

Marina Coast Water District

Regular Board Meeting/Groundwater Sustainability Agency Board Meeting
July 17, 2017

Minutes

1. Call to Order:

President Gustafson called the meeting to order at 6:30 p.m. on July 17, 2017 at the Marina Council Chambers, 211 Hillcrest Avenue, Marina, California.

2. Roll Call:

Board Members Present:

Howard Gustafson – President
Thomas P. Moore – Vice President
Bill Lee
Jan Shriner – arrived at 6:41 p.m.
Herbert Cortez

Board Members Absent:

None

Staff Members Present:

Keith Van Der Maaten, General Manager
Roger Masuda, Legal Counsel
Michael Wegley, District Engineer
Kelly Cadiente, Director of Administrative Services
Brian True, Capital Projects Manager
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Phil Clark, Seaside Resident
Andrew Sterbenz, Schaaf & Wheeler
Scott Rose, Runyon, Saltzman, Einhorn Inc.
Paula Pelot, Marina Resident
Scott Negri, SKN Properties

3. Public Comment on Closed Session Items:

None.

The Board entered into closed session at 6:32 p.m. to discuss the following item:

4. Closed Session:

A. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Existing Litigation

- 1) Ag Land Trust v. Marina Coast Water District, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case Nos. H038550 and H039559
- 2) 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 & A.13-05-017 Settlement Agreement
- 3) Marina Coast Water District v. California Public Utilities Commission, California Supreme Court Case No. S230728, Writ of Review
- 4) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, San Francisco Superior Court Case No. CGC-13-528312 (Complaint for Declaratory Relief)
- 5) Marina Coast Water District vs. California-American Water Company, Monterey County Water Resources Agency, and Does 1 through 50, San Francisco Superior Court Case No. CGC-15-547125 (Complaint for Breach of Warranties, etc.)
- 6) Marina Coast Water District v, California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180839 (Petition for Writ of Mandate). Sixth District Court of Appeal Case No. H042742
- 7) Marina Coast Water District v, California State Lands Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180895 (Petition for Writ of Mandate)
- 8) Monterey County Civil Grand Jury, 2016-2017 Final Report – “Water and Wastewater Rates of the Marina Coast Water District”

- B. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Sewer Infrastructure
Negotiating Parties: Howard Gustafson, Thomas Moore
Under Negotiation: Price and Terms

- C. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Recycled Water Pipeline, Recycled Water
Agency Negotiators: Howard Gustafson, Thomas Moore
Negotiating parties: MRWPCA and MCWD
Under Negotiation: Price and Terms

The Board ended closed session at 7:03 p.m.

President Gustafson reconvened the meeting to open session at 7:04 p.m.

5. Reportable Actions Taken during Closed Session:

Mr. Roger Masuda, Legal Counsel, stated that there was reportable action taken on Item 4-A8, and the response to the Grand Jury would be brought back to the next meeting as an open session item.

6. Pledge of Allegiance:

President Gustafson led everyone present in the pledge of allegiance.

7. Oral Communications:

Ms. Paula Pelot, Marina resident, commented that FORA was holding a meeting on building removal in the Ord Community on July 19th. She added that at the August 11th FORA Board meeting, Vice President Moore would be giving a presentation and asked if there would be a question period following the presentation. Ms. Pelot encouraged the public to email their questions to FORA because FORA was required to put the emails in the packet.

8. Presentation:

- A. Receive a Presentation from Runyon, Saltzman, Einhorn Inc. on the Proposed Public Relations Outreach for FY 2017-2018:

Mr. Scott Rose, Runyon, Saltzman, Einhorn Inc. (RSE), gave a recap on projects and materials that they completed during the previous year. He shared results of the two surveys that were completed last year; the successful social media campaigns; and, the news media. Mr. Rose gave a brief preview of the workplan for the next year, including more social media and news media outreach; and, community/ratepayer outreach. The Board and public made several suggestions and asked clarifying questions.

9. Consent Calendar:

Vice President Moore requested to pull Item B from the Consent Calendar.

Vice President Moore made a motion to approve the Consent Calendar consisting of A) Receive and File the Check Register for the Month of June 2017. Director Shriner seconded the motion. The motion was passed.

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

B. Approve the Draft Minutes of the Joint Board/GSA Meeting of June 26, 2017:

Director Lee made a motion to approve the draft minutes of the joint Board/GSA meeting of June 26, 2017. Director Shriner seconded the motion. The motion was passed.

Director Shriner	-	Yes	Vice President Moore	-	Abstain
Director Lee	-	Yes	President Gustafson	-	Yes
Director Cortez	-	Yes			

10. Action Items:

A. Consider Adoption of Resolution No. 2017-43 to Approve a Variance to the Application of MCWD Water Code Section 6.08.090.C to the Restaurant Businesses within the Dunes 1A Restaurant Parcel:

Mr. Brian True, Capital Projects Manager, introduced this item explaining that Appendix C of the District Code only defines restaurants in two categories: sit down restaurant or take out/deli. He stated that with the new development there may be a need to add more categories. Mr. True added that during the Master Plan update would be a good time to look at the categories in Appendix C, at the very least, the restaurant categories. He stated that if it is determined during the Master Plan update that the category in which the Dunes 1A restaurant businesses were assessed capacity fees is indeed in excess, this variance request would be to allow the restaurant businesses to be eligible a refund of the difference of the fees paid.

Mr. Scott Negri, SKN Properties, commented that the restaurant businesses in the Dunes development are neither sit down or take out/deli type restaurants. He stated that the business owners are willing to pay their fair share, but would like the District to look into the Capacity Fee charges and determine that they are fair for both sides.

The Board asked clarifying questions and discussed waiting to see what the financial impact would be before moving ahead with the variance. They determined that when and if there is to be a refund of capacity fees, a method of repayment would need to be discussed.

Agenda Item 10-A (continued):

Director Shriner made a motion to continue this item until after the Master Plan is completed later this year. Director Cortez seconded the motion. The motion was passed.

Director Shriner	-	Yes	Vice President Moore	-	Yes
Director Lee	-	Yes	President Gustafson	-	No
Director Cortez	-	Yes			

- B. Consider Adoption of Resolution No. 2017-44 to Award a Construction Contract for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir:

Mr. Michael Wegley, District Engineer, introduced this item. He discussed the pipeline alignment and the portions of the pipeline that have already been installed. Mr. Wegley stated that the District received four bids for the project and all were under the engineer's estimate with Mountain Cascade being the lowest bidder. The Board asked clarifying questions.

Vice President Moore made a motion to adopt Resolution No. 2017-44 to award a construction contract to Mountain Cascade for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir contingent upon award of the State Revolving Fund loan. Director Shriner seconded the motion. The motion was passed.

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

- C. Consider Adoption of Resolution No. 2017-45 to Approve a Recycled Water Permit and Easement between Marina Coast Water District and California State University at Monterey Bay:

Mr. Wegley introduced this item. The Board asked clarifying questions.

Director Lee made a motion to adopt Resolution No. 2017-45 to approve a Recycled Water Permit and Easement between Marina Coast Water District and California State University at Monterey Bay. Director Cortez seconded the motion. The motion was passed.

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

D. Consider Adoption of Resolution No. 2017-46 to Approve Documents and Actions Relating to the Interim Financing of the Regional Urban Water Augmentation Project Recycled Water Pipeline:

Ms. Kelly Cadiante, Director of Administrative Services, introduced this item. The Board asked clarifying questions.

Vice President Moore made a motion to adopt Resolution No. 2017-46 to approve documents and actions relating to the interim financing of the Regional Urban Water Augmentation Project Recycled Water Pipeline. Director Lee seconded the motion. The motion was passed.

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

E. Consider Adoption of Resolution No. 2017-47 to Approve Prepayment of Marina Coast Water District's CalPERS Annual Employer Unfunded Accrued Liability Contribution for FY 2017-2018 in the Amount of \$99,105:

Ms. Cadiante introduced this item explaining that instead of paying this fee on a monthly basis as the District usually does, CalPERS is offering the ability to prepay the lump sum at a savings of 4%.

Vice President Moore made a motion to adopt Resolution No. 2017-47 to approve prepayment of Marina Coast Water District's CalPERS Annual Employer Unfunded Accrued Liability Contribution for FY 2017-2018 in the Amount of \$99,105. Director Lee seconded the motion. The motion was passed.

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

F. Consider Adoption of Resolution No. 2017-48 to Certify Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges:

Mr. Keith Van Der Maaten, General Manager, introduced this item noting that Bay View Mobile Home Park is delinquent on paying their water bill and owes the District \$464, 824. He noted that while the District has previously placed liens on the property, now the District will place the delinquent water bills on the tax roles for collection. Mr. Van Der Maaten stated that in order to proceed with the tax roles, the District must certify the amount to be collected is correct; approve an agreement with Monterey County for collection and compensation of the collected amounts; and, submit a legal opinion that the District complied with the requirements of the Proposition 218 rate increase.

Agenda Item 10-F (continued):

Director Lee made a motion to adopt Resolution No. 2017-48 to approve a Recycled Water Permit and Easement between Marina Coast Water District and California State University at Monterey Bay. Director Cortez seconded the motion. The motion was passed.

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

G. Consider Adoption of Resolution No. 2017-49 to Support the Nomination of a Board Member as a Candidate for President or Vice President of the Association of California Water Agencies:

No action was taken on this item.

H. Consider Amending the Appointment of Negotiators to the Groundwater Sustainability Agency Coordination Discussions:

President Gustafson stated that he asked for this to be re-discussed because he would like to serve as a negotiator for the Groundwater Sustainability Agency coordination discussions.

Director Lee made a motion to appoint President Gustafson and Director Shriner as primary negotiators with Vice President Moore as the alternate. Vice President Moore seconded the motion. The motion was passed.

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

11. Informational Items:

A. General Manager's Report:

No report.

B. Counsel's Report:

No report.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Shriner gave a brief update.

2. Joint City District Committee:

Director Lee gave a brief update.

3. Executive Committee:

The next meeting is scheduled for July 24th.

4. Community Outreach Committee:

The next meeting is scheduled for July 24th.

5. Budget and Personnel Committee:

The next meeting is scheduled for July 24th.

6. MRWPCA Board Member:

Vice President Moore gave a brief update.

7. LAFCO Liaison:

No report.

8. FORA:

Director Moore gave a brief update.

9. WWOC:

Mr. Van Der Maaten stated the next meeting is August 16th.

10. JPIA Liaison:

No report.

11. Special Districts Association Liaison:

President Gustafson noted the next meeting is July 18th.

12. Board Member Requests for Future Agenda Items:

President Gustafson noted that any requests could be emailed to staff.

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13. Director's Comments:

Director Shriner, Director Cortez, Vice President Moore, and President Gustafson made comments.

14. Adjournment:

The meeting was adjourned at 9:04 p.m.

APPROVED:



Howard Gustafson, President

ATTEST:



Paula Riso, Deputy Secretary