

## Marina Coast Water District

District Offices  
11 Reservation Road  
Marina, California

Special Board Meeting  
March 3, 2010  
6:00 p.m.

### Minutes

#### 1. Call to Order:

President Nishi called the meeting to order at 6:00 p.m. on March 3, 2010.

#### 2. Roll Call:

##### Board Members Present:

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

##### Board Members Absent:

None.

##### Staff Members Present:

Jim Heitzman, General Manager  
Lloyd Lowrey, Legal Counsel  
Carl Niizawa, Deputy General Manager/District Engineer  
Suresh Prasad, Director of Finance  
Jean Premutati, Management Services Administrator  
Paula Riso, Executive Assistant

##### Audience Members:

Bob Holden, MRWPCA  
Jan Shriner, Marina Resident  
Vienna Merritt Moore, Marina Resident  
David Brown, Marina Resident  
Collin Gallagher, Marina Resident  
Richard Newhouse, Marina Resident  
Dave McCall, Marina Resident  
Frank Lambert, Marina Resident

Greg Furey, Marina Resident  
Luana Connelly, Marina Resident  
Luida Madsen, Marina Resident

3. Pledge of Allegiance:

President Nishi asked Ms. Luana Connelly to lead everyone present in the pledge of allegiance.

4. Oral Communications:

Ms. Jan Shriner, Marina resident, voiced her concerns over the salary of the General Manager. She cautioned against providing the General Manager with annual 8% cost-of-living allowance (cola), which could amount to \$500,000 in another ten years.

President Nishi asked Legal Counsel if Ms. Shriner's comments were consistent with what is already agendized for the meeting. Mr. Lloyd Lowrey, Legal Counsel, stated that in his opinion they were. President Nishi asked that Mr. Lowrey advise other public speakers to only speak on what is not on the agenda. Mr. Lowrey stated he would.

Mr. Collin Gallagher, Marina resident, commented on the article in the Herald and cautioned against Directors making statements to the press speaking on matters that may be addressed by the Board at a later date. This could influence others opinions on the matter.

Mr. David Brown, Marina resident, asked if public would get a chance to speak on the action item before Board action is taken. President Nishi answered that the public would get a chance to comment on the action item before the Board takes action.

The Board entered into closed session at 6:08 p.m.

5. Closed Session:

- A. Pursuant to Government Code 54957.6  
Conference with Labor Negotiators (President Nishi, Vice President Lee)  
Unrepresented Employee: General Manager

The Board ended closed session at 6:21 p.m.

President Nishi reconvened the meeting to open session at 6:22 p.m.

6. Possible Action on Closed Session Items:

Mr. Lowrey stated that instructions were given to the negotiators and no action was taken in closed session. The Board has determined to bring into open session a proposed action on an amendment to the contract with the General Manager, Jim Heitzman. The specific amendment would be to extend the time for negotiating possible changes to the contract until June 8, 2010 and also to extend the time for either party to give notice of termination.

A. Consider Adoption of Resolution No. 2010-13 to Amend the General Manager's Contract:

Mr. Lowrey explained that the contract amendment allows time for negotiating purposes due to the press of business and everything the District is involved in right now, and allows the extension of the March 8, 2010 contract renewal date until June 8, 2010.

Mr. Brown commented that the contract extension was a good idea. He voiced his concern over the annual increase of 8% and urged the Directors to reconsider the increase before renewing the contract.

Mr. Gallagher commented that he would like to suggest that the nature and details of the contract be discussed, before the June 8, 2010 date, on how the General Manager can help the District broadcast to the public what the savings are and how they would translate to the ratepayer. He would like to see the projects that the General Manager can realize, and what the savings are for the ratepayer and District. Mr. Gallagher asked that there be some performance measures or metrics to justify the General Manager's salary.

Mr. Richard Newhouse, Marina resident, commented that it was a good idea to extend the contract to June 8<sup>th</sup>. He stated that he had to fight to get a 3% cola and that an 8% cola was high in this economy and he hopes the Board of Directors will take that into consideration when re-negotiating the General Manager's contract.

Luana Connelly, Marina resident, commented that she had no problem with putting the negotiations off until June as it moves it closer to the upcoming elections. She also commented that having three Directors discussing things in the newspaper is not an appropriate way to negotiate anything. Ms. Connelly commented that she had no problems with Mr. Heitzman's work, but there are many highly qualified managers out there who don't receive such high raises. She asked the Board to take that into consideration.

Frank Lambert, Marina resident, commented that he opposed the 8% increase. There are many people in the Community that are taking pay cuts and sacrifices and it is incorrect to consider the pay raise.

Mr. Heitzman asked if he could speak. Director Burns asked if Mr. Heitzman agreed to the extension. Mr. Heitzman answered that he agreed to the extension and was happy to extend. Mr. Heitzman asked if he could comment on what people said. Mr. Lowrey stated that it was appropriate for those in the audience and on this side of the dais to speak for their three minutes. Director Gustafson stated that he wanted to hear what Mr. Heitzman had to say. President Nishi commented that he did not want a dialog between the participants during the meeting and that they could talk after the meeting.

Director Moore made a motion to adopt Resolution No. 2010-13 amending the General Manager's Contract. Vice President Lee seconded the motion. Director Moore thanked the General Manager for agreeing to extend the negotiations and thanked the negotiating team for accomplishing what has been asked of them to accomplish so far. The motion was passed.

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

President Nishi thanked the public for coming and making their comments and thanked the Board. He asked Mr. Heitzman if he understood when he was hired that he would be working long hours and on controversial projects. President Nishi asked if Mr. Heitzman was aware that he would not be receiving any increases after 2009. Mr. Heitzman answered that he was aware of those conditions. President Nishi commented that Mr. Heitzman had been hired to bring controversial projects to fruition and the Board had anticipated that this would be accomplished in three years and did not anticipate the CPUC process. President Nishi again asked if Mr. Heitzman was aware that he would not be getting a raise after 2009. Mr. Heitzman affirmed that it was made very clear to him. President Nishi voiced his concern over people giving misinformation to the public. He then thanked Mr. Heitzman for the positive changes he made to the District. Complimenting him for being fully engaged and loyal to the District and always looking out for the ratepayers and positioning the District for the future.

#### 7. Director's Comments:

Director Gustafson commented that he has heard a lot of misinformation, lying to the public, trying to convince the public that there is something wrong with agendas, and clichés like transparency. He stated that he is aware of the economic situation and has been taking Friday furloughs since last June.

Director Burns stated that he is just an average Joe and in reading the contract, his comprehension of it was the same as the public's. He understood it to mean that if the contract was renewed, it would include all the colas. Mr. Heitzman commented that the contract had two dates and those were the only dates for colas. Director Burns answered that the assumption was different.

Mr. Heitzman commented that the assumption by some people, when they stand up at public meetings and continue to give false statements, affects people and their families. Those people have no integrity and it is frustrating to be in the public sector and know that they can stand up and say whatever they want about you. Mr. Heitzman commented that there were only two dates in the contract and he could work until he was ninety-five years old and be renewed every time and he wouldn't get any raises.

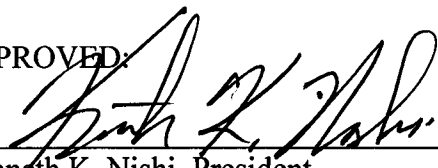
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Vice President Lee commented that Mr. Heitzman has done a great job and worked well with the Board and brought things to fruition.

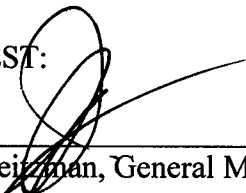
8. Adjournment:

The meeting was adjourned at 6:46 p.m.

APPROVED:

  
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Kenneth K. Nishi, President

ATTEST:

  
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Jim Heitzman, General Manager