

Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Regular Board Meeting  
December 8, 2009  
6:45 p.m.

**Minutes**

1. Call to Order:

President Gustafson called the meeting to order at 6:45 p.m. on December 8, 2009.

2. Roll Call:

Board Members Present:

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

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager  
Lloyd Lowrey, Legal Counsel  
Jean Premutati, Management Services Administrator  
Carl Niizawa, Deputy General Manager/District Engineer  
Brian True, Capital Projects Manager  
Suresh Prasad, Director of Finance  
Rich Youngblood, Conservation Coordinator  
Paula Riso, Executive Assistant

Audience Members:

Bob Holden, MRWPCA  
Jan Shriner, Marina Resident  
Vienna Merritt Moore, Marina Resident  
Andy Sterbenz, Schaaf & Wheeler  
Kate McKenna, LAFCO Executive Director  
Kurt Gonzalez, Marina Resident  
Erin Tate, CSUMB Student

Ashley Duquette, CSUMB Student  
Brandon Gilmore, CSUMB Student  
Michael Conner, R. J. Ricciardi, Inc.

The Board entered into closed session at 6:45 p.m.

3. Closed Session:

- A. Pursuant to Government Code 54956.8  
Conference with Real Property Negotiator (General Manager, Legal Counsel)  
Property: Water Rights  
Negotiating Parties: MCWD and Clark Colony Water Company  
Under Negotiation: Price and Terms
  
- B. Pursuant to Government Code 54956.8  
Conference with Real Property Negotiator (General Manager, Legal Counsel)  
Property: Desalination Plant at 11 Reservation Road, Marina  
Negotiating Parties: MCWD and California American Water Company  
Under Negotiation: Price and Terms

The Board ended closed session at 6:57 p.m.

President Gustafson reconvened the meeting to open session at 7:00 p.m.

4. Possible Action on Closed Session Items:

President Gustafson stated that no action was taken and item 3-A would be brought forward for consideration.

- A. Consider Adoption of Resolution No. 2009-78 to Approve Extending the Negotiation Agreement with Clark Colony Water Company for an Additional 12 Months:

Mr. Lloyd Lowrey, Legal Counsel, introduced this item explaining that it extends the 2007 Negotiating Agreement for another 12-months.

Director Burns made a motion to adopt Resolution No. 2009-78 approving extending the Negotiation Agreement with Clark Colony Water Company for an additional 12-months. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

5. Pledge of Allegiance:

President Gustafson led everyone present in the pledge of allegiance.

6. Oral Communications:

None.

7. Consent Calendar:

Director Nishi pulled items A and C. Director Burns pulled item B.

Director Burns made a motion to approve the Consent Calendar consisting of items; D) Approve the Proposed Regular Board Meeting and Standing Committee Meeting Dates and Times for 2010; E) Receive the Quarterly Financial Statements for July 1, 2009 to September 30, 2009; and, F) Approve Expenditures for the Month of November 2009. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

A. Appoint Members to the Water Conservation Commission:

President Gustafson made a motion to appoint Mr. Dan Amadeo and Mr. Bob Drake to the Water Conservation Commission. Vice President Lee seconded the motion. Director Moore commented that Mr. Bob Felton turned his application in first and should be considered. President Gustafson stated that there was a motion already on the floor. Ms. Jan Shriner, Marina resident, commented that Mr. Bob Drake and Mr. Jim Felton are really experienced and would be excellent additions to the Commission. Director Burns commented that he believes in first come first serve and would like to see all three applicants appointed to the Commission. The motion to appoint Mr. Dan Amadeo and Mr. Bob Drake to the Water Conservation Commission was passed.

Director Moore	-	No	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	No			

B. Adopt Resolution No. 2009-79 to Authorize District Property to be Surplused:

Director Burns asked for clarification on the District owned street, Sunset Place, and why it was on the surplus list. Mr. Heitzman answered that it needed to be declared surplus before any negotiations on that property can commence.

Agenda Item 7-B (continued):

Director Moore made a motion to adopt Resolution No. 2009-79 authorizing District property to be surplus. Director Burns seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

C. Adopt Resolution No. 2009-80 to Authorize the General Manager to Sign Contracts Relating to the Imjin Office Park Project:

Director Nishi voiced his concern that someone else negotiated the agreement and asked to bring this item back under a closed session item next month for discussion. Mr. Lowrey answered that in the agreements with AMBAG and FORA, the District was to take over certain contracts which include the contracts with Ausonio.

Mr. Suresh Prasad, Director of Finance, answered that the Phase II and Phase III site improvements were four-party agreements that were negotiated with FORA, AMBAG, Carpenters Union and Builders Exchange. The building construction was a contract by itself and the District is re-negotiating that contract. Director Nishi stated that he only has a problem with the building construction contract as it was negotiated in 2005 and costs have gone down since then. Mr. Heitzman suggested pulling the Ausonio portion out of the resolution and approving the General Manager to sign the other contracts relating to the Imjin Office Park Project. Mr. Heitzman suggested returning the Ausonio contract item to the January meeting.

Director Moore made a motion to adopt Resolution No. 2009-80 dropping the table from the resolution. Vice President Lee seconded the motion. Director Nishi suggested changing the amount to not-to-exceed \$680,000. Director Moore amended his motion to remove the \$3,200,000 from the table and leaving the other items. Mr. Heitzman asked to have the Aggregate Total at \$680,000. Director Moore agreed. Vice President Lee seconded the amendment. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

8. Action Items:

- A. Consider Adoption of Resolution No. 2009-74 to Accept the Infrastructure Installed by the Fort Ord Reuse Authority as a Portion of the General Jim Moore Boulevard - Phase IV Project and to Convey Certain Portions of that Infrastructure to the California American Water Company:

Agenda Item 8-A (continued):

Mr. Heitzman stated that staff was pulling this item.

B. Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2009:

Mr. Prasad introduced this item announcing that the Independent Auditor's Report and the Management Report were received after the packet was distributed and were handed out at this meeting. Of the three items mentioned in the Auditor's Report, items two and three have been resolved and item one will be brought to the Board in the near future for consideration.

Director Moore commented that he had already spoken with Mr. Prasad regarding several questions he had and would let Mr. Prasad know of a few typo's in the document. He then praised Mr. Prasad on a job well done.

Director Nishi also complimented Mr. Prasad for the job well done.

Ms. Shriner stated for the record that page 70 shows an increase in revenue and decrease in operating expenses and congratulated the Board on that. She also suggested allocating about \$10,000 for AMP to have professional videographers tape the meeting and put it on the media channel.

Director Moore made a motion to accept the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2009. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

C. Consider Adoption of Resolution No. 2009-81 to Authorize Expenditure of the District's Share of Construction Costs to Install Various Sized Potable Water Pipelines, Recycled Water Pipelines and a Sewer Pipeline Within the Fort Ord Reuse Authority's General Jim Moore Boulevard Phase V Improvement Project Alignment and to Amend the FY 2009/2010 Budget:

Mr. Brian True, Capital Projects Manager, introduced this item adding that page 118 of the packet has one change. The third paragraph, second sentence; "and reimbursable support for CAW efforts," should be struck from the sentence. Mr. True commented that there was a great cost savings in reusing the High Density Polyethylene (HDPE) pipeline that was just across the street.

Agenda Item 8-C (continued):

Vice President Lee asked if the pipe was inspected to make sure it was in good condition. Mr. True answered that several consulting teams have inspected the pipe and reported it is in good shape.

Vice President Lee made a motion to adopt Resolution No. 2009-81 authorizing the expenditure of the District's share of construction costs to install various sized potable water pipelines, recycled water pipelines and a sewer pipeline within the Fort Ord Reuse Authority's General Jim Moore Boulevard Phase V Improvement Project alignment and to amend the FY 2009/2010 Budget. Director Burns seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

- D. Consider Adoption of Resolution No. 2009-82 to Authorize an Agreement with California American Water Company for MCWD to Obtain Ownership of the High Density Polyethylene (HDPE) Pipe Located Along the West-Side of General Jim Moore Boulevard:

Mr. True introduced this item adding that this pipe will be completely tested before it is placed in the ground. Director Moore asked when the ownership of the pipeline transfers. Mr. Heitzman answered that it transfers upon execution of the agreement and payment.

Director Nishi made a motion to adopt Resolution No. 2009-82 authorizing an agreement with California American Water Company for MCWD to obtain ownership of the High Density Polyethylene (HDPE) Pipe located along the west-side of General Jim Moore Boulevard. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

9. Staff Reports:

- A. Receive a Report on Funding for the REPOG Program:

Mr. Heitzman introduced this item. Director Moore asked what the funds were spent on. Mr. Heitzman answered that they were spent on the room rental, snacks, meeting minutes and the facilitator. Director Moore asked that the District would continue engaging the Monterey County Water Resources Agency and the Peninsula in the discussions. Mr. Heitzman answered that with the upcoming developments, it would be very important to have as much public participation as possible.

Agenda Item 9-A (continued):

President Gustafson commented that the meetings with this group were most successful in public outreach. Director Nishi commented that he asked for this item to be placed on the agenda and he suggested sending a letter to the Monterey Peninsula Water Management District telling them if they want to be a member of the group, they need to pay their share of the funds to bring them up to date with what everyone else has paid. They have paid over \$14,000 less than everyone else and if they fund the next two meetings, it would bring them to full partner status.

10. Workshop:

- A. Ord Community Ad Hoc Recommendation Discussion
  - Discuss Boundaries, Pipelines and Flows:

Mr. Carl Niizawa, Deputy General Manager/District Engineer, gave a brief presentation of the Ord Community Ad Hoc (OCAC) Recommendation. The Board asked several clarifying questions regarding cost, pressure zones and lift stations. Mr. Niizawa commented that to comply with the recommended actions of the OCAC, it would require the break-up of an integrated water and wastewater system and require additional infrastructure and an increase in overall development fees.

Mr. Lowrey commented that the OCAC was aware that the District has all rights that the Army didn't retain regarding water capacity, extraction capacity and wastewater capacity. There would need to be many agreements in order to give those rights to other jurisdictions. Director Moore asked if there were any cost estimates regarding the infrastructure and rights. Mr. Niizawa answered that staff has not even looked at cost at this time. Mr. Heitzman stated that the District has always been regionally minded and has looked into what would benefit the region. Director Nishi commented that the jurisdictions who send sewer flows to the MRWPCA should receive rights to any additional amount over their agreed upon amount in recycled water. Director Nishi stated that everyone needs to think outside the box. Mr. Lowrey stated that when the matter comes back to the Board, part of the information to be considered would be the package of MOU's the Board approved back in April 2009.

Director Burns commented that the Board needs to conduct a Strategic Plan and set Goals. Mr. Heitzman answered that staff was already planning on setting up a meeting for the Strategic Plans and Goals for the District.

11. Election of Board President and Vice President:

President Gustafson made a motion to nominate Director Nishi as President and Vice President Lee remain as Vice President. Vice President Lee seconded the motion to nominate. The motion was passed.

Director Moore	-	No	Vice President Lee	-	Yes
Director Nishi	-	Yes	President Gustafson	-	Yes
Director Burns	-	No			

Director Gustafson passed over the gavel to President Nishi. President Nishi stated he was looking forward to working together over the next year.

12. Informational Items:

A. General Manager's Report:

Mr. Heitzman stated he had nothing to report.

B. District Engineer's Report:

Mr. Niizawa commented that the HDPE pipeline welds were good and it was a good deal for the District. He added that next month, he would bring a Public Relations item before the Board.

C. Counsel's Report:

Mr. Lowery commented that there is a very big focus on water issues at the State. There were a number of measures adopted that will potentially impact the District's operations through funding and water conservation efforts. There are pending revisions to the Clean Water Act. Today, the EPA announced certain initiatives in connection with clean water that may have an impact on the District's operations.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee commented that the Water Conservation Commission held its Holiday Dinner on December 3<sup>rd</sup>.

2. Joint City-District Committee:

President Gustafson stated there was no meeting held.



3. MRWPCA Board Member:

Director Burns commented that the Holiday dinner was good.

4. LAFCO Liaison:

Director Moore stated the pending lawsuit against LAFCO was decided in LAFCO's favor. There was discussed the annexation of Greenfield.

5. JPIA Liaison:

No comments.

6. FORA:

Director Nishi stated the meeting was Friday, December 11th.

7. Executive Committee:

No comments.

8. Community Outreach:

President Gustafson commented that REPOG and the Water Conservation Commission were out there informing the public.

9. Special Districts Association Liaison:

President Gustafson commented that the next meeting was to be held in January.

E. Director's Comments:

Director Burns commented that passing the Presidency and Vice Presidency back and forth doesn't work for him. He would like to see the Vice President move into the Presidency next year.

Director Moore complimented Mr. Prasad on a job well done with the CAFR and the new District Engineer for getting involved in the OCAC recommendations for the Board.

Director Gustafson commented that it was a pleasure to serve as President for the last three years.

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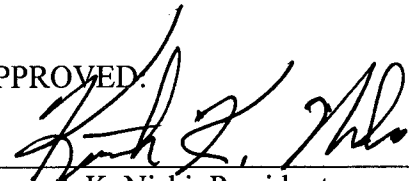
Agenda Item 12-E

President Nishi asked the Directors to submit their committee requests by next week so he can get them to the staff so the assignments can be ready for next meeting. He then thanked everyone, including the CSUMB students, for attending the meeting.

13. Adjournment:

The meeting was adjourned at 8:16 p.m.

APPROVED:



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Kenneth K. Nishi, President

ATTEST:



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Jim Heitzman, General Manager