan, Water Quality Manager
Rich Youngblood, Conservation Coordinator
Lizet Ybarra, Accounting Technician
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Jan Shriner, Green Party
Bob Holden, Monterey Regional Water Pollution Control Agency
Lloyd Lowrey, Noland, Hamerly, Etienne & Hoss

3. Pledge of Allegiance:

President Gustafson led everyone present in the pledge of allegiance.

4. Oral Communications:

President Gustafson invited everyone to partake of the food provided before moving to the action item, the budget workshop.

5. Action Item:

- A. Receive District Draft FY 2009-2010 Budgets, Rates, Fees and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents:

Mr. Jim Heitzman, General Manager, introduced this item commenting that no action was to be taken this evening.

Mr. Suresh Prasad, Director of Finance, gave a brief introduction of the draft 2009-2010 proposed budget.

Director Nishi commented that the agenda states that this is an "Action Item" and the description reads, "*The Board will review and discuss agenda items and take action or direct staff to return to the Board for action at a following meeting.*" Director Nishi wanted to clarify any misconceptions about the agenda.

Mr. Prasad gave a brief overview of the administration budget. Ms. Jean Premutati, Management Services Administrator, gave a brief overview of the wages, benefits, training, and staffing budgets.

Mr. Jim Dowless, Operations and Maintenance Superintendent, gave a brief overview of the Operations and Maintenance (O&M) Department's budget. Director Moore asked if there was enough O&M staff to stagger work schedules so there was coverage everyday of the week. Mr. Dowless answered that there is not enough staff to stagger schedules and there is always two people on call so no one is working alone.

Ms. Evelina Adlawan, Water Quality Manager, gave a brief overview of the Laboratory Department's budget.

Mr. Rich Youngblood, Conservation Coordinator, gave a brief overview of the Conservation Department's budget.

Director Nishi asked if anyone was tracking the Landscape Incentive Program.

Action Item 5-A (continued):

Mr. Youngblood answered that staff is tracking the water use prior to and after the Landscape Incentive is in place.

Director Nishi asked when the Board could expect to see the report. Mr. Youngblood answered that staff would bring a report back to the Board after adequate data is collected and before requesting additional funds. Director Nishi again asked when that report would be available. Mr. Youngblood answered that it would be after enough data is collected to show if the program is working. Director Nishi stated that if the program is not working, he doesn't want to keep funding it. Mr. Heitzman stated that a report will be provided at the end of the irrigation season, with additional reports given when there is greater statistical data.

Mr. Brian True, Interim District Engineer, gave a brief overview of the engineering budget.

Mr. Prasad wrapped up the presentation with a summary of the proposed budget.

Mr. Heitzman reinforced the importance of maintaining the debt coverage to keep the "A+" credit rating.

There were no public comments.

6. Director's Comments:

Director Nishi thanked staff for their hard work in trying to reduce the rates and explaining why it would be advantageous to pass this budget although he will reserve his vote for the last meeting.

Director Burns stated that he still felt there was a little too much fat in the budget. He commented that the training budget could be cut down, as the District has never spent that much in training over previous years. Director Burns stated that he was a little disappointed with the effort. He understands needing to keep the debt coverage for the bonds, but there are other agencies out there that are actually making cuts. Director Burns asked if FORA passed their portion of the budget and what the feedback was. Mr. Heitzman answered that FORA passed the budget unanimously and the feedback was positive.

Vice President Lee commented that the 5-year CIP shows the A2 Zone tank design and construction are the same numbers as are many of the other items in the CIP. Mr. Prasad stated that the numbers would be checked to see if they are correct. Vice President Lee stated that maybe it could be done differently to show that a different thought process was used.

President Gustafson complimented staff on a good job. He appreciates the work and effort to fulfill the unfulfilled mandates that show the need for a District Engineer.

Agenda Item 6 (continued):

Director Nishi commented that cities fear the state will raid their coffers. What can the District do to protect ours? Mr. Heitzman answered that there needs to be a Reserve Policy. Director Nishi stated the District already has a Reserve Policy. Mr. Heitzman commented that the Reserve Policy needs to be re-evaluated and make sure it is up to date and up to today's standards. It would need to be reviewed to see if the criteria used in the past would stand up today. Director Nishi suggested making this a priority. Mr. Heitzman said he would. Director Nishi asked that the Reserve Policy be done before the budget is finalized.

Director Moore asked to what extent do obligations to FORA protect the District from the state. Mr. Heitzman commented that it is part of the criteria for the Reserve Policy. Typically, the Reserve Policy is run on the Operations and Maintenance not the CIP. Mr. Heitzman stated that a six-month O&M reserve could be extended out to a year and if deemed critical, it could be extended out to a longer period. Director Moore asked if the District's CIP funds are considered encumbered. Mr. Heitzman answered they are because it is critical infrastructure that needs to be put in.

Vice President Lee inquired if the total impact of the CAFR is 1%. Mr. Heitzman answered that the CAFR equivalent to 1/2 % and the Standard & Poor's rate is equivalent to 1/2 %. Vice President Lee recapped that it was 1% total and it could save the District quite a lot of money when it comes to borrowing for projects.

Director Nishi commented that as a member of the Board, he appreciates the work Department Heads have done.

7. Adjournment:

The meeting was adjourned at 6:22 p.m.

APPROVED:

Howard Gustafson, President

ATTEST:

Jim Heitzman, General Manager