

Marina Coast Water District

District Office
11 Reservation Road
Marina, California

Regular Board Meeting
December 11, 2012
6:45 p.m.

Draft Minutes

1. Call to Order:

Vice President Gustafson called the meeting to order at 6:45 p.m. on December 11, 2012.

2. Roll Call:

Board Members Present:

Howard Gustafson – Vice President
Jan Shriner
Bill Lee
Tom Moore – arrived at 6:47 p.m.
Peter Le – arrived at 6:47 p.m.

Board Members Absent:

None

Staff Members Present:

Jim Heitzman, General Manager
Roger Masuda, Legal Counsel
Kelly Cadiente, Director of Administrative Services
James Derbin, Operations and Maintenance Superintendent
Andy Sterbenz, Interim District Engineer
Jean Premutati, Management Services Administrator
Patrick Breen, Project Manager
Tamela Hatfield, Accountant II
Paula Riso, Executive Assistant/Board Clerk

Audience Members:

Mike McCullough, MRWPCA
Ed Mitchell, Prunedale Resident
Ron Weitzman, WaterPlus
Ms. Brown, WaterPlus
Dan Amadeo, Marina Resident
Sara Rubin, Monterey County Weekly
Gary Caporicci, Pun & McGeady
Mark McGeady, Pun & McGeady
Reggie James, Covenant Presbyterian Church
Joel Robbins, Covenant Presbyterian Church

Kuei Villa, Marina Resident
Alberto Villa-Corona, Marina Resident
Marc Del Piero

3. Pledge of Allegiance:

Vice President Gustafson led everyone present in the pledge of allegiance.

4. Administer Oath of Office:

Mr. Jim Heitzman, General Manager, announced that Directors Moore and Le were being sworn in at the City of Marina Council chambers at 6:30 p.m. by Supervisor Parker.

5. Election of Board President and Vice President:

Vice President Gustafson tabled this item until after closed session.

The Board entered into closed session at 6:46 p.m.

Directors Moore and Le arrived at 6:47 p.m.

6. Closed Session:

A. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Section 54956.9)

1) Ag Land Trust v. Marina Coast Water District and Does 1-100, Monterey County Superior Court Case No. M105019 (First Amended Petition for Writ of Mandate and Complaint for Declaratory Relief)

2) In the Matter of the Application of California-American Water Company (U 210 W) for a Certificate of Public Convenience and Necessity to Construct and Operate its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates, California Public Utilities Commission No. A.04-09-019

3) In the Matter of the Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, California Public Utilities Commission No. A.12-04-019

4) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, Monterey County Superior Court Case No. M120053 (Complaint for Declaratory Relief)

- B. Pursuant to Government Code Section 54956.9 (c)
Conference with Legal Counsel – Anticipated Litigation
Potential Initiation of Litigation
One Case – MCWD Claims against Monterey County and MCWRA

- C. Pursuant to Government Code Section 54956.9(b)(1) and 54956.9(b)(3)(C)
Conference with Legal Counsel – Anticipated Litigation
Potential Litigation
Two Cases
 - 1) Claims of MCWRA and Monterey County against MCWD
 - 2) Claims of California–American Water Company against MCWD

- D. Pursuant to Government Code Section 54956.9 (c)
Conference with Legal Counsel – Anticipated Litigation
Potential Initiation of Litigation
One Case

The Board ended closed session at 7:15 p.m.

Vice President Gustafson reconvened the meeting to open session at 7:18 p.m.

7. Possible Action on Closed Session Items:

Mr. Roger Masuda, Legal Counsel, stated that no reportable actions were taken in closed session.

8. Oral Communications:

Ms. Kuei Villa, Marina resident, asked if the Pledge of Allegiance was going to be said. Vice President Gustafson answered that the Pledge of Allegiance was said at the beginning of the meeting.

Mr. Ron Weitzman, President of WaterPlus, congratulated the new Board members and gave his thanks to Mr. Ken Nishi for his courageous and insightful leadership in developing the Regional Desalination Project to try to resolve the Peninsula water problem that they couldn't solve themselves. Mr. Weitzman stated that Monterey County has made a deal with California American Water (CalAm) to recoup its losses on the Regional Project by exempting CalAm from its ordinance forbidding a private company from owning a desalination plant in the County. He said that although the California Public Utilities Commission (CPUC) has preempted that ordinance, CalAm has made that agreement with the County as insurance against the Marina Coast Water District legal challenge to the CPUC preemption decision. Mr. Weitzman said that he had a proposal for the District. He said that last year, WaterPlus obtained a creditable appraisal of CalAm for a fair market value of \$34 million. Mr. Weitzman stated that of that \$34 million, CalAm has a debt of \$67 million. He added that Peninsula ratepayers are currently paying 6.5% on that debt.

Agenda Item 8 (continued):

Mr. Weitzman stated that without changing the monthly charges to Peninsula ratepayers, if a public agency purchasing CalAm were to refinance that debt at 3.5% or less, the savings would be so great that the agency would be able to pay off the \$27 million in shareholder equity, and still have \$17 million leftover. He said that if Marina Coast were that public agency, it would have more than enough to recoup its losses to CalAm and pay the litigation costs of the proceedings. Mr. Weitzman stated that WaterPlus would be more than happy to provide Marina Coast with the appraisal. He said that at the very least, under these circumstances, just by making an offer to buy CalAm for \$94 million, Marina Coast ought to provide sufficient incentive for CalAm to make Marina Coast whole as it has agreed to do with Monterey County. Mr. Weitzman added that LAFCO would find it easy to approve the acquisition by Marina Coast. He said that people up and down the central coast need additional water and Marina Coast, renamed the Central Coast Water District, is in the ideal place to provide it.

Ms. Villa congratulated the new Board members and said that she hopes in the future the Board meetings will be respectful. She stated that she was appalled at how Director Shriner has been treated in the past and the Grand Jury issue persecuted her politically. Ms. Villa said that it was inappropriate to use the taxpayer monies for that and the fact that lawyers were not provided by the former Board for her defense. She would like to see mutual respect between the Directors and public and each other. Ms. Villa said that CalAm is not serving the interest of the ratepayers and are focused on profit. She said that she was thankful the District has its own water supply and hopes they continue to provide water at a reasonable rate.

Mr. Ed Mitchell, Prunedale resident, commented that the special sessions did not meet the special session definition requirement. He said that there was voting on issues that should be invalidated and urged a majority of this Board come together and require that those past sessions should be agendized for review to see if they met the definition and requirement for a special session. Mr. Mitchell said that he attended a meeting where the annexation item requiring a super-majority vote was discussed and it was so poorly written that it said that only those living in Marina since 1975 would be eligible to vote. He said that when he got up to speak about it, he was handed a revision of that item. Mr. Mitchell commented that the old Board was trying to subvert the electorate that was bringing on new members to this Board, and they wanted to tie the hands of the new Board instead of letting the new Board consider. He asked the Board to ask for a review and report out to the public of what is legally being challenged, what actions are coming against this Board, and what monies have been spent on legal defenses and expenditure on the Regional Desal Project.

5. Election of Board President and Vice President:

Vice President Gustafson made a motion to elect himself as the President and Director Shriner the Vice President.

Director Le said that he could not support the motion because he felt that people want a change on the Board.

Agenda Item 5 (continued):

Director Le made a motion to elect Director Moore as President and Director Shriner as Vice President. Director Gustafson seconded the motion. The motion was passed.

Director Lee	-	No	Director Shriner	-	Yes
Director Gustafson	-	Yes	Director Moore	-	Abstained
Director Le	-	Yes			

9. Consent Calendar:

Vice President Shriner requested to pull agenda items 9-B and 9-F from the Consent Calendar. Director Le requested to pull agenda items 9-C, 9-D, and 9-E from the Consent Calendar.

Director Gustafson made a motion to approve the Consent Calendar consisting of:

- A) Adopt Resolution No. 2012-90 to Authorize the General Manager to Execute a Memorandum of Understanding between Monterey Regional Water Pollution Control Agency and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group
- G) Approve the Draft Minutes of the Special Board Meeting of November 30, 2012

Vice President Shriner seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

B. Approve the Proposed Regular Board Meeting Dates for 2013:

Vice President Shriner stated that this schedule is for Tuesday meetings and she would like to consider a different meeting day, such as the second Wednesday of each month. President Moore asked legal counsel if they could discuss changing the date or if they had to bring it back next month. Mr. Masuda said that it may change the Board Procedures Manual (BPM) and it would be better to propose some dates and table this item until the January meeting. President Moore suggested agendaizing this item for January for discussion and possible BPM revision. Vice President Shriner commented that the BPM states "The Board shall determine at the beginning of each calendar year the dates for regular Board meetings and regular board committee meetings. Such annual schedule shall include vacation periods, if any, during which no regular meetings will be held."

President Moore asked if Vice President Shriner was making a motion to meet on January 8th and at that time possibly change the meeting day to Wednesday's. Vice President Shriner answered affirmatively.

Agenda Item 9-B (continued):

Director Le asked if Vice President Shriner would amend her motion to address two meetings a month instead of one, on the 2nd and 4th Wednesday, and revise the BPM. Vice President Shriner amended her motion to include Director Le's recommendation. President Moore clarified that this was just to discuss the proposal on January 8th and not to change anything today. Director Le seconded the motion.

Ms. Villa commented that she was appalled at the special meetings called over the holidays and asked how the public would even know those meetings took place. She stated that she thought it undermined the democracy and the respect for the citizens. Ms. Villa asked what the reason was for changing the meeting day and asked if it was discussed in closed session. Vice President Shriner answered that she had wanted to change the meeting day for quite a while because the Board meetings often coincide with City Council meetings. Director Gustafson commented that the City Council meetings weren't regularly scheduled meetings, they were special meetings that coincided with the Board meetings.

The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

C. Receive the Quarterly Financial Statements for April 1, 2012 to June 30, 2012:

Director Le questioned page 20 on the Recycled Water Project and the Regional Project line items and asked how they were funded since there was no revenue for those projects. Ms. Kelly Cadiante, Director of Administrative Services, answered that the Board had previously given direction to fund these projects from reserves until funding was obtained. Director Le asked that future statements show separate line items for Professional Services and Legal Services to make it easier to follow.

Director Gustafson made a motion to receive the Quarterly Financial Statements for April 1, 2012 to June 30, 2012. Vice President Shriner seconded the motion. Ms. Villa questioned if Director Le's request was granted and commented that providing more information is better for the public. President Moore answered that the request was heard by staff and it would be provided in the next report. Mr. Mitchell commends Director Le's insight especially with the difficulties of the Regional Desal Project and the litigation against the Board, the claim by the County for violation of felony events and such, it is in the best interest of the public to show all costs. Director Gustafson commented that there are no felonious actions by this Board. The motion passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

D. Approve the Expenditures for the Month of October 2012:

Director Le stated that he could discuss both items at the same time.

E. Approve the Expenditures for the Month of November 2012:

Director Le said that he could approve the two items with the exception of two checks. He stated that he had spoken with the General Manager and asked him to research if the items are covered under the Memorandum of Understanding (MOU). Director Le said that if they are covered then that was fine, but if they aren't covered by the MOU, they should be disapproved. Mr. Heitzman asked if Director Le was referring to the Class B license. Director Le answered affirmatively. Mr. Heitzman commented that it is the practice of the District to pay for the license when it is required to perform an employee's job. He said he wasn't sure if it was in the MOU. Ms. Jean Premutati, Management Services Administrator, stated that it was in the MOU under Sections 10.3 and 10.4. Director Le said that he was told it wasn't in the MOU. Mr. Heitzman said that he would research the issue.

Director Le said that if the General Manager confirms it is in the MOU, then the expenditures are fine, but if it isn't in the MOU, then they need to amend the MOU and establish the new policy. Director Le suggested not funding any more of these charges until this issue is resolved. Ms. Cadiente advised the Board that these were expenditures from October and November and there may already be expenditures made in December for license fees.

President Moore suggested that Director Le make a motion based on the conditions made that the General Manager will research this item and if it is not in the written procedures, he will bring an item in January to correct it. Director Le agreed to make such a motion. Vice President Shriner seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

F. Approve the Draft Minutes of the Regular Board Meeting of November 13, 2012:

Vice President Shriner commented that she had pulled the item because she had questioned a comment made in the minutes, but had received a message from staff that they rechecked the recording and the minutes were correct.

Director Le said that he had two corrections; page 55, second to the last paragraph, Director Nishi mentioned \$10 million and Director Le would like that shown in the minutes; and page 61, second paragraph, correct the date to January 17, 2007. General Manager stated that staff will have to go back and listen to the recording to make sure of the corrections requested.

Director Gustafson made a motion to table the minutes until the next meeting to allow staff to check the recording. Vice President Shriner seconded the motion. The motion to table the item was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

10. Action Items:

- A. Consider Adoption of Resolution No. 2012-62 to Authorize the General Manager to Sign a City of Marina Application Affidavit Allowing the Covenant Orthodox Presbyterian Church to Apply for a Zoning Clearance from the City of Marina for Imjin Office Park:

Mr. Patrick Breen, Projects Manager, introduced this item.

Mr. Reggie Jones, Covenant Presbyterian Church, explained how the Church was planning to use the office space and Conference Center.

Director Le asked Mr. Breen if the District talked to the City of Marina regarding this item. Mr. Breen answered affirmatively and said that the City informed the Church that the use was not consistent with the zoning. Director Le stated that it was not a zoning clearance the Church was looking for, it should be a conditional use permit. He asked that the Resolution be revised to reflect a conditional use permit and not zoning clearance. Director Le also asked that the Resolution state that the District not be held responsible for any fees or costs to obtain the use permit. Mr. Heitzman suggested revising the title to read "...Zoning Clearance and Conditional Use Permit". Mr. Masuda suggested adding to the end of the "NOW, THEREFORE, BE IT RESOLVED" section, "at no cost to the District." He also suggested adding "and conditional use permit" to the title, fourth WHEREAS, fifth WHEREAS and the NOW, THEREFORE, BE IT RESOLVED of the Resolution so they all read "Zoning Clearance and Conditional Use Permit".

Director Le made a motion to adopt Resolution No. 2012-62 to authorize the General Manager to sign a City of Marina Application Affidavit allowing the Covenant Orthodox Presbyterian Church to apply for a zoning clearance and conditional use permit from the City of Marina for Imjin Office Park and the edits suggested. President Moore reiterated Director Le's motion to make sure all the edits were captured. Vice President Shriner seconded the motion. Vice President Shriner noted that the staff report mentioned this item was not passed by the Board in October, the church elders, at the November meeting, requested this item be revisited, and now it is on the agenda. She asked if this was the procedure to put something on the agenda. Mr. Heitzman commented that a Board member asked for this item to be revisited which is why it is on the agenda. President Moore clarified that it was not creating a precedent. The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

B. Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2012:

Mr. Heitzman introduced this item explaining this is the fourth year the District is trying for this prestigious award in transparency. Ms. Cadiente introduced Mr. Mark McGeady and Mr. Gary Caporicci from Pun & McGeady Audit Firm. Mr. McGeady and Mr. Caporicci gave a presentation of the audit findings that the District's financial statements received an "unqualified opinion". He explained that it meant the District's financial statements fairly present the respective financial position of the business-type activities and each major fund of the District as of June 30, 2012.

Director Le asked what the "New Water Fund" was for. Ms. Cadiente explained that it was for recycled water. Director Le questioned the deficit of \$5 million and asked how it was paid. Mr. Heitzman answered that it was paid from reserves. Director Le asked if District transactions were audited. Mr. Caporicci answered that they did audit random transactions. Director Le stated that he may not agree with how costs are split between Central Marina and the Ord Community and asked to see how the splits were determined. He asked that on a future agenda the Board relook at District projects to see if they should keep moving forward.

Vice President Shriner asked several clarifying questions regarding interfund activity. She also inquired on the Accounts Receivable "bad debt" items for uncollectable accounts. Ms. Cadiente stated that the account was in suspense at this time; therefore it was labeled an uncollectable account. Vice President Shriner had questions about the District's assets, the increase in rates, and the number of users verses acre-feet used. She questioned the information provided on page 49 of the Comprehensive Annual Financial Report regarding the 2009 Business Analysis. Ms. Cadiente answered that the information was provided by AMBAG and the District cannot change their numbers.

President Moore voiced his appreciation to the staff, auditors and Director's for their patience and help in reviewing these documents. He commented on the Capital Assets and that it would be advantageous to review the assets and get them appraised. Ms. Cadiente stated that staff was looking at fixed assets and putting together a proposal regarding fixed asset inventory and evaluation. President Moore asked if there was consensus of the Board for the District to review and evaluate the fixed assets. The Board agreed.

Director Lee commented that the lifecycle of reports done periodically dovetails perfectly into an evaluation and he was in favor of it.

Director Le questioned if the Board could address some questions with the auditors before they begin again next year. Mr. Heitzman answered affirmatively.

Vice President Shriner questioned if the auditors were at the Irvine office and if they were available by phone. They answered affirmatively.

Agenda Item 10-B (continued):

Vice President Shriner made a motion to accept Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year ended June 30, 2012. Director Gustafson seconded the motion. Mr. Alberto Villa-Corona commented that he was having a hard time hearing some of the discussion. The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

C. Consider Adoption of Resolution No. 2012-91 to Amend the Professional Services Agreement with Harris & Associates for Inspection Services for Projects Within the Dunes on Monterey Bay Development:

Mr. Andrew Sterbenz, Interim District Engineer, introduced this item. Director Le asked what the next project would be. Mr. Sterbenz answered that the next phase would be the University Villages Apartments, the streets behind that area, and Theater. Director Le asked how much the total contract is to date. Mr. Sterbenz answered that he didn't know the exact amount but it was probably about \$200,000.

Director Gustafson made a motion to adopt Resolution No. 2012-91 to amend the Professional Services Agreement with Harris & Associates for Inspection Services for projects within the Dunes on Monterey Bay Development. Vice President Shriner seconded the motion. Ms. Villa questioned when they would know what the amount would be. President Moore clarified that Director Le questioned how much was paid to date to Harris & Associates for past inspections. Mr. Heitzman stated that the amount the Board was voting on this evening was \$92,000. Mr. Sterbenz added that although the District signs the contract, the developer pays for the inspection so there is no cost to the District. The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

D. Consider Adoption of Resolution No. 2012-92 to Accept the Greater Monterey County Integrated Regional Water Management Plan:

Mr. Heitzman introduced this item. He said that this Plan is to comply with Prop. 84 which is a grant program for state water projects to include stormwater, wastewater and drinking water projects. Mr. Heitzman added that the District is not requesting to receive any grants and is leaving them for smaller entities to obtain. He said that for the Greater Monterey County Integrated Regional Water Management Plan areas to be eligible for the grants, the District also needs to approve this Plan. Mr. Sterbenz handed out a list of the projects that were included in the Plan. Vice President Shriner asked several clarifying questions regarding population growth projections.

Agenda Item 10-D (continued):

Director Le made a motion to adopt Resolution No. 2012-92 to accept the Greater Monterey County Integrated Regional Water Management Plan. Director Gustafson seconded the motion. The motion was passed.

Director Lee	-	Yes	Vice President Shriner	-	Yes
Director Gustafson	-	Yes	President Moore	-	Yes
Director Le	-	Yes			

11. Staff Reports:

A. Receive 3rd Quarter 2012 Ord Community Water Consumption and Sewer Flow Report:

Vice President Shriner questioned the totals for Ord Community – Monterey County, and noted that although FORA allocated 710 acre-feet (af), only 10 af was used in 2010. Mr. Sterbenz answered that the numbers in the report were correct as only the East Garrison, Ord Market and Monterey Downs projects were using water allocated to Monterey County. Vice President Shriner voiced her concern over the amount of water the City of Seaside was using.

Director Le commented that he wanted to make a point that although Seaside is using about 80% of their allocation, the entire Ord Community is using less than half of the available 6,600 af. He suggested meeting with FORA to discuss reallocation of some of the water or allowing jurisdictions to purchase water from each other. Mr. Heitzman commented that in past discussions, the Army and CSUMB were not interested in selling any of their water allocations. He added that UCMBEST has water they are not using, but they don't want to give any of it up either. Mr. Masuda commented that the issue of selling water and then later having to find out how to replace it is a growing concern all over the state which is why jurisdictions want to hold onto their water allocations.

12. Informational Items:

A. General Manager's Report:

Mr. Heitzman commented that he would like to hold a public workshop on projects with the Board to look at projects ongoing and scheduled for the future. He stated that Ms. Riso will send out an email to schedule a date for the workshop. Mr. Heitzman added that he would like to work on the District Goals and revisit holding a Strategic Planning Workshop where the Board can also work on the Board Procedures Manual.

B. Counsel's Report:

Mr. Masuda commented that he had talked with President Moore, Vice President Shriner and Mr. Heitzman regarding a process to update the Board Procedures Manual.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Shriner commented that there was a recommendation coming forward about extension of a commissioner's term and a change to the Board Procedures Manual regarding the Water Conservation Commission guidelines.

2. Joint City-District Committee:

No meeting was held in November.

3. Budget and Personnel Committee:

Director Gustafson commented that the meeting was boiler-plate.

4. Executive Committee:

Director Gustafson commented that they discussed the agenda. Vice President Shriner noted that the minutes were not included with the packet. Mr. Heitzman stated that with the holidays and the special meetings, staff has been inundated with work and had not been able to complete the minutes in time for insertion in the packet. Director Le commented that he would like to look at cutting back on some of the committees.

5. Community Outreach:

Vice President Gustafson said that the newsletter had been distributed.

6. MRWPCA Board Member:

Mr. Heitzman commented that they were having issues with recycled water rights. He added that there were also issues with Prop. 218. where 80% of their revenues were from Salinas, Marina, Castroville, Moss Landing and Boronda, and yet their project benefits the Peninsula and not the major ratepayers.

7. FORA

Vice President Gustafson said the meeting was December 14th.

8. LAFCO Liaison:

Mr. Heitzman commented that the meeting was boiler-plate.

9. JPIA Liaison:

Vice President Shriner commented that there was a Board meeting on December 3rd and the packet is available online. She added that there was new software available to the public so they can see how much water their neighbors are using.

10. Special Districts Association Liaison

Director Gustafson commented that the meeting was coming up in January. Mr. Heitzman added that there was Board member training provided by the CSDA in January. Vice President Shriner, commented that the training was going to be held at the Monterey Regional Waste Management District on January 15th and if all the board members receive the certification, the District can qualify for District of Distinction and receive a small discount on the insurance. President Moore commented that he had attended the October meeting and there was an interesting discussion of real estate evaluations and how that might impact property tax revenues to local jurisdictions. Mr. Heitzman noted that the District provides staff support for the Special Districts Association.

11. CalDesal:

Mr. Heitzman noted that the District was a founder of this organization and commented that CalDesal is working with the State Water Resources Control Board and they are recognized as a technical expert for outfall and desal. He stated that Dan Burns was a CalDesal Board member and very involved with the organization. Mr. Heitzman said that CalDesal asked him to be a Board member now that Dan Burns is no longer with the District, but noted that if any other Board member is interested, please let him know.

13. Board Member Requests for Future Agenda Items:

Director Le asked if President Moore was going to appoint to committees. President Moore answered that the appointments would be made in January and as President he would make recommendations for the Board to ratify with a vote. He asked if it would be allowable for the Board members to write down or email him a list of the committees they wish to serve on. Mr. Heitzman suggested they send their requests to Ms. Riso to avoid any serial meeting.

President Moore commented that he had requested that this be a regular item on the agenda so that Board members can make their requests for future agenda items. There were no objections from the Board members.

Director Le provided President Moore with a list of the items he would like to see on future agendas and left it to the discretion of President Moore and the General Manager to select several items from the list to be discussed on each agenda.

Vice President Shriner suggested adding to the agenda under Committee Reports a report from the WWOC Committee.

Agenda Item 10-D (continued):

Director Gustafson commented that he was on the Executive Committee and did not know how this item was added to the agenda because it wasn't approved by the Executive Committee.

Director Le commented that an item to talk about is how items were put on the Special meeting agenda's without Executive Committee meeting approval.

Vice President Shriner stated that she would like to consider suspension of the Board Procedures Manual so that the Board can straighten things out that had been done in the last sixty days.

President Moore said that the President and Vice President will meet with the General Manager to discuss the January agenda.

14. Director's Comments:

Director Shriner read from the Robert's Rules of Order in regards to the privilege accorded the mover regarding the time at which reconsideration takes place. She stated that she would like to revisit the items in which requested information was never received. Vice President Shriner commented that she assumed the information she requested on November 12th was substantial since she still hasn't received it.

Director Le commented that the Board of Directors wants to do what is best for the ratepayers although they may disagree on the approach. He said his priority was to look at demand and supply and not to create too much supply when the demand wasn't there.

Director Lee stated that he would like to welcome the new Board members and commented that Director Le's professionalism will be very helpful.

President Moore commented that the Board faces challenges and everyone is well aware that there is a new Board majority which may mean some things get changed. He said that he was well aware that there are different personalities on the Board and staff and there are challenges working across those personalities. President Moore said that there will be different communicating and listening styles and urged patience between everyone. President Moore said that he expected staff to continue their professional approach to their work as he has seen in the past and will appreciate seeing in the future. He said he expects his fellow Board members to treat each other with respect and the public with respect. President Moore said that he would do his best to be fair to the Board, public, staff and General Manager and asked that it be pointed out if he should fail to do so. He said he is looking forward to working with everyone, including the public, and hopes to get good input from the public.

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15. Adjournment:

The meeting was adjourned at 9:58 p.m.

APPROVED:

Thomas P. Moore, President

ATTEST:

Jim Heitzman, General Manager