

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-E

Meeting Date: July 12, 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 June 9, 2011

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of June 9, 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 June 9, 2011.

Staff Recommendation: The Board of Directors approve the draft minutes of the June 9, 2011 special Board meeting.

Action Required:     \_\_\_\_\_Resolution     \_\_\_X\_\_\_Motion     \_\_\_\_\_Review

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Board Action

\_\_\_\_\_Resolution No\_\_\_\_\_     Motion By\_\_\_\_\_     Seconded By\_\_\_\_\_

Ayes\_\_\_\_\_     Abstained\_\_\_\_\_

Noes\_\_\_\_\_     Absent\_\_\_\_\_

Reagendized\_\_\_\_\_     Date\_\_\_\_\_     No Action Taken\_\_\_\_\_

Marina Coast Water District

Holiday Inn Express  
189 Seaside Circle  
Marina, California

Special Board Meeting  
June 9, 2011  
5:30 p.m.

**Draft Minutes**

1. Call to Order:

President Lee called the meeting to order at 5:30 p.m. on June 9, 2011.

2. Roll Call:

Board Members Present:

Bill Lee – President  
Dan Burns – Vice President  
Howard Gustafson  
Jan Shriner  
Kenneth K. Nishi

Staff Members Present:

Jim Heitzman, General Manager  
Jean Premutati, Management Services Administrator  
Paula Riso, Executive Assistant/Board Clerk

Audience Members:

Brent Ives, BHI Management Consulting  
Luana Conley, Citizens for Sustainable Marina  
Ken Durst, Central Coast Coalition for Wastewater Equity

3. Public Participation:

Ms. Luana Conley, Citizens for Sustainable Marina, questioned how the facilitator was selected and what criteria were used.

President Lee asked if anyone could answer Ms. Conley's question. Director Nishi stated that the Board was there for a Board Workshop and did not have time to waste addressing the question. Director Shriner stated that it was a ratepayer asking the question and the Board should direct the answer to the ratepayer as the Board serves the public. Director Nishi stated that Board policy is to receive comments and not engage in dialogue with the public. Director Shriner commented that she remembered the meeting of the selection process, and said the point was brought up that it was not the least expensive bid, nor was it local, and the selection was made by a 4-1 vote of the Board with no reason given.

Director Nishi made a motion to continue the workshop. Director Gustafson seconded the motion. The motion was passed.

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

4. Workshop:

B. Board Workshop:

Mr. Brent Ives, BHI Management Consulting, introduced himself and gave a brief background of his experience and qualifications. Mr. Ives gave a presentation with slides that discussed the following items:

- What are we doing this evening?
- What is Strategy?
- Benefits of Strategic Planning?
- The Attributes of a Strategic Plan
- Strategic Elements
- Linkage
- What's needed from the Board to develop a good Strategic Plan?
- The Board – Higher Thinking
- The Board – Mission
- The Board – Collective Vision
- The Board – Respect
- The Board – Conduct
- So, what's needed here?

Vice President Burns asked how the Board can move on after a vote. He gave an example of Ms. Conley asking how Mr. Ives was selected as the facilitator and Director Shriner questioning the process as well. Vice President Burns stated that the Board made the decision several months ago and at the time, Director Shriner asked the same question and Ms. Premutati answered it. Vice President Burns said that now Director Shriner is bringing it up again and asked if there is a process or tool to help the Board move on. Mr. Ives answered that presumably at the meeting when the Board voted on his contract, it was a public meeting and those that wanted to understand it, could have understood everything they needed to know, then. Vice President Burns said it was a public meeting and Director Shriner asked for clarification on how BHI Management Consulting was selected, and that he explained it that evening. Mr. Ives commented that there was probably discussion and discourse about that. Vice President Burns affirmed that there were. Director Shriner commented that to let go, she needs to be able to have discussion before the vote was taken, and she said that no discussion was taken before the vote and no one gave their reasons for voting the way they did. Vice President Burns said that he did give his reason for voting the way he did, which was the fact that he assisted Ms. Premutati in reviewing the proposals and rated them before they went to the Board for consideration.

Agenda Item 4-A (continued):

Vice President Burns commented that votes don't always go his way either, and when he receives an explanation, he accepts it and moves on without laying traps for anyone. Director Shriner commented that she wasn't the one to bring it up earlier this evening. She stated that she was only answering a member of the public. She then commented that she understands that one District Board member follows people home and harangues them for at least an hour about decisions that they have made. Director Shriner commented that in her place, if someone were to follow her home, she would consider it stalking and would have to use the police to control that kind of illegal activity. Mr. Ives commented that at face value there is nothing illegal about that, he said that maybe it may not be appropriate to her, but others may feel differently. He added that the problem would come if a third Board member was present, then the Brown Act gets involved and it could be a serial meeting. Mr. Ives stated that as long as the discussion is after the vote, and not before, there isn't a problem. He returned to his presentation.

Understanding Roles

Board Membership/Good Governance Questions

The Board Member – on being elected

On being elected – our role, their expectations

The Board Member – who do you represent?

The New Board Member – connecting with the owners

Board Membership – your role, helpful knowledge

The New Board Member – your role

Board Membership – NOT your role

Director Shriner commented that this slide, "Board Membership – NOT your role" has an item, "delving into staff-level working relationships, including manager to staff" stating what Board members shouldn't do. She said the District's 2007 Strategic Plan has an Objective, "Develop a plan that improves employee work environment in the most cost effective manner" that deals directly with that and asked if it was an improper objective. Mr. Ives answered that improving an employee work environment is okay as long as the Board is clear with the manager what they expect from him as he works for the Board and all the other employees work for the manager.

Director Nishi asked how Director Shriner interpreted the 2007 Strategic Plan. Director Shriner stated that she had another question for Mr. Ives. She stated that the District lost four senior managers in the last four months, and asked how a Director would know if there was an improved employee work environment. Mr. Ives answered that it could be an indicator, but not necessarily. He stated that there are a number of reasons the people may have left, i.e. another agency hired them out from under the District, they retired, or the culture of the agency is something they don't want to be associated with. Mr. Ives stated that there could be many reasons for the turnover.

Director Nishi again asked how Director Shriner interpreted the 2007 Strategic Plan. Director Shriner asked if he meant the Objective, "Develop a plan that improves employee work environment in the most cost effective manner".

Agenda Item 4-A (continued):

Director Shriner said that she was just asking a question about how turnover related to that and, as a Director, if that Objective was being achieved over the last three years. She said that she was trying to evaluate whether there was an improved employee work environment or if this was an inappropriate Objective. Director Nishi asked if she had concerns about it. Director Shriner answered that she had concerns over her role and whether or not this Objective was inappropriate in relation to what they were learning at the workshop. She asked if she should be evaluating the Objective based on turnover or should she interview employees and ask how they like their job. Mr. Ives stated that interviewing employees and asking how they like their job is something that Board members shouldn't do. Vice President Burns commented that if a Board member were to directly approach an employee, they probably wouldn't get an accurate answer because of the intimidation factor. He said that if the Board hired someone like Mr. Ives to talk to employees, they may give a more accurate answer thinking there is confidentiality in the process.

Director Nishi commented that he didn't think anyone was listening to what Mr. Ives was saying on how the Board needs to work together as a group. Director Nishi said that the Board is giving direction on something that was passed in 2007 and that Director Shriner doesn't understand that in 2007, "Develop a plan that improves employee work environment in the most cost effective manner" was one of those Goals. Director Nishi added that the Board would implement policy to attain those Goals by working through the General Manager and having the items placed on Board agendas so they could be discussed at Board meetings. Mr. Ives returned to his presentation.

The Exemplary Board Member – your role, "policy making"

The Exemplary Board Member – your role "manage ends, not means"

The Exemplary Board Member – your role "representative"

The Exemplary Board Member – your role "establishing direction"

The Exemplary Board Member – your role "the mission"

The Exemplary Board Member – your role "vision"

The Exemplary Board Member – your role "membership-teamwork"

Director Shriner stated that one of the most common questions she asks of the Board is, "How did you come to that decision?" and asked if maybe she should phrase it as, "What values are you basing that decision on?". She asked Mr. Ives which question would be better. Mr. Ives answered that any Board member could ask all the Board members that particular question every time. He added that if it were seen as a sincere request from a new Board member who was asking the question merely for help in making a decision, and they expressed that they value the collective opinions of the Board, they might get an answer. Mr. Ives said that is the time when the Board discusses Mission, Vision, and Values, collectively, then the answer of "How" a decision was made, is intuitive. He said that Board members can say what their decision filters are and that each Board member needs to trust that they each have the same overarching Goal or Mission. Mr. Ives said that the Mission is the common ground for Board members and they should be able to discuss items, vote and move on.

Agenda Item 4-A (continued):

Mr. Ives said the next question to ask is:

Is the Board ready to move to the next stage of strategic planning as a Team?

**If not**, what gaps are there to understand and discuss?

**If so**, the next workshop will begin the specific discussion of strategy and forward actions.

Director Gustafson asked if they should concentrate on the Mission. Mr. Ives said that he is not proposing change to anything the Board has already created. He is proposing examination of them and making sure everyone is clear about them so in the future everyone can agree on what the Mission is. Director Nishi said that Mr. Ives earlier mentioned that all the Board members agreed that the Mission was good. Mr. Ives answered that everyone did agree with the Mission but when they get into the actual Strategic Planning they will look at it and make sure everyone still agrees that it is appropriate.

Director Nishi inquired what was planned for the rest of the evening. Mr. Ives answered that at this workshop he was asked to work with the Board, where the Board was at, and what the roles and responsibilities were. He said at the next workshop, they will look at the Mission, Vision, Values and the strategic elements that are out there and need to be worked. Director Nishi commented that he didn't want to worry about the next workshop, he wanted to get the bang-for-the-buck on this workshop. Mr. Ives asked what bang Director Nishi was looking for. Director Nishi said if Mr. Ives has to ask that, they were in trouble. Mr. Ives asked what Director Nishi's intentions for the workshop were. Director Nishi said that when he met with him, Mr. Ives must not have been listing to what he was talking about. Director Nishi said it surprises him that Mr. Ives would say that to him. He stated that he understood Mr. Ives met with everyone and got a consensus of what the weakness and strong points were and he would come with a plan to pull this group together so when they left they would be at least understanding, or trying to work together to get something done for the ratepayers. Director Nishi said that for Mr. Ives to ask him that, he feels like going and taking a nap. Mr. Ives apologized and said that he thought that what he had been discussing pulled everyone together. Director Nishi said he doesn't see where it is pulling everyone together. He said he sees questions that are pulling everyone apart. Vice President Burns commented that he thinks Director Nishi is looking for a written document that they all agree to and that will help them achieve the things Mr. Ives has talked about in his presentation. Mr. Ives said that is why he is asking if everyone is ready to move on to the Strategic Planning, or not.

Director Shriner commented that she had a question to Mr. Ives' question. She said that this is something that happens to her a lot. Director Shriner mentioned that when she was a wee kid growing up in Montana, her grandmother looked enough like a Native American person that she got a lot of discrimination. She said that when she was 5 years old, they moved to Mobile, Alabama, back when everything was still segregated. Director Shriner said when she walked up to a blue-handled water fountain and drank from it, a woman yelled at her, and her mother yelled back at the woman while she just stood there staring at the blue handle.

Agenda Item 4-A (continued):

Director Shriner said all sorts of questions were running through her mind and she asked herself how did they get to this point and how did everyone know that the blue handle meant something. She said she just thought it was a blue handle but everyone else had an understanding and they were fighting about it. Director Shriner stated that she didn't know if her mother was right or the other lady and why the other lady was mad at her. She said that someone told her that from the beginning, she had an inquisitive mind. Director Nishi said that it was a good thing she knew which fountain to drink at. He said if he was an African-American, he would know which one to drink at, but if you are an Oriental, how do you know which one to drink at then.

Vice President Burns asked where Director Shriner was going with the point she just made. Mr. Ives asked if the team was ready to move forward. Director Shriner asked if the team can accept the questions because sometimes minutia, like a blue handle, is a big sticking point and makes people start hollering. Mr. Ives asked Director Shriner why she thinks that is. Director Shriner answered that she didn't know and asked if they can accept the questions, does she have to stop, or can they come to an agreement of how many questions can be asked at a meeting. Mr. Ives stated that he didn't think that was the issue, it is what is behind the question that is the issue. He said there is a certain amount of innate distrust among this group, and if they can't get past the distrust, it makes it difficult to develop a Strategic Plan. Mr. Ives said that is why he went through the presentation saying here is what they are supposed to do and it leads to the question of if they are ready to work on a Strategic Plan.

Vice President Burns said that it is okay for Director Shriner to ask a question, but she has to be willing to accept the answer, and that is where he finds things get bogged down. He clarified that at times when an answer is given, there is continued hammering as if there is some ulterior motive, when there really isn't one. Vice President Burns stated that his distrust in Director Shriner is that she doesn't accept the answer she is given. He gave an example of the beginning of the meeting when they discussed how Mr. Ives' firm was selected, and Director Shriner at that time stated that the vote was 4-1. Vice President Burns stated that Director Shriner asked the question, was given the answer, and yet she still has the question in her mind of how they arrived at that because her candidate was cheaper. Director Shriner added that her candidate was local, too. Vice President Burns continued by saying that each firm was rated and Mr. Ives' firm was rated the highest and that the Board voted from there. He said that right away, Director Shriner had suspicion. Vice President Burns followed up by saying that Director Shriner is always accusing the Water Conservation Committee of voting alike, and that he has no preference of who is nominated and always votes for the first nomination. He contends that it doesn't matter if they have experience or not, if they want to volunteer and they think they can do a good job, that's good, put them on the Committee. Vice President Burns said that he feels Director Shriner distrusts the rest of the Board, and that she thinks they are meeting behind closed doors someplace and making decisions before coming to vote on them. He said that he rarely talks to the other Directors individually, and if he does talk to Director Nishi it is about flowers.

Agenda Item 4-A (continued):

Director Nishi stated that Director Shriner doesn't just distrust the group, there is no respect either. He said that she doesn't respect that the Board made a decision to hire Mr. Ives' firm, and it is disrespectful for her to have Ms. Conley attend the meeting and ask the question. Director Nishi said that it irks him to waste precious time rehashing this item, and that Director Shriner needs to respect that the Board made the decision and now they have to live by the decision.

Director Shriner commented that she didn't ask Ms. Conley to attend the meeting. She said that is an assumption on Director Nishi's part and is disrespectful. Director Shriner said that she nominated Tom Moore for the vacant seat and Vice President Burns didn't vote for him, so that discounts what he said earlier about voting for the first nomination. Vice President Burns countered that he was referring to the Water Conservation Commission regarding first nominations. He said that he had talked with Mr. Moore before the meeting and after hearing some things that Mr. Moore said, he wouldn't vote for him at that time.

Director Shriner commented that sometimes she just wants to know the basis for the decision and she is sorry if it sounds like distrust. She said that to her it feels like inquisitiveness and accountability, i.e. what are the values and what criteria they evaluate things on. Director Shriner said that she doesn't know why it feels so awful to people to be questioned, like "How did you evaluate that situation?" or "How did you come to that?". Vice President Burns answered that Director Shriner needs to accept that he did his evaluation and he voted on who or what he wanted to vote for. He said that he didn't need to explain fully how he rationalized his vote. Vice President Burns explained that in his selection of Mr. Ives, he reviewed all the applicants and rated them and Mr. Ives was the most qualified person to do this job. He added that most of the other applicants wanted to conduct the interviews by phone or email and he felt that it was an impersonal way to do it. Vice President Burns commented that although he just explained his reasoning for selecting Mr. Ives, he shouldn't have to explain why he is voting on anything and they shouldn't take up the Board's time to do that.

Director Nishi commented that as Mr. Ives had explained during his presentation, once the vote is taken, it is over and no one should have to explain to anybody else, with the exception of their constituents, why they voted the way they did. He said that if a Board member is at the store and a constituent asks why they voted the way they did, that is when they need to explain it to them. Director Nishi stated that for Director Shriner to sit there and keep hammering on Vice President Burns about the way he voted...the vote was taken and let's move on. He said that Director Shriner needs to quit holding it against Vice President Burns for making a so-called "wrong vote" by not voting for Mr. Moore. He concluded that it is over and Director Shriner needs to give it up.

Director Shriner said that she didn't say that. She added that there is a broad spectrum between explaining fully and offering a sentence or two about "This is my priority, and this is what I am going to do."



Agenda Item 4-A (continued):

Director Shriner commented that if a Board member says, “This is my vote and no one can ask me anything” that is taking away her First Amendment right. Director Nishi said that he didn’t say that. He stated that he said on the night of the vote anyone can say whatever they want for as long as they want, but once the Board takes action, they have to abide by what the majority voted. Director Nishi added that no one wants to take anyone’s First Amendment rights away. Director Gustafson commented that the key to the presentation was to bring some realizations to the forefront and work on those. Mr. Ives commented that someone in the majority of a 4-1 vote, after making a decision, wouldn’t want the person who was the 1 to bring it back up. He added that if the person who was the 1, was now part of a prevailing vote, they wouldn’t want anyone to bring anything back up either. Mr. Ives stated that there needs to be respect of the process.

Mr. Ives said that the communication issues are because there is distrust. He added that there is a suspicion of other drivers here, which is why the Board members often conflict. Mr. Ives commented that this open discussion is valuable for the Board.

Director Gustafson commented that he remembered that when Director Shriner ran for office, she stated that she was up-to-speed and was ready-to-go, but now there are over \$20,000 in attorney’s fees which tells him that she is getting special education that the rest of the Board never asked for. He stated that he has never gone to the point of asking staff so many things because he distrusts the process. Director Gustafson stated that he felt Director Shriner distrusts the votes, too, and that she is trying to find something out by going to staff and the attorney.

Director Nishi said that when the Board walks out the door, they need to remember they are a team and need to work together. He stated that what drives the Board should be the Mission statement and not their personal agendas. Director Nishi added that if they were doing their duties as Directors, and doing what the Mission statement says, they wouldn’t have this conflict and would be working together, but they’re not.

Director Shriner referred to Director Gustafson’s comment about the attorney’s fees and said she has asked for the invoices but was told she was not allowed to see them. She said the newspaper stated that the total was from the time she first moved to Marina in 2003. Director Shriner clarified that she never received the training recommended by the Board Procedures Manual, Section 7-S, “providing training for Directors in exercising oversight and supervision of management, the roles and responsibilities of Directors, how to understand budgets, how to monitor budget compliance, and how to work together as a team in problem solving.” She said that “how to work together as a team” she is finally getting at this workshop, but never received the other training. Director Shriner added that it has only been six months since she was elected to the Board.

Agenda Item 4-A (continued):

Director Shriner pointed out that Director Nishi always talks about working together as a team, and yet he was the one who quit coming to meetings, quit the Board in January for no reason given, and then returned in February with no reason given either. She stated that to her, that is not working as a team. Director Shriner asked why can't they just move forward, and why can't they forget that Director Nishi has an unusual hesitancy about his office, and accept that now there is a new Board member and they need to move Marina Coast Water District into a new era. Director Nishi stated that he agreed with Director Shriner and that in November, he lost the team, but after a few months he said he realized he missed everyone and wanted to come back. He added that Director Shriner is the only Director who brings up the fact that he left and then returned.

Director Nishi commented that the other Directors pull their weight to get to the Mission statement. He said that instead of keeping positive, Director Shriner is very critical of her perception of his and Vice President Burns' weak spots. Director Nishi stated that Director Shriner was telling Vice President Burns he made the wrong vote on Mr. Moore because her vote was right. He added that he got lost in the fog, lost the Board and he resigned, but Director Shriner is the only one who made a big deal of it. Director Shriner stated that she disagreed. Director Nishi said that is why they are having this discussion and why it is very difficult to pull the wagon when Director Shriner's not thinking about pulling the wagon. Director Shriner commented that from her perspective, the wagon seems to be pulling the horse back down the hill while the horse is trying to go up. She cautioned about where Director Nishi is trying to take the team, and that they want to go forward and elevate to the 30,000 foot level and not get dragged down into the mud and fighting it out. Director Shriner commented that she didn't say that Vice President Burns was wrong, she said she was only asking about the values and the fact that sometimes he has chosen someone who was not nominated first because he has other values. She said that maybe that looks like distrust, because Vice President Burns knows his values, but once when she was purchasing her home, the loan officer was going crazy trying to explain all the complicated mortgage stuff to her. Director Shriner said that she had to tell him that her process is to ask questions, even if they seem off target, and that it was his job to find out where she was at and get her over to his understanding.

Mr. Ives asked if she was asking the other Board members to bear with her as this was her own style. Director Shriner answered that she is trying to get up to speed. Mr. Ives stated that it comes across that something other than the Mission is driving her questions. He said that there might be a way to communicate that she is just trying to get clarity and that is the way she is. Mr. Ives added that it must be proven out, because trust builds slowly and the trust bucket is easily tipped over. He stated that if Director Shriner was telling everyone this was her process, then it might not be so bad, but she needs to make her case with everyone, and it will be a hill to climb.

Agenda Item 4-A (continued):

Director Shriner commented that City Manager Altfeld is probably the happiest person in Marina right now, because she used to drive him nuts with all her questions, and now that she has been elected to the Board and he knows she is going to be busy, he is happy and practically wants to hug her.

Mr. Ives stated that often times, right or wrong, people get pigeonholed with a set of questions that seem to be inquisitive for reasons other than the big picture, and that there is another agenda there. He asked Director Shriner if she is telling the other Board members that there is no other agenda there, that she is Mission-oriented, and she is asking them to trust her but let her have her style. He said if so, then that is a different thing. Director Shriner answered that she thinks that is what she is saying, although it's phrased different than she would put it. She said she just has a lot of questions. Director Shriner commented that people are coming out of the woodwork and thanking her for asking questions and for asking the questions they had wanted to ask but didn't know how. She said they appreciate that she is trying. Director Nishi asked how Director Shriner's questions help her. Director Shriner answered that they helped her understand the process as a Board. Director Nishi asked how it helps her as a Director to know the APN numbers of the wells for the Regional Desal Plant. Director Shriner said that is a good question because it speaks to the property ownership. Director Nishi asked why the Board would care where the property ownership is. Director Shriner answered that she understands the District is going to be putting the wells into properties that people own and she would like to know more about the people, what relationship they have to the District, and what negotiations have been going on.

Mr. Ives commented that Director Shriner is diving down into the "how" and said he is wondering why she needs to know that. He asked if there was something that is there, or, is it truly just insatiable inquisitiveness. Mr. Ives said that it will take some convincing to get people to believe that, and asked if there was concern with the property ownership. Director Shriner answered that she could be concerned that maybe her neighbor might own the property. Mr. Ives said that Director Shriner should ask herself, when she gets inquisitive, "how does that relate?" Director Shriner commented that it is an unusual coincidence that there is RMC Lonestar and RMC Water and Environment. She said that RMC was an unusual combination of letters and she was exploring different avenues of who's involved with RMC and which RMC. Mr. Ives asked why that was relevant. Director Shriner answered that it was relevant to her because there has been a lot of money going into RMC...\$20 million of Marina Coast Water District funds. She said that, for the ratepayers, she wants to know if they are being responsible, and does the District know who RMC is, and the relations of RMC to the District. Mr. Ives asked if there was an issue there or if it was just because she wants to know. Director Shriner answered that to her it is about accountability. She said that \$20 million is a huge responsibility. Director Shriner added that one thing she has been asking about is the pipeline in the CIP that was \$26 million and is now \$28 million.

Agenda Item 4-A (continued):

She stated that she has been asking for documentation to support the price estimate and has seen documents showing that the pipeline has been under discussion, but she can't seem to get any information about the pipeline.

Vice President Burns suggested getting back to Director Shriner's original question about RMC, and said that to him it seems that she has a conspiracy theory that she thinks there is delusion going on. Mr. Ives admitted that is the concern the other Board members have. Director Shriner asked if it is her distrust or their distrust. Mr. Ives asked what her intention was. Director Gustafson said that he didn't care and that is why Director Shriner is alone in her vote. He added that the people she perceives are congratulating her, think like her, and are suspicious like her. Director Gustafson said that the cost for an 18,000 foot pipeline of that size and characteristic is very conceivable. Director Shriner said that she didn't know.

Director Nishi asked how many "RMC's" Director Shriner thought were in California. She answered that she didn't know. Director Nishi commented that what Director Shriner is saying is that if someone's initials are "RMC" and there is another "RMC", that there is a conflict there. Director Shriner said that she could see Director Nishi's point. Director Nishi again asked how many "RMC's" Director Shriner thought there were in California. Director Shriner again said that she didn't know, but she had never heard of "RMC" before. She added that her initials, JCS, were the same as Jesus Christ.

Mr. Ives stated that the problem is that the questions come across as suspicion; that there is something down there at the core that is underhanded, wrong, illegal, and he doesn't know who is complicit in this. He said he needs data to: a) convince him otherwise; or, b) convince him of this problem...rather than trust. Director Shriner said that some might think of it as trust or others might think of it as irresponsibility for not asking questions. Mr. Ives said that there is nothing wrong with asking questions, the problem is if it tends to always lead to an area of suspicion. Director Shriner pointed out what happened with the City of Bell. Mr. Ives answered that they weren't talking about the City of Bell, they were talking about the MCWD Directors. He asked if this was a distrustful group. Director Shriner answered that they distrusted her and they think she assumes the worst. Mr. Ives stated that it is probably because she seems to distrust them. He added that it is the perspective. Director Shriner said that she allows that perspective, but it doesn't mean that she is that person. Director Gustafson said that it is the way Director Shriner eluded to things in the paper and the Steve Collins issue and the way the Coast Weekly perceived it. He said that Marina Coast doesn't have anything to do with Steve Collins. Director Shriner disagreed, and said that she had invoices. Director Nishi asked what information she had. Director Shriner said that she had invoices to Marina Coast Water District. Director Gustafson clarified that they were from RMC and that the issue is with the FPPC. He added that Mr. Collins hasn't been found guilty of anything. Director Gustafson said that Mr. Collins helped RMC get support from the Ag Industry because he grew up here and knew those people. He added that he didn't know exactly what Mr. Collins did or what he followed.

Agenda Item 4-A (continued):

Director Gustafson commented that the \$150,000, for what the District got out of it which was hopefully the support from the Ag Industry, was probably money well spent.

Director Nishi said that the way he was brought up was that in the United States everyone is innocent until proven guilty. He said that he didn't know how Director Shriner could state that Mr. Collins did something illegal in a public meeting. Director Nishi said that when Mr. Collins comes out of this thing, and the innuendos from the Herald are shown as incorrect, he hopes Director Shriner is willing to make a public statement apologizing for the comments she made about Mr. Collins. Director Shriner said that she was just asking questions about Mr. Collins. Director Nishi said that she made a statement before that.

Vice President Burns asked if Director Shriner was asking District staff to stop doing their job so they can research the information on RMC for her. He stated that if Director Shriner really wanted that information, there is a book that lists property owners and how they are associated, and she could research the information herself. Vice President Burns added that if Director Shriner was constantly asking those kinds of questions, the District would have to hire someone just to provide her with information. Director Shriner said that two members of the public asked her what "RMC" stood for in RMC Water and Environment, because they couldn't find it online. Director Gustafson said that it probably stood for last names of people. Mr. Heitzman answered that it stood for Raines, Melton and Carollo. Director Shriner said that she asked staff if there was a relation between RMC Water and Environment and RMC Lonestar, and the answer that came back was no. She said that it didn't take a long time. Mr. Ives asked if that answer was enough for her. Director Shriner said it was. Mr. Heitzman disagreed, saying that Director Shriner then asked for the APN numbers and the reason she wanted the APN numbers was for the reason she said earlier which was to see who owned the property. Director Shriner stated that the RMC Lonestar well site was only one of many and is interested in knowing the other well site owners. Mr. Heitzman clarified that RMC Lonestar no longer owns the property. Director Shriner affirmed that it was Cemex who now owned the property, but there were multiple properties that she inquired about. Mr. Ives cautioned Director Shriner to be aware that her style leads people to believe something that may or may not be true about her and it is incumbent upon her to say, "don't think I am going anywhere with this, I just need this data". He added that it is up to her to prove that she is not after somebody. Director Shriner said it goes back to the fact that she is innocent until proven guilty, and the other members have this suspicion of her that she is trying to get at something, and that is their reaction to her. She added that she is not responsible to other people's reaction to her.

Vice President Burns stated that they started the relationship on mistrust because Director Shriner came in accusing the other members of all kinds of dastardly deeds. He said that she accused them of voting together, calling them "good old boys", and that they sold their votes. Vice President Burns said in his opinion, it is not a good way to start.

Agenda Item 4-A (continued):

Director Shriner said she didn't say that. Vice President Burns answered that she put it in an email when she first came on the Board.

Mr. Ives asked Director Shriner if she trusted the other Board members. Director Shriner asked herself if she trusted them and if she trusted this process. Director Nishi said that wasn't the question. Mr. Ives asked if Director Shriner trusted the Marina Coast Water District, as a whole, in trying to get the Mission done. Mr. Ives asked if she trusted that they weren't trying to make anyone unreasonably wealthy or doing something illegally wrong, or that there isn't some big conspiracy here. He point blank asked, "do you, or, don't you?" Director Shriner answered that she didn't think there was a big conspiracy, but she did think there was some greed at work here. She added that as a regulatory agency, they needed to state that responsibility as a regulatory agency, and be very careful and reassure the public. Director Nishi countered that the District is not a regulatory agency, it is a special district.

Mr. Ives questioned the fact that Director Shriner said that there was greed involved. Director Shriner agreed that she did say that. Mr. Ives asked who Director Shriner thought was getting rich, because greed always results in someone getting something. Director Shriner disagreed and said the greed can happen without anyone actually attaining the goals. Mr. Ives deduced that there really was something there and that was the crux of the issue. He added that it is hard for the team to get in sync when there is this person who doesn't know where it is, but is going to look for it where they can.

Director Nishi said that one of Director Shriner's issues is how much money the General Manager makes. Director Shriner answered that it is because she is very frugal. Director Nishi acknowledged that she may be frugal and asked what her concern was. Director Shriner stated that she lives in a neighborhood between low-income apartments where gangs are a problem, and a low-income senior development. Director Nishi said that it was her choice to move there and again asked what her point was. Director Shriner asked if Mr. Ives saw how rude Director Nishi was to her. Director Nishi said it was because she is rude to him. Mr. Ives asked everyone to move on. Vice President Burns said that there needs to be respect. Mr. Ives asked why Director Shriner has a problem with the General Manager's salary, and said that it was one of the things that create the division between her and the other Board members. Director Shriner said that she lives in a small town of 17,000 mostly low-income people, and in this town there are twelve people who make over \$150,000, at least two who make over \$220,000, and none of these people live here. She said they travel in, take the money from poor people, and travel out. Director Shriner said that she doesn't find that a savory situation and she doesn't like it. Director Nishi asked what her point was. Director Shriner said that the man being rude to her (Director Nishi) and the man sitting next to him (Director Gustafson) made that happen. Mr. Ives questioned if she didn't agree with the salary level. Director Shriner said that first they sat on City Council and now they are on the Water District. Director Nishi asked if Director Shriner has a problem with the General Manager's salary. Vice President Burns said that she already confirmed that.

Agenda Item 4-A (continued):

Director Shriner asked if Director Nishi was inquisitive or was distrusting. Director Nishi asked how much the Marina ratepayers are paying the General Manager. Director Shriner said it was too much. Director Nishi asked how much. Director Shriner said the last General Manager made \$125,000. Director Gustafson clarified it was \$135,000. Director Nishi again asked how much Director Shriner thought the Marina ratepayers are paying the General Manager. Director Shriner said that with the salary benefits package, it was \$470,000 per year. Mr. Heitzman commented that the amount wasn't even close to being true and asked how she could say that. Mr. Heitzman claimed that Director Shriner made up that number. Director Shriner said it was a matter of public record. Director Nishi again asked if Director Shriner thought the Marina ratepayers were paying the General Manager more than \$400,000, and asked if he could prove that the Marina ratepayers were paying less than the \$135,000 earned by the previous General Manager, would she match the difference to \$400,000 dollar for dollar. Director Shriner asked if she would be perceived as distrustful by asking for those documents. Mr. Ives said not if she was up front with what she says, and she is not claiming any kind of wrongdoing. He added that the General Manager got his salary based on the vote of the Board, which is their prerogative to do, and they used their own determination of what they felt was the appropriate amount. Mr. Ives said that Director Shriner may disagree with the amount, but how much of a case she wants to make about it is the problem. Director Shriner stated that she is not making the case anymore, that it is being brought up by the men who made it happen. Director Nishi said that this is one of the things that are driving her dissatisfaction. He asked that if she thinks that the previous General Manager's salary of \$135,000 is appropriate and he could prove the Marina ratepayers are paying Mr. Heitzman the same or less than \$135,000, would Director Shriner pay the difference between \$135,000 and \$400,000. Director Shriner declined and asked why she should. Director Nishi said Director Shriner misspeaks and gives out misinformation and when she is called on the carpet, she answers "Why should I?" He said that everybody from here, City Council, and everywhere, knows that is the way she is. Director Nishi said that is why they will never work together as a team and that no matter how hard they try, it will always be Director Shriner's crusade. He added that her pledge is not to the Mission Statement, it is to her...whatever.

Mr. Ives commented that Director Shriner will need to make the case that every inquiry she makes is linked to the Mission; she is not starting an inquisition; and she that she just needs to know. He added that there are things that concern her and she does have some suspicion. Mr. Ives stated that the suspicion is taken by a lot of people, it was logical and Director Shriner knows how they would feel. Director Shriner said they were under fire from the newspaper and the people investigating. Mr. Ives stated that some people get defensive when they feel like they are being suspected by someone else.

Mr. Ives said that now that they have gotten to this point, the Board, warts and all, still has its work to do. He stated that the Board has a very good manual that talks about the parameters of conduct by the Board.

Agenda Item 4-A (continued):

Director Nishi said the Board has rules and regulations that they swore to follow when they took office, and he said that he doesn't know if everyone understands the rules they have to abide by. He stated that it would be important to get a buy-in on the Board Procedure Manual. Mr. Ives commented that this process can be used to discuss the manual. Director Shriner stated that there are different interpretations to the manual and the rules. She added that there has been dispute so far that even included the District's own attorney. Mr. Ives commented that there always are different interpretations. Director Nishi suggested looking at the manual and trying to get a meeting of the minds on the interpretation of what it says. Director Shriner stated that there may be need of revision and updating to the manual. Director Nishi stated that if they could get a meeting of the minds to agree that certain words in the manual need to be changed, they would be moving ahead to get everyone to agree.

Mr. Ives noted that there were questions about interference with the administrative services of the District. He then read and commented on the section of the manual that was under questioning, "The Board and its members shall deal with the administrative service of the District only through the General Manager, except for the purpose of inquiry, ...". Mr. Ives said that he interprets it as, "I will deal with you all the time, unless I have an inquiry." which he said is an ambiguous term. He said that it could be read to mean that if someone has an inquiry, they could go to other staff for answers. President Lee said that counsel was asked at a meeting what that phrase meant, and counsel answered that if a Board member approaches a staff member with a request or inquiry, staff should know to go to the General Manager before giving any answer or following any direction. He added that if the Board member approaches the General Manager first, occasionally the General Manager will tell the Board member to go directly to the staff member for what they need. Mr. Ives commented that he always goes to his City Manager first and then if directed, goes to staff. He added that many agencies have that rule, although there are a few that allow Board members to go directly to staff.

Director Nishi suggested talking about the District's Board Procedure Manual and what can be done to change this issue so all the other intentions are addressed. Mr. Ives answered that it is a Board Procedure Manual and the Board can change it although it can't be at this meeting. Director Nishi said that he would like to get a meeting of the minds so that all the Directors understand that if they have a request, the intent is to go through the General Manager. Director Shriner asked if it was a Brown Act violation when you have an intent that is understood, but it is not written. Mr. Ives said that the Board can discuss whether to put it on an agenda to talk about at a regular meeting. He added that this is an example of the kind of thing that can get in the way as a Board. Mr. Ives said that the Board can talk to the General Manager to get this on the agenda and then after they have the discussion, the Board can vote, up or down, whether to put a period after the words "General Manager" and eliminating the words "except for the purpose of inquiry". Director Shriner suggested calling it an update so it doesn't sound like there was anything wrong with it, it is just getting updated.



Agenda Item 4-A (continued):

Director Nishi stated that he disagreed with Mr. Ives. He said that this is a workshop and if the Board wants to look at one item, and they want to talk about where they are having a problem, they can say that they want to do this and this and give staff direction to have it on the agenda at the next meeting. Mr. Ives stated that he is trying to be very careful, and the Board can talk about the fact that updating this language would not be a bad idea.

Director Nishi said that Mr. Ives fell into Director Shriner's trap. He said that instead of just changing one or two words, Director Shriner is going to take this manual out and they are going to go through this whole thing. Mr. Ives started putting his documents away and told Director Nishi that he doesn't get paid enough to, quite frankly, do that. He said he told the Board what he thought was appropriate and he will talk to everyone as a whole Board and leave it at that. Mr. Ives said that he didn't expect that everyone will appreciate everything he says to them, but he really didn't like that tone either and the way it made him feel. Director Nishi said that he didn't mean to make Mr. Ives feel that way and he apologized. Mr. Ives stated that although Director Nishi has considerable experience in this field, he does as well. Director Nishi said that he wasn't saying that because of his experience, was saying it because he's been in that trap and doesn't want to get back in it. Mr. Ives answered that there is a Board process to do things and they should use it. Director Nishi said the trap was to get him and Mr. Ives into this dialogue...divide and conquer. Mr. Ives said that he doesn't feel conquered and he hopes Director Nishi doesn't either.

President Lee asked if the Board could get a copy of the slides. Mr. Ives answered affirmatively.

Mr. Ives concluded that action items that have come from this workshop may be to update the manual and there could be several other pieces to look at in there, and make sure there is clarity among the Board members. Mr. Ives stated that if the term is ambiguous, they might want to get rid of it. Vice President Burns commented that this isn't the only document that has ambiguous wording. He stated that there were other documents, such as the Personnel Manual and even the General Manager's contract that didn't make sense and the intent needed to be clarified. Mr. Ives asked if the Board members were in agreement to take this up in the terms of the manual. Vice President Burns answered that the decision was made at the last meeting when the Board decided to look at this document to make sure it makes sense. Director Gustafson stated that this workshop is the place to get that solved, and not have the attorney lecture to them. Mr. Ives answered that it is the Board's manual and the attorney can only give advice. Vice President Burns stated that to him it is as simple as saying that all inquiries go through the General Manager. Mr. Ives stated that the Board cannot vote on the changes at this meeting, but they can discuss them so that they are clearly understood by everyone.

Director Shriner said that one of the things that come up for her, is that when she first joined the Board, President Lee told her that at times Directors would stop by the General Manager's office during the day to talk about what is on the agenda and clarify any questions they might have.

Agenda Item 4-A (continued):

Director Shriner stated that since she works full time, she doesn't have time during the day to visit the General Manager, so she sends her block of questions in an email. She said that later in the day when she has time, she will check her email to see what answers she received. Director Shriner added that as a member of the public, she often did this to the City Manager and he would take her email and forward specifics on to pertinent staff members for the answers. She said that when he received all the answers, he would provide them back to her. Director Shriner said that this process kept the City Manager aware of what was being said and it expedited the process since he didn't have to answer every question himself. She said she didn't think it was a big deal, but apparently this culture is slightly different or people haven't gotten used to the questions. Director Nishi asked if Director Shriner liked the process. She said it worked for her. Director Nishi suggested that Director Shriner run for City Council and she will be very happy. He added that different General Manager's have different styles. Director Shriner said she was aware of that. President Lee stated that the Marina Coast Water District is a solvent agency while the City of Marina is not, and one of the reasons the District has been solvent for a long time is because Directors try to balance the checkbook carefully. He continued by saying that the District is a company that makes a product and is compensated for it, unlike a City agency that works on tax revenue.

Mr. Ives said that there is a lot of water under the bridge, and it is common for people to have questions especially before an agenda item, but the problem is the perception of why the questions are being asked. President Lee stated that to ask a question is fine, but the Board members cannot inundate him with questions while he is trying to work at his full time job with the District. Mr. Ives said that sometimes a time limit is set in the Board manual, on how much time a General Manager can spend with each Board member. He added that for instance, if it is something that would take longer than an hour, it would have to go before the whole Board and they would direct that inquiry. Vice President Burns commented that the District hired an Assistant General Manager/Engineer to help take on those tasks on a daily basis to free up the General Manager so he could concentrate on the Regional Desal Project and spend time traveling.

Director Gustafson commented that, because of the District's financial stability, the District has gone beyond the Mission Statement by supporting AMBAG and FORA. He added that the District has supported the Veteran's community by offering to support the Veteran's Cemetery.

Director Shriner commented that the manual does state that for information from District legal counsel that requires more than one hour of the counsel's time, and requests for written opinion from legal counsel, shall first be presented to the General Manager. She said that was a great start although it was still ambiguous because she didn't know if it was one hour during her 48 month term or one hour a month. Mr. Ives said that it may need to be clarified even further. President Lee stated that it concerns him to hear District counsel say that in the forty years he has served as counsel to Boards, he has never had this much contact with a Director.

Agenda Item 4-A (continued):

Director Nishi said that needs to be addressed by the Board. He said that he thought they were going to get into the meat of it and solve those issues. Director Gustafson said that would happen next time after the framework is set. He said that the next meeting should get into more meat and then the next one after that will be to set action on it. Mr. Ives said that at the next meeting they will talk about specifics on how the things they have talked about should get articulated and possibly be updated in regards to the manual. He added that clarity is a worthy goal. Director Gustafson said that he has read the manual and didn't have concerns but they need to look at it to be sure it is clear.

President Lee asked where they were at now. Mr. Ives said that they needed to schedule another workshop probably in July sometime and he will keep in touch with staff to schedule it.

5. Director's Comments:

Vice President Burns said that he thinks they got some of the issues out on the table and hopefully by knowing what the issues are they can resolve them. He would like the one slide made into a poster so they could make reference to it. Vice President Burns added that they should respect each other although there could be some difficult moments, but they should be able to work through that. He told Director Shriner that if he doesn't always explain what he is voting for, it is just because it is his way, but most of the time he does give an explanation even if it is short and sweet. Vice President Burns added that hopefully they could come to an understanding so there aren't these underlying issues of having ulterior motives or questions. He said that Director Shriner needs to accept the answers and move on. Vice President Burns said that when he gets outvoted he may think about it for a minute but he doesn't go back and lay traps to try to make people look foolish. He added that they are in a democratic society and if someone is on the other side of a vote they need to accept it and move on. Vice President Burns commented to Director Shriner that he lives a block and a half from her and Director Gustafson lives two and a half blocks from her and was surprised when she said she lived in a depressed neighborhood.

Director Gustafson commented that he thought the meeting was good and he learned quite a bit. He said that he hoped they can apply this to any clarifications and procedures they are lacking at the next meeting, and after that take some action to define more projects as a team and work together better.

Vice President Burns asked that the next meeting be held in the morning because after the long day he is a little run down. Director Gustafson stated that he is furloughed on Friday's. President Lee said that he prefers mornings as well. Director Shriner said that sometimes she can flip days since she occasionally works on weekends.

Agenda Item 5-A (continued):

Director Shriner said that she really appreciated that time and the dialogue that occurred during this time because she hasn't had the training that is specified in the manual. She commented that she can't go to HR or anyone else to help her set up the training, and she can't really email the Directors because they have a lot of experience. She added that it has never been on an agenda, and since there is only one person she can go to, even though she has been driving him to distraction, it is a tough time knowing who to go to. Mr. Ives suggested to always go to the General Manager.

Director Shriner said that she doesn't think the General Manager is very happy with her going to him. Mr. Ives said that she has to do it. He said that the parameters are the parameters that she knows are in the manual and those may get changed, but for right now her path is the General Manager. President Lee said that from time to time the General Manager might be busy and they would have to go to the meeting and ask those questions that are unanswered. Director Nishi said that the positive thing about asking questions at the meeting is that everyone there benefits from the question and answer. Director Shriner said that it sounds good now, but when she is in a meeting the responses she gets are: there is no dialogue; she's off topic; and, that she has had her turn. President Lee said that basically the only time there is no dialogue is during Director's comments at the end of the meeting. He said that a Director can make their comments and then it moves on to the next Director and that is the end of the meeting. Vice President Burns said that this is his fourth year and he is still waiting for his orientation. Director Shriner said maybe she shouldn't hold her breath. President Lee commented that Director Shriner has had the benefit of more training than the rest of the group because she has attended more classes than the rest of them. Mr. Heitzman commented that President Lee has attended classes in Long Beach on being a Director, and that Special Districts Association has classes and he has sent Director Shriner emails with schedules when they come out. Director Shriner thanked Ms. Riso for putting her on the list for Special Districts.

6. Adjournment:

The meeting was adjourned at 8:20 p.m.

APPROVED:

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William Y. Lee, President

ATTEST:

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Jim Heitzman, General Manager