



**Marina Coast Water District**  
Regular Board Meeting/Groundwater Sustainability Agency Board Meeting  
August 20, 2018

Minutes

1. Call to Order:

President Moore called the meeting to order at 6:30 p.m. on August 20, 2018 at the Marina Council Chambers, 211 Hillcrest Avenue, Marina, California.

2. Roll Call:

Board Members Present:

Thomas P. Moore – President  
Jan Shriner – Vice President – arrived at 6:36 p.m.  
Bill Lee  
Howard Gustafson  
Herbert Cortez

Board Members Absent:

None.

Staff Members Present:

Keith Van Der Maaten, General Manager  
Roger Masuda, Legal Counsel  
Michael Wegley, District Engineer  
Rose Gill, Human Resources/Risk Administrator  
Kelly Cadiente, Director of Administrative Services  
Derek Cray, Operations and Maintenance Manager  
Patrick Breen, Water Resources Manager  
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Andrew Sterbenz, Schaaf & Wheeler  
Kevin Tuttle, Akel Engineering Group  
Tony Akel, Akel Engineering Group  
Philip Clark, Seaside Resident/WCC Chair  
Craig Bronzan, East Garrison Resident

Brad Imamura, Marina Resident  
Evy Smith, Marina Resident  
Joel Johnson, Marina Resident  
Jackie Perry, Marina Resident  
Matt Zefferman, Marina Resident

3. Public Comment on Closed Session Items:

There were no public comments.

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

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); First Appellate District Court of Appeals Case No. A145604, A146166, A146405
- 5) Marina Coast Water District vs. California-American Water Company, Monterey County Water Resources Agency; and, California-American Water Company, Monterey County Water Resources Agency vs Marina Coast Water District, San Francisco Superior Court Case Nos. CGC-15-547125, CGC-15-546632 (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. 15CV00267
- 7) Bay View Community DE, LLC; Bryan Taylor; Greg Carter; and Brooke Bilyeu vs Marina Coast Water District; Board of Directors of Marina Coast Water District; County of Monterey and Does 1-25, inclusive, Monterey County Superior Court Case No. 18CV000765 (Petition for Writ of Mandate or Administrative Mandate, and Complaint for Declaratory and Injunctive Relief and Breach of Contract)

- 8) LandWatch Monterey County v Marina Coast Water District and Does 1 through 25, inclusive, Monterey County Superior Court Case No. 18CV000877 (Petition for Writ of Mandate)
- 9) Keep Fort Ord Wild v Marina Coast Water District, Marina Coast Water District Board of Directors, and Does 1 through 25, Monterey County Superior Court Case No. 18CV000883 (Petition for Writ of Mandate)
- 10) Marina Coast Water District, and Does 1-100 v, County of Monterey, County of Monterey Health Department Environmental Health Bureau, and Does 101-110, Monterey County Superior Court Case No. 18CV000816 (Petition for Writ of Mandate and Complaint for Injunctive Relief)

- B. Pursuant to Government Code 54956.8  
Conference with Real Property Negotiator  
Property: Sewer Infrastructure  
Negotiating parties: Thomas Moore and Jan Shriner  
Under Negotiation: Price and Terms

Vice President Shriner joined the Closed Session discussion at 6:36 p.m. The Board ended closed session at 6:58 p.m.

President Moore reconvened the meeting to open session at 7:00 p.m.

5. Reportable Actions Taken during Closed Session:

Mr. Roger Masuda, Legal Counsel, stated that there were no reportable actions taken during Closed Session.

6. Pledge of Allegiance:

Director Lee led everyone present in the pledge of allegiance.

President Moore stated that because there was public present to speak on Item 11-A, he would like to move it up on the agenda to follow Item 8-A.

7. Oral Communications:

Mr. Craig Bronzan, East Garrison Resident, voiced his frustration with the irrigation set-up within the East Garrison development and pointed out what he felt were inadequacies with the irrigation system. Mr. Bronzan said that because it isn't a "smart" irrigation meter, shutting off the entire system if there was an emergency, would be problematic; and, it would be difficult to know when there is a problem within the system, because you have to manually look at it. He urged the District to step up and help resolve this issue.

8. Presentation:

- A. Receive an Update and Presentation from Akel Engineers on the Water and Sewer Master Plans:

Mr. Michael Wegley, District Engineer, introduced Mr. Tony Akel and Mr. Kevin Tuttle of Akel Engineering Group.

Mr. Akel gave a brief introduction on what has taken place so far on the Master Plan updates. Mr. Tuttle gave more detail on the progress of the Master Plans. He spoke of the methodology used; existing land use; existing water, sewer and recycled water systems; future water, sewer and recycled water systems; and CIP that will be needed to achieve the goals. Mr. Tuttle stated that once they finalized the CIP, Bartle Wells will come to a future meeting to discuss funding and capacity fees.

Vice President Shriner asked if this work would become part of the Groundwater Sustainability Agency system.

Mr. Keith Van Der Maaten, General Manager, stated that this would feed into groundwater planning and the 3-Party MOU with FORA and Monterey One Water in studying the various options and by the end of the year have a recommended path forward on what supply projects we need to move forward on. He added that when the two studies are married together, the District will have a comprehensive long-term “all projects” including future supply.

11. Staff Report:

- A. Receive a Report on the Hot Water Recirculation Piping Issue within the Shea Homes in the Dunes Development:

**Verbatim transcript of Agenda Item 11-A:**

President Moore – We will move onto 11-A and I believe Mr. Van Der Maaten has a report.

Mr. Van Der Maaten – Thank you, President Moore. This item has actually been in the news. I’m sure there has probably been some of this that you have already read, or are familiar with, but just to give a quick little background. So, there has been an issue with hot water recirculation piping within certain homes in the Shea Development. And, through requests by certain citizens, and through discussion at the Executive Committee, we wanted to bring this item to the Board so that those residents have a chance to come to the Board and talk about this issue, so that’s really why it’s there tonight. As you know, the background is that the recirculating units were put in the homes, the piping within the walls were not put in there, and so as a result of that, there’s been certain activities and actions. As a result, I think the first was us working with the City, namely to look at how to make sure that, that didn’t happen once the problem was found and we’ve been working such, that no other homes after that fact, have had that issue.

Agenda Item 11-A (continued):

Mr. Van Der Maaten – But, now we're looking at these homes that were done, and so Shea has been working on a solution to fix the problem that they created and we've been working with them to help find that solution. I've been told that they've even started to put the thermal coupling device, which is the retrofit device, in some of their model homes to test it out, and so we're continuing to work with them to help them solve the problem. But, tonight is really about just allowing the community to come forward and talk about this, and we're going to continue to work to try to help Shea to retrofit the issue.

Director Gustafson – There were no inspection services by the City?

President Moore – So, go ahead, Director Gustafson.

Director Gustafson – There were no inspection services from the City? I'm sorry...no inspection services from the City building department?

Mr. Van Der Maaten – There were...there were, um...

Director Gustafson – Why'd they miss it?

Mr. Van Der Maaten – I think that's part of why we needed to meet with them. Because as you know, as you've seen, we serve the public water system, and so, when you get into the private side and the on-site side, we set policies, but we don't have the authority for enforcement of standards on site...but we do have to make sure that the land use jurisdictions are aware of that, and through that process, and, it's not real clear whether or not they looked at the piping or not. But, certainly we wouldn't have looked at it because we don't, we didn't look at homes until we set the meter which is after the homes are done.

Director Gustafson – Excuse me...before the building is accepted, it's inspected fully by the City, and that's the reason why they're not individually...they're not accepted all at once. They're individually inspected and the construction management team is supposed to call in all the inspections at the various times. The City's supposed to record them all and keep them active for the public to review. That's the way the City of Salinas runs it. I know...I did the Montebello subdivision, all five phases. I mean, we inspect every home, even the grading. I inspect the grading to make sure the water flows right on the property. I mean, in the landscaping. And, I did all of the controllers and all of that, for all of Montebello Park, and all of that. I should have looked at all of that, but it was my job...you know...should've looked at that stuff.

- President Moore – So, correct me if I'm wrong, but my understanding is the building inspectors for a residential subdivision like this will go out, for instance, when they've been informed that the foundation has been in place. And they check the foundation...
- Director Gustafson – Well, they first check the forms. You have to do a form check...
- President Moore – Meaning the forms for the concrete pour?
- Director Gustafson – You have to do the underground check for all the pipes, you have to do the concrete...everything...then you have to certify it off.
- President Moore – Then, after it is framed, they come out and check the framing...
- Director Gustafson – They do that...
- President Moore – And, when the plumber and the electrician have put the piping into the framing, but before it's all sheetrocked, are they supposed to come out and inspect?
- Director Gustafson – They inspect it.
- President Moore – And, so that would have been the time when the City building inspectors...
- Director Gustafson – Failed...
- President Moore – ...should have noted whether the recirculating...
- Director Gustafson – Correct.
- President Moore – ...pipes were in place or not?
- Mr. Van Der Maaten – Which is why we did meet with them after the fact. I, I think, up until that time, I think Marina Coast was probably doing more to ensure things were happening than...really...you typically see from a public water provider. You usually don't get into the on-site inspection work. And I think that we recognize, that perhaps, maybe that, that was being relied on...perhaps. In this case...
- Director Gustafson – What's amazing to me, Keith, is that it was...it's prevailing wages, it's a union, and maybe the contractor is hiring non-union and they've got some deals going...I don't know what's going on now. If this is the case and the City didn't catch it...it's impossible to miss. I see these plumbing by the hundreds, I've seen them in the Montebello subdivision.

Agenda Item 11-A (continued):

- President Moore – Well, but once it's sheetrocked, we wouldn't be able to see it.
- Director Gustafson – Well, not us...it's not up to us. It's up to the building department to inspect it and certify it before the sheetrock goes on.
- President Moore – Alright.
- Director Gustafson – Oh, man...
- President Moore – Okay, any other comments?
- Mr. Van Der Maaten – I guess getting past, you know, who was at fault, looking forward though, there are retrofit devices. We are looking at that, in fact, in most cases, because people are retrofitting their homes with traditional hot water heaters for these types of units, a majority of these do use this device. So, it's not something that is just a, you know, make-believe fix, if you will. It's something that actually comes, usually with the units, in fact. And so, we've looked at it. We believe that, through our analysis research, that this is a good way to go to meet the Code. And, thus far, Shea has come forward to us and said that they are willing to do this. And, so we want to help support them to fix and make sure that we are back to what we wanted, which was to save water and to implement these measures so that our water conservation is in place. So, that's where we are today and so we're waiting to hear from Shea at this point as to when they are going to be doing this. We asked them if they could come tonight. They were not available, but nevertheless, we will continue to work with them.
- President Moore – Other questions from Directors? So, I do have a little bit of personal experience with this whole issue, because about three years ago we sprung a leak and it turns out the leak was in the piping in the slab from our...now...twenty year old house. So, um, our choices were to pull up all the flooring downstairs and jackhammer through the slab, and putting in piping and so forth, or what we chose to do was to go in-between floors. Which meant cutting open the ceiling in multiple locations to run all this pipe, and while we are doing all of this to get around the leaking piece and take it out of service, we thought we would put in a recirculating pipe. So, in theory, it is possible for these homes to all be...get the residents to move out for a week or so, and cut holes in the ceiling and in the walls and floor, and run pipe. Or, have Shea install these thermal couple recirculating devices, which granted, aren't quite as high speed, quite as nice as having your own recirculating line, but would get the job done. Alright, let's go to the public. I think the public would like to comment on this.

Agenda Item 11-A (continued):

Ms. Evy Smith – By the way, we went to the City of Marina and they blamed you guys on the...couldn't get it done.

Director Gustafson – Wow...that's impossible.

Ms. Smith – Yeah, that's what I thought, but anyway...

Director Gustafson – We don't inspect it. Wow.

Ms. Smith – Well, let's uh...

Mr. Joel Johnson – They said it's your code and they don't enforce your code...

President Moore – So, I see you've come up as a group, do you want four minutes for the group or would you like four minutes each, or you're just support?

Mr. Johnson – No, she's our spokesperson. We are giving her our four minutes.

Ms. Smith – So, it may be a little...I think I timed out at five minutes, so if that's okay for the four of us, then...

President Moore – Okay, for the four of you standing there, five minutes is fine. Please...

Ms. Smith – Okay, so my name is Evy Smith, I'm at 237 9<sup>th</sup> Street and I'm with Joel Johnson, Brad Imamura, and Jackie Perry. We are all from the Dunes, and we're all homeowners.

We are here tonight to again address the failure of Shea Homes to install a complete hot water recirculation system in half, roughly 130 homes of the currently 253 closed homes, that have been completed so far in the Dunes.

As per the staff report, this is an Ordinance violation of Ordinance #20, which is a violation...and also a violation of the District Code section 3.36.030. Our homes are not in compliance with the ordinance and code.

A couple of issues with the staff report:

1. If in fact your inspections were timely prior to setting the first 130 water meters, the District would have found the problem with the first homes completed in 2015. Even with the closed walls, the water pump buttons installed to heat the water would have been visible. So, we would have liked that to be part of the original inspections.



Agenda Item 11-A (continued):

Ms. Smith –

The report states that the developer installed the correct water heater unit. Is this the Rinnai that was approved in the plans and in the models or is it the Navien that they installed in all the other units?

2. City inspectors do a rough inspection when the walls are still open. And I believe the City inspectors do inspect for plumbing. So, how could they have missed the lack of a piping system immediately during the rough?

3. We'd like to understand the timeline of the problem. The District received complaints early on, I believe it was in 2015. In fact, that was why the District determined that there was a problem, is my understanding.

And when did you meet with the City and with Shea to discuss the problem? Was this fall of 2016? When was the settlement agreed upon with Shea? And what was the settlement that you agreed upon with Shea?

And from 2015, through September 2016, when you settled with Shea, nothing was said to the affected homeowners when they complained, or to those who did not realize that they were wasting water, until we raised the issue at your Board meeting here in May of 2018.

There was no proactive notification to homeowners or any proposed solution to stop wasting water, and that's unacceptable.

4. Also, why didn't the District and the City assess on-going fines to Shea, as this problem has been going on for 3 years? Was this part of the settlement? And if so, why reward the developer and not warn the homeowners?

5. When will we receive the proposed solutions from Shea, the District, and the City?

So, here's what we would like as a homeowner group...

1. We want the solutions certified by the District, Shea, and the City, customized to our choice for each of the 130 affected homeowners. These changes to our hot water systems could be pumps, it could be a new tankless, it could be the pipe system, but they must ensure compliance with codes and the ordinances.

Agenda Item 11-A (continued):

Ms. Smith – Solutions need to include analysis of the functionality and the data sources comparable to the system with a piping loop. Can you provide data to show, and I believe this is in the letter we got from the water district, a similar level of water savings of the system without the piping loop? We want parity with the community. In other words, our homeowner value has been affected by the fact that we do not have a complete water system.

Can you analyze how much water has been wasted by each homeowner? Estimates I've read has been twenty to thirty percent when you don't have the complete system.

Please be aware, that some homeowners may request a retrofit and adding the piping loop system. And as a homeowner, I have a leak in my ceiling from Shea, because I have a lemon house. Trust me, I would rather do that and get it done and get it done right.

2. We want individualized certified waivers that show that each home is not in violation of Ordinance 20, Code 3.36.030, and these individual compliance waivers should note that homeowners will not be fined in any way for the time that their homes were not in compliance. Basically, we want individual waivers from the water district that remove the code compliance requirement for our homes.

4. We want fines assessed on Shea. We want to use the funds collected to improve your inspection personnel training, communications with customers, transparency with the public, and taking accountability for wasting water, and we can also use some of that reimburse the water we've been paying for.

Our water is too precious of a scarce resource to be wasted in any manner. The waste of our water for three years is a gross failure on the part of the District.

Thank you for your time. Do you have any questions?

President Moore – Thank you very much.

Mr. Johnson – Thank you.

Director Gustafson – I probably would like to ask one...if I could. Just about how much water did you estimate you used?

Agenda Item 11-A (continued):

Ms. Smith – Um, one of the studies I read online was twenty to thirty percent of water is wasted when you don't have a hot water recirc system.

Director Gustafson – Yeah, that's what I was thinking...twenty to thirty percent...

Ms. Smith – So, we've been wasting that...my home two years...his home three years.

Director Gustafson – It's on longer and it's not...

Ms. Smith – Well, you have to stand there and wait for the water to heat up.

Director Gustafson – Of course, of course...

Ms. Smith – There's no ability to just go...and if you're early in the morning and want to take that shower...it's three minutes. Now, Shea has lied to us throughout the whole process. As I said last time I was here, they blamed you. They blamed you three different times. I was one of the last homes and so they couldn't get a water heater and they said that was your fault. They, um...when I moved in, on my move in date, I was told that I would have to wait for hot water, which I thought was absolutely asinine, but they told me that that was your fault. And again when I had called in April to Customer Care, that's when they told me that you would not allow them to have a recirc system.

Director Gustafson – We can't inspect past the right-of-way...I believe...isn't that right?

Ms. Smith – It would be nice to just have an indicator of something as gross as not having the piping system, so that you guys do that part as well. I mean, obviously, it's much more grievous on the City of Marina's fault, but the biggest problem, of course, is that Shea thought they would get away with this. And, I want to know how they got away with it, and I want to know what settlement you made with them. So that they...a...and then not telling anybody for two years...so allowing them to lie. They actually told me, on my, on my, turned it into my Customer Service Rep that we had this problem, and why was it taking so long, and they wrote back and said, on the report, that this was normal...waiting three to four minutes for hot water.

Director Gustafson – No, not with this...

Ms. Smith – So, we are pissed. I guess you can take that...

Agenda Item 11-A (continued):

President Moore – I think we...I think you have made that point quite clear, thank you very much.

Director Gustafson – Very good.

Ms. Smith – Each house may want a different solution. Somebody may want the retrofit, somebody else may want them to rip it out and put it in. So, we would like to see different kinds of solutions, we would like to see data that goes with it and we want to see what we can do to move forward and not waste our water.

President Moore – Thank you very much.

Mr. Johnson – And, I...just real quick, you know, just the fact that we were not supplied with what was supposed to be in the homes, really does devalue the homes. I mean, it sounds incredible when you see the prices go up, but realistically, the houses are worth, they are worth less. So we did, we did incur a substantial loss in value.

President Moore – I understand.

Ms. Smith – We also have landscape problems...[laughter]

Mr. Johnson – That's a different issue...

President Moore – Alright, thank you. We bring it back to the Board. Um, Mr. Van Der Maaten, any answers to any of the multiple questions we may have to ask our able Administrative Assistant to parse them out of the tape so that we can try to come up...that will take a little while for some of those questions I'm sure.

Mr. Van Der Maaten – Yeah, it's a complex issue for sure. And, as a water district we have limited authority when it comes into the private world, and I think that's what we are seeing here...is...and...thankfully the problem stopped at that and didn't go further and there's not continuing use of that. But, moving forward, you know, we're going to have to answer these questions and figure out the best pathway forward, and so there's gonna be some discussions about what can be done. Um, we definitely believe this is Shea's problem and they knew they needed to do it, and because they didn't, and because it wasn't caught, doesn't necessarily excuse them from the matter.

Agenda Item 11-A (continued):

Mr. Van Der Maaten – But we...we're trying to figure out the best way to get a solution and not spend time trying to point fingers if there's just a way to get it fixed. But it sounds like there may be more than one option that the residents demand and I think they may have other issues with the developer directly as far as what was promised and the value of the homes and what they were sold. Which, I don't know about that, because that wouldn't have been something between us, but certainly an issue that they would have with the developer. But, right now, our goal is to try to figure out how to remedy the situation and Shea seems to be willing, at this point, to do that. And, so I think continuing to get the feedback from what the residents, the customers, those that bought the homes, what they would like to see done, and hopefully Shea is as responsive to that as they can be, and certainly we would be there to support...um...supporting those solutions if they would move forward and do that. So...

President Moore – Other questions or comments from Board members? Director Cortez?

Director Cortez – Yeah, I have a question. Have we ever, Roger, fined a developer in the past for violating a certain Code or our Ordinance?

Mr. Roger Masuda – Oh...I...you know, I haven't been here that long, so I don't, I don't recall...

Mr. Van Der Maaten – We talked to Dave Hobbs about the ability to enforce, from our standpoint, and it's not...we don't really have the authority at this point...um...to do that. We simply just cannot. We don't have, like the City has the on-site deputized, if you will, building inspector. If it was a public water system and they were building one of our pipelines, and it's in the public right-of-way, then yes, we would hold them to that contract, we could withhold funds. Um, but in this particular case, especially homes that were already long sold, there isn't really a recourse. We would have had the opportunity to maybe do something if it was still within their possession to say you have to do this or, you know, it won't get signed off. But again, who signs off the houses...not us, it's the City, so we have to make sure that we get into that process to say, you know, you can't sign off that house. So, I think what we are seeing with the earlier comment tonight and this one, is that when it comes to on-site work, development work, and which goes beyond our authority in many cases, where we are just setting policies, in some cases, maybe we need to improve our designs, and I get that, too, we are needing to work more with the land use jurisdictions to tighten that up...absolutely. And, I think we've done that already and I think this is a...yet...another example of, you know, it's so important because things happened that you never would expect to happen.

Agenda Item 11-A (continued):

Mr. Van Der Maaten – The developer not putting the piping in when they had the correct unit is...I mean, I don't know why anybody would even believe that would be something they would try to do, but...here we are. And so, I think we're seeing that we need to be more vigilant to work with the land use jurisdictions to catch those sorts of things.

President Moore – Director Gustafson?

Director Gustafson – It was a good idea that...a...we need to coordinate our inspection services. We're the experts in it. We're not allowed to go off the right-of-way, but if we have pre-meetings with them going forward, on the installations and the retrofits, we need to make sure they're installed right and maybe have a meeting with our...our construction staff, with our construction inspector. To meet with them to make sure that it's according to Code and make sure that the City...that we're sure he understands...their inspector...what needs to be done. We need to be confident that they're able to do it...I mean, if we can't go on the property.

President Moore – Right. Other comments?

Director Cortez – Yeah, I have other comments. Um, another comment that kinda brought me into the conversation was transparency. So, moving forward, um, we know Shea development is kind of like...you know...taking longer than necessary. How do we become transparent to the public as far as any negotiations, or settlements, or anything if you want to say that word, about what we do moving forward. Because I think these homeowners definitely should...um...be aware of what our area is in this whole process. Because I...the...what I hear about this, right away...even when I read it at the Weekly, you know, it's kinda hard to decipher who to blame and whose fault is it...right? But the real fault...right...is everyone...right? So moving forward, what they're asking for is basically how can we, on our end, be more transparent to them...right? They're going to developer in their own way. Um...we can force certain things in our Ordinance at the moment, but there's going to be a negotiation between Shea Homes and us. How can we be transparent to them in that communication? If that's possible...

Mr. Van Der Maaten – The only thing I can suggest, is...this is the transparent process...is bringing it back to the next meeting until it's resolved and continue to report on it, and allow the public to continue to come until it's done.

Director Gustafson – You bet...

Agenda Item 11-A (continued):

President Moore – Um, I do have a couple of comments. First of all, I am terribly disappointed that somebody at Shea Homes made this decision to not comply for a hundred and some odd homes. I'm also sad to report that...that does not at all surprise me, with respect to the ethics of some businessmen who seem to get into the development business. I do not understand why I keep seeing example-after-example of developers who just outright lie and cheat over ten cents or twenty cents on the dollar. I do not understand that and I wish...I wish there was some ethics training in their business school. Um...that being said, I would like to have us provide Shea Homes with a verbatim transcript of all the remarks and questions we heard tonight. And, I think we need to strongly demand of Shea Homes to know when they are going to have a solution in place for these folks. Alright...uh...the rest of some of the issues they raised, the water they wasted...oh, I guess, technically, with the permission of homeowners, someone could go in and actually go to the faucet you use in the morning and put a bucket under there and measure exactly how much water and then estimate how many times you use that faucet in the morning, or how many mornings there were, cause I don't know whether it's twenty percent or five percent or three percent. Part of it depends probably on the model of the home you built and the distance between your water heater and that particular fixture and so forth. I think there's a lot of these questions that do need to get answered...um...and it's important for them to get answered. And, the main responsibility, I would say, lies with Shea Homes because they're the ones who did not do what they were supposed to do in the first place. We can do what we can, after the fact, to help craft a solution, and try and get the public at least somewhat satisfied with ultimately a fix.

Ms. Smith – I have a question.

President Moore – Um...can we...uh...

Director Gustafson – Bill has a question.

President Moore – Oh, I'm sorry, let me go to Director Lee.

Director Lee – Yeah, I was just going to say that...uh...we've never mentioned the plumbing sub-contractor, and...uh...that's his bailiwick. And we're...we've talked all around the subject, but the actual guy that went out there and soldered the pipe together, and like the lady mentioned the button that sticks out of the wall, so because the pipe is T'd and then it runs through the little pump and goes into that other pipe. And, so, you know, somebody got in a hurry and didn't do it.

Agenda Item 11-A (continued):

Director Gustafson – Didn't inspect it.

Director Lee – Well, that's the other thing. I mean, they didn't do it in the first place, and then they overlooked it, what...five hundred times or something?

Director Gustafson – That's impossible.

Director Lee – It's a bit much, but...uh...

President Moore – You're certainly welcome to work with our staff going forward. Okay.

Director Gustafson – Yeah, definitely.

Mr. Van Der Maaten – Was there a Board...I know you made a motion, I don't know if it was...

Ms. Paula Riso – This is a staff report. It was just to give direction or a request...

President Moore – Receive the report. It was a request to have the verbatim information provided to Shea...specifically.

Alright, thank you very much. Thank you ladies and gentlemen for your comments.

Director Gustafson – Really, thank you.

Mr. Brad Imamura – Thanks for listening.

President Moore – Keep our feet to the fire.

**End of verbatim transcript of Agenda Item 11-A.**

9. Consent Calendar:

Director Gustafson made a motion to approve the Consent Calendar consisting of: A) Receive and File the Check Register for the Month of July 2018; and, B) Approve the Draft Minutes of the Joint Board/GSA Meeting of July 18, 2018. Director Lee seconded the motion.

The motion was passed by the following vote:

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



10. Action Items:

A. Consider Adopting Resolution No. 2018-46 to Approve the Restructuring the Water Conservation Commission:

Mr. Patrick Breen, Water Resources Manager, introduced this item explaining that this restructure will formalize the proceedings, clarify the roles and responsibilities, and realign their connection to the Board.

Director Shriner suggested adding a mailing/return address on the application form, and contact information including phone number and email address for anyone wanting answers to questions regarding the application.

Mr. Phil Clark, Seaside Resident/WCC Chair, stated that the current Commission completed work on an Ordinance regarding Code Section 3.36 and it has yet to come before the Board. He added that the Commission also has an event calendar with scheduled events that they are working through. Mr. Clark asked for clarification on what "evaluation metrics" means, and noted that staff is in charge of the water loss programs and it hasn't come before the Commission.

President Moore clarified that the Commission is still able to volunteer at public events and that "evaluation metrics" means some measures of the performance of the conservation activities. He further explained that it means is the District actually saving any water and what are the activities costing the District in staff time and dollars spent.

Director Gustafson made a motion to adopting Resolution No. 2018-46 approving the restructure of the Water Conservation Commission. Director Lee seconded the motion. The motion was passed.

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

B. Consider Adoption of Resolution No. 2018-47 to Amend the FY 2018-2019 Capital Improvement Budget; Consider Adoption of Resolution No. 2018-48 to Award a Construction Contract to Olympus and Associates, Inc.;; and, Consider Adoption of Resolution No. 2018-49 to Approve a Professional Services Agreement with Bay Area Coating Consultant Services, Inc. for the Reservoir #2 Tank Coating Project:

Mr. Wegley introduced this item noting that when the Operations and Maintenance staff was working on Tank 2's piping and had to drain the tank, it was decided that it was a good time to recoat the tank interior. Mr. Wegley stated that to do this, funds were moved from the Well 12 Pump Replacement, and A1 & A2 Tanks budget to cover the tank coating project. President Moore asked clarifying questions.

Director Gustafson made a motion to adopt Resolution No. 2018-47 amending the FY 2018-2019 Capital Improvement Budget; adopt Resolution No. 2018-48 awarding a Construction Contract to Olympus and Associates, Inc.; and, adopt Resolution No. 2018-49 approving a Professional Services Agreement with Bay Area Coating Consultant Services, Inc. for the Reservoir #2 Tank Coating Project. Director Lee seconded the motion. The motion was passed.

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

C. Consider Adoption of Resolution No. 2018-50 to Approve a Social Media Policy:

Ms. Rose Gill, Human Resources/Risk Administrator, introduced this item and noted that a revised copy was on the dais with edits from Legal Counsel. Director Cortez asked for clarification on Section 3 of the Social Media Policy. Discussion followed. A suggested change to Section 3 is to change the word “private” to “personal” in the second sentence; and, correct the spelling to “utmost” in the last sentence.

Director Cortez made a motion to adopt Resolution No. 2018-50 approving a Social Media Policy. Vice President Shriner seconded the motion. The motion was passed.

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

D. Discuss and Consider Directing Staff to Look into Stipends Provided by Other Agencies:

Mr. Van Der Maaten introduced this item explaining that, due to the fact of the Director’s being asked to do more than they have in the past, he was asked to add this item to the agenda for the Board to discuss compensation and provide direction to staff. The Board requested staff to look at what other local agencies provide their Directors and bring back an analysis for discussion.

12. Informational Items:

A. General Manager’s Report:

Mr. Van Der Maaten commented that staff completed the metering project at the Monterey Bay Military Housing (MBMH) by installing 895 meters and saving over \$200,000 in the process. He congratulated the Operations and Maintenance staff on a job well done. Ms. Cadiente added that Customer Service did an outstanding job of adding 895 accounts to the Districts database for the new metered accounts in MBMH.

B. Counsel’s Report:

No report was given.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Shriner stated that no meeting was held.

2. Joint City District Committee:

President Moore stated the next meeting is scheduled for August 29th.

3. Executive Committee:

President Moore stated they met on August 14th and the next meeting is scheduled for September 11th.

4. Community Outreach Committee:

Director Gustafson stated that no meeting was held.

5. Budget and Personnel Committee:

Director Gustafson stated that no meeting was held.

6. M1W Board Member:

President Moore gave a brief update.

7. LAFCO Liaison:

Director Cortez noted the next meeting is scheduled for August 27th.

8. FORA:

President Moore said the meeting was rescheduled for September 28th. Vice President Shriner gave a brief update of the August 10th meeting.

9. WWOC:

Mr. Van Der Maaten gave a brief update.

10. JPIA Liaison:

No report was given.

11. Special Districts Association Liaison:

President Moore said he was hoping to have Mr. Claudio Valenzuela, Monterey County Registrar of Voters, to speak at the next meeting.

12. SVGSA Liaison:

Mr. Van Der Maaten gave a brief update.

13. Correspondence:

No comments.

14. Board Member Requests for Future Agenda Items:

President Moore noted that any requests could be emailed to staff. President Moore said he would like to see a staff report on East Garrison landscaping at the next meeting. Director Cortez asked to see the Shea Homes Hot Water Recirculating issue at the next meeting.

15. Director's Comments:

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

16. Adjournment:

The meeting was adjourned at 8:54 p.m.

APPROVED:



Thomas P. Moore, President

ATTEST:



Paula Riso, Deputy Secretary