

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: March 8, 2011

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of January 31, 2011

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of January 31, 2011.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____Yes X No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft minutes of January 31, 2011.

Staff Recommendation: The Board of Directors approve the draft minutes of the January 31, 2011 special Board meeting.

Action Required: _____Resolution X Motion _____Review

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
January 31, 2011
5:00 p.m.

Draft Minutes

1. Call to Order:

Vice President Lee called the meeting to order at 5:00 p.m. on January 31, 2011.

2. Roll Call:

Board Members Present:

Bill Lee – President
Dan Burns – Vice President
Howard Gustafson
Jan Shriner – was seated at 5:01

Board Members Absent:

One vacant seat.

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Jean Premutati, Management Services Administrator
Kelly Cadiente, Director of Administrative Services
Thomas Barkhurst, Water Quality Chemist
James Derbin, Operations and Maintenance Superintendent
Brian True, Capital Projects Manager
Paula Riso, Executive Assistant/Board Clerk

Audience Members:

Bob Holden, MRWPCA
Dave McCall, Marina Resident
Tom Moore, Marina Resident
Andy Sterbenz, Schaaf & Wheeler
Larry Parsons, Monterey Herald
Wendy Askew, Marina Resident

3. Pledge of Allegiance:

President Lee led everyone present in the pledge of allegiance.

4. Oral Communications:

No comments.

5. Action Item:

A. Declare a Vacancy on the Board of Directors and Set a Date for Consideration of Appointment to Fill the Vacancy:

Mr. Lloyd Lowrey, Legal Counsel, introduced this item explaining that staff recommends the Board of Directors consider making an appointment for this position. He added that there are other options available to the Board such as holding an election, but to do so, the Board would have to defer action on this item and set action for another meeting.

Director Shriner commented that the Waste Management District is holding a special election in June and suggested the District consider joining them in the special election.

Vice President Burns commented that he is the product of an appointment and would like the Board to go through the normal process in seeking applications, reviewing them and considering an appointment at a meeting.

Director Shriner stated that she has seen the last three appointments to the Water Conservation Commission where this particular majority of the Board has selected applicants who are less experienced over applicants with more experience. Director Shriner voiced her concern over that pattern and asked if anyone would like to speak to that issue.

Director Gustafson commented that Director Shriner didn't have experience before joining the Board.

Director Gustafson made a motion to adopt staff's recommendation and declare a vacancy on the Board of Directors and set a date for consideration of appointment. Vice President Burns seconded the motion. Director Shriner commented that she had received several communications from members of the public who made it clear that there is one choice for the appointment and she would like the members of the public to be able to weigh in on the decision. Vice President Burns commented that he has not received any emails or applications regarding the vacancy other than what were just distributed at this meeting. Mr. Lowrey reminded the Directors of their Ethics Training and cautioned against the Directors corresponding with each other via email.

Agenda Item 5-A (continued):

Director Shriner asked for clarification regarding the date set for appointment. Mr. Lowrey explained that February 22nd is the soonest a special meeting could be held to allow the timeframes set by Government Code Section 1780. Vice President Burns clarified that if a Director was appointed at that meeting, they would be seated that evening and participate in the meeting.

The motion was passed with one vacant seat.

Director Gustafson	-	Yes	Vice President Burns	-	Yes
Director Shriner	-	Yes	President Lee	-	Yes

B. Consider Adoption of Resolution No. 2011-09 to Approve a Line of Credit Agreement with California American Water Company for the Regional Desalination Project:

Mr. Jim Heitzman, General Manager, introduced this item. Ms. Kelly Cadiente, Director of Administration, explained that the Line of Credit will be shared between the District and the Monterey County Water Resources Agency (MCWRA) for funding the Regional Desalination Project until the Bonds are sold. The funds will be paid back to California American Water Company (Cal Am) once the bonds are sold at the same interest rate they borrow at.

Director Shriner asked who was authorized to make the draw request. Ms. Cadiente answered that staff would prepare it and Mr. Heitzman would make the official request.

Director Shriner inquired who was on the Advisory Committee. Mr. Heitzman answered that the three agencies, MCWD, Cal Am, and MCWRA, were on the Advisory Committee as well as the Peninsula Cities represented by the Mayors of Monterey and Carmel.

Mr. Tom Moore, Marina resident, asked if the Line of Credit was because it is easier for Cal Am to get the money more rapidly than the bonding process; and, what secures the Line of Credit. Mr. Heitzman answered that it was easier for Cal Am to get the funds and the security is the Water Purchase Agreement.

Vice President Burns made a motion to adopt Resolution No. 2011-09 approving a Line of Credit Agreement with California American Water Company for the Regional Desalination Project. Director Gustafson seconded the motion. The motion was passed with one vacant seat.

Director Gustafson	-	Yes	Vice President Burns	-	Yes
Director Shriner	-	Yes	President Lee	-	Yes

C. Consider Adoption of Resolution No. 2011-11 to Approve Amendment No. 4 to the Professional Services Agreement with RMC Water and Environment for Continued Program Management and Engineering Services for the Regional Water Supply Project:

Mr. Heitzman introduced this item explaining that things haven't moved as quickly as anticipated and the District needs to extend this contract until the Project Management Agreement is approved by all three parties within the next couple of months.

Director Shriner asked if the extra costs are due to delays and if there was a way to get a layout of the plan so that the District is not extending the contract \$500,000 - \$1,000,000 at a time. Mr. Heitzman answered that it was intended to be completed on December 2nd, but there are three entities and it is taking longer to complete. When the project gets underway, the burn rate will be about \$1 million a month and up to \$10 million or more a month.

Director Shriner asked if there is a timeline with more detail showing what the funds are going towards. Mr. Heitzman answered that there will be more details when the Project Management Agreement is approved and in place.

Director Gustafson made a motion to adopt Resolution No. 2011-11 to approving Amendment No. 4 to the Professional Services Agreement with RMC Water and Environment for Continued Program Management and Engineering Services for the Regional Water Supply Project. Vice President Burns seconded the motion. The motion was passed with one vacant seat.

Director Gustafson	-	Yes	Vice President Burns	-	Yes
Director Shriner	-	Yes	President Lee	-	Yes

6. Director's Comments:

Director Shriner commented that her emails sent to the Executive Assistant, Legal Counsel and General Manager are being forwarded to all the directors with other language adopted from misinterpreting what she said with what they think she said. Director Shriner added she sent an email on January 18th, and on the 22nd was angrily approached by a member of the public because they had heard something she was misquoted on. She wanted to know what the expectation is for the public and the Directors.

Mr. Lowrey stated that this is time for Directors comments and this issue can be agendized for discussion or a workshop on emails.

Director Shriner inquired on the cost per acre foot of desalination water. There has been discussion in the media of the cost being \$4,000 - \$7,000 per acre foot. Director Shriner asked for a more specific quote of what the District is expecting and documentation supporting that cost.

Agenda Item 6 (continued):

Mr. Heitzman answered that there was a cost workshop held and he has all the spreadsheets in his office showing the cost is in the \$2,500 range.

Mr. Lowrey added that in Finding 123 of the Public Utilities Commission's decision, a range of costs are listed with \$2,600 being the lowest cost at the fence line, not including Cal Am's costs.

Vice President Burns asked Director Shriner to speak louder as he is having a hard time hearing her comments.

President Lee thanked staff for their great work.

7. Adjournment:

The meeting was adjourned at 5:26 p.m.

APPROVED:

William Y. Lee, President

ATTEST:

Jim Heitzman, General Manager