



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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DIRECTORS

HOWARD GUSTAFSON
President

PETER LE
Vice President

THOMAS P. MOORE
WILLIAM Y. LEE
JAN SHRINER

Agenda

Regular Board Meeting, Board of Directors Marina Coast Water District

Marina Council Chambers
211 Hillcrest Avenue, Marina, California
Monday, May 18, 2015, 6:30 p.m. PST

This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the first and third Monday of each month. The meetings normally begin at 6:30 p.m. and are held at the City of Marina Council Chambers at 211 Hillcrest Avenue, Marina, California.

***Our Mission:** We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

1. Call to Order

2. Roll Call

3. Public Comment on Closed Session Items *Anyone wishing to address the Board on matters appearing on Closed Session may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

4. Closed Session

- A. Pursuant to Government Code 54957
Public Employee Appointment
Title: General Manager

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

This agenda is subject to revision and may be amended prior to the scheduled meeting. Pursuant to Government Code section 54954.2(a)(1), the agenda for each meeting of the Board shall be posted at the City of Marina Council Chambers. The agenda shall also be posted at the following locations but those locations are not official agenda posting locations for purposes of section 54954.2(a)(1): District offices at 11 Reservation Road, Seaside City Hall, the City of Marina Library, and the City of Seaside Library. A complete Board packet containing all enclosures and staff materials will be available for public review on Wednesday, May 13, 2015. Copies will also be available at the Board meeting. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5910.

- 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) 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)
 - 4) Marina Coast Water District v. California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CGC-13-528312 (Petition for Writ of Mandate).
 - 5) Marina Coast Water District v. California State Lands Commission (California-American Water Company, Real Party in Interest), case number pending (Petition for Writ of Mandate)
- C. Pursuant to Government Code 54957.6
Conference with Labor Negotiators
Agency Negotiators (Bill Kocher, Peter Le)
Employee Organization: Marina Coast Water District Employees Association
- D. Pursuant to Government Code 54957.6
Conference with Labor Negotiators
Agency Negotiators (Bill Kocher, Peter Le)
Employee Organization: Teamsters Local 890
- E. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Recycled Water Pipeline, Recycled Water
Agency Negotiators: Peter Le and Howard Gustafson
Negotiating parties: MRWPCA, MCWRA, MPWMD, City of Salinas, and others.
Under Negotiation: Price and Terms
- F. Pursuant to Government Code 54957
Public Appointment
Title: Legal Counsel

7:00 p.m. Reconvene Open Session

5. **Reportable Actions Taken During Closed Session** *The Board will announce any reportable action taken during closed session and the vote or abstention on that action of every director present, and may take additional action in open session as appropriate. Any closed session items not completed may be continued to after the end of all open session items.*
6. **Pledge of Allegiance**
7. **Oral Communications** *Anyone wishing to address the Board on matters not appearing on the Agenda may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*
8. **Consent Calendar** *Board approval can be taken with a single motion and vote. A Board member or member of the public may request that any item be pulled from the Consent Calendar for separate consideration at this meeting or a subsequent meeting. The public may address the Board on any Consent Calendar item. Please limit your comment to four minutes.*
 - A. Receive and File the Check Register for the Month of April 2015
(Page 2)
 - B. Approve the Draft Minutes of the Regular Board Meeting of May 4, 2015
(Page 9)
 - C. Approve the Draft Minutes of the Special Board Meeting of May 9, 2015
(Page 17)
9. **Action Items** *The Board will review and discuss agenda items and take action or direct staff to return to the Board for action at a following meeting. The public may address the Board on these items as each item is reviewed by the Board. Please limit your comment to four minutes.*
 - A. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-22 to Approve a Contract with Fieldman Rolapp & Associates to Provide Financial Advisory Services to the District

Action: The Board of Directors will consider authorizing a contract to provide Financial Advisory Services to the District.
(Page 21)
 - B. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-23 to Authorize a Contract for District Legal Counsel Services

Action: The Board of Directors will consider authorizing a contract for District Legal Counsel Services.
(Page 31)
10. **Staff Report**
 - A. Update of State Water Resources Control Board's Emergency Mandatory Water Conservation Regulations
(Page 92)

11. Informational Items *Informational items are normally provided in the form of a written report or verbal update and may not require Board action. The public may address the Board on Informational Items as they are considered by the Board. Please limit your comments to four minutes.*

A. General Manager's Report

B. Counsel's Report

C. Committee and Board Liaison Reports

- | | |
|-----------------------------------|-----------------------------------|
| 1. Water Conservation Commission | 7. LAFCO Liaison |
| 2. Joint City-District Committee | 8. FORA |
| 3. Executive Committee | 9. WWOC Report |
| 4. Community Outreach Committee | 10. JPIA Liaison |
| 5. Budget and Personnel Committee | 11. Special Districts Association |
| 6. MRWPCA Board Member Liaison | |

12. Director's Comments *Director reports on meetings with other agencies, organizations and individuals on behalf of the District and on official District matters.*

13. Adjournment *Set or Announce Next Meeting(s), date(s), time(s), and location(s):*

*Regular Meeting: Monday, June 1, 2015, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: May 18, 2015

Prepared By: Bill Kocher

Approved By: Bill Kocher

Agenda Title: Consent Calendar

Staff Recommendation: The Board of Directors approve the Consent Calendar as presented.

Background: *“2014 Strategic Plan Mission Statement – To provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.”*

Consent calendar consisting of:

- A) Receive and File the Check Register for the Month of April 2015
- B) Approve the Draft Minutes of the Regular Board Meeting of May 4, 2015
- C) Approve the Draft Minutes of the Special Board Meeting of May 9, 2015

Discussion/Analysis: See individual transmittals.

Environmental Review Compliance: None required.

Other Considerations: The Board of Directors can approve these items together or the Board can pull these items and discuss each one individually.

Material Included for Information/Consideration: Check register for April 2015; the draft minutes of May 4, 2015; and the draft minutes of May 9, 2015.

Action Required: _____ Resolution X Motion _____ Review
(Roll call vote is required.)

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: May 18, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Receive and File the Check Register for the Month of April 2015

Staff Recommendation: The Board of Directors receive and file the April 2015 expenditures totaling \$756,259.56 .

Background: *2014 Strategic Plan, Objective No. 3 – Our objective is to manage public funds to assure financial stability, prudent rate management and demonstrate responsible stewardship. Our fiscal strategy is to forecast, control and optimize income and expenditures in an open and transparent manner. We will efficiently use our financial resources to assure availability to fund current and future demands.*

Discussion/Analysis: These expenditures were paid in April 2015 and the Board is requested to receive and file the check register.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Expenditures are allocated across the six cost centers; 01-Marina Water, 02-Marina Sewer, 03- Ord Water, 04-Ord Sewer, 05-Recycled Water, 06-Regional Water.

Other Consideration: None.

Material Included for Information/Consideration: April 2015 Summary Check Register.

Action Required: Resolution Motion Review
(Roll call vote is required.)

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: May 18, 2015

Prepared By: Paula Riso

Approved By: Bill Kocher

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of May 4, 2015

Staff Recommendation: The Board of Directors approve the draft minutes of the May 4, 2015 regular Board meeting.

Background: *2014 Strategic Plan, Mission Statement – We Provide high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of May 4, 2015 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: None

Other Considerations: The Board can suggest changes/corrections to the minutes.

Material Included for Information/Consideration: Draft minutes of May 4, 2015.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: May 18, 2015

Prepared By: Paula Riso

Approved By: Bill Kocher

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of May 9, 2015

Staff Recommendation: The Board of Directors approve the draft minutes of the May 9, 2015 special Board meeting.

Background: *2014 Strategic Plan, Mission Statement – We Provide high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of May 9, 2015 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: None

Other Considerations: The Board can suggest changes/corrections to the minutes.

Material Included for Information/Consideration: Draft minutes of May 9, 2015.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: May 18, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Consider Adoption of Resolution No. 2015-22 to Approve Contract with Fieldman Rolapp & Associates to Provide Financial Advisory Services to the District

Staff Recommendation: The Board of Directors adopt Resolution No. 2015-22 to approve a 3-year contract with Fieldman Rolapp & Associates (FRA) to provide financial advisory services to the District.

Background: Prior Board Action: On April 20, 2015 the Board adopted Resolution No. 2015-18 authorizing the District to refund (refinance) the Outstanding 2006 Certificates of Participation in the amount of \$35,170,000 with BOSCO, Inc. as underwriter, Jones Hall as bond counsel and directed staff to issue a Request for Proposals (RFP) for a Financial Advisor for the refunding and potential future transactions.

Board Goals/Objectives: *2014 Strategic Plan, Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: A financial advisor is necessary for a transaction of this size to provide advice on structure of the transaction, review legal and disclosure documentation, and provide independent pricing evaluation.

Per Board direction, staff issued the RFP for a financial advisor for the District with a proposal due date of May 8, 2015. Five (5) proposals were received and evaluated by staff. The proposals were evaluated based on the following criteria:

- Completeness of Proposal
- Experience as financial advisor for municipal water agencies in California
- Professional qualifications of key personnel
- References
- Understanding of the scope of work
- Cost of Services

Staff prepared an evaluation matrix of the proposals with summary sheets for each proposal. Based on the criteria listed above, FRA had the highest scored proposal.

Environmental Review Compliance: None.

Financial Impact: Yes No

Funding Source/Recap: Services performed in relation to the 2006 COP refunding will be funded through refunding transaction and amortized over the life of the bonds based on the allocation of the 2006 outstanding COPs – Marina Water (MW) – 8%; Marina Sewer (MS) – 5%; Ord Water (OW) – 51%; Ord Sewer (OS) – 22%; Recycled Water (RW) – 14%. Future services will be funded based on what project the services pertain.

Material Included for Information/Consideration: Resolution No. 2015-22; Professional Services Agreement with FRA; Evaluation matrix; Proposals provided separately.

Action Required: Resolution Motion Review
(Roll call vote is required.)

Resolution No _____	Motion By _____	Board Action	Seconded By _____
Ayes _____		Abstained _____	
Noes _____		Absent _____	
Reagendized _____	Date _____	No Action Taken _____	

May 18, 2015

Resolution No. 2015-22
Resolution of the Board of Directors
Marina Coast Water District
Adopt Resolution No. 2015-22 to Approve a 3-Year Contract with Fieldman Rolapp &
Associates to Provide Financial Advisory Services to the District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 18, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, On April 20, 2015 the Board adopted Resolution No. 2015-18 authorizing the District to refund (refinance) the Outstanding 2006 Certificates of Participation in the amount of \$35,170,000 with BOSCO, Inc. as underwriter, Jones Hall as bond counsel and directed staff to issue a RFP for a Financial Advisor for the refunding and potential future transactions; and,

WHEREAS, A financial advisor is necessary for a transaction of this size to provide advice on structure of the transaction, review legal and disclosure documentation and provide independent pricing evaluation; and,

WHEREAS, staff issued a RFP with a proposal due date of May 8, 2015 and received five (5) proposals; and,

WHEREAS, an evaluation matrix of the proposals was prepared by staff and used to determine the recommended firm.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2015-22, to approve a 3-year contract with Fieldman Rolapp & Associates for the following:

1. On call financial advisory services based on Fieldman Rolapp hourly rate schedule
2. A not to exceed amount of \$28,000 plus out-of-pocket expenses for financial advisory services on the refunding of the outstanding 2006 Certificates of Participation

BE IT FURTHER RESOLVED, that the Board authorizes the General Manager and/or the Director of Administrative Services to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on May 18, 2015, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Howard Gustafson, President

ATTEST:

Bill Kocher, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2015-XX adopted May 18, 2015.

Bill Kocher, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: May 18, 2015

Requested By: Jean Premutati

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2015-23 to Authorize a Contract for District Counsel Legal Services

Staff Recommendation: Direct Staff on how to proceed with Responses to Request for Proposal (RFP) for District Counsel Legal services and Labor and Employment Law services.

Background: On January 5, 2015, the Board directed staff to solicit proposals for District Legal Counsel services to the District and Labor and Employment Law services. In March, 2015 staff sent out Requests for Proposals (RFP) to 12 legal firms in California with expertise in representing special districts both in terms of General Legal Counsel and Labor and Employment Law. The proposal asked for firms to submit for both services. The deadline for submission of proposals was 5:00pm, Thursday, April 30, 2015.

On May 4, 2015, staff brought to the Board the two proposals received – one from Silver and Wright (Sacramento) and one from Griffith and Masuda (Turlock) with a partnering proposal from Littler Mendelson (San Jose).

Discussion/Analysis: The law firm of Griffith and Masuda has served as District counsel for 3+ years and is familiar with the challenges of the District as well the regulatory and bureaucratic obstacles in Monterey County as it relates to water and sewer services. The firm has worked closely with staff on groundwater and desalinated water issues, rates and capacity charges, government contracts, development, land use and LAFCO and FORA matters.

Griffith and Masuda	
Costs	Experience/Value
\$234/hr. – Roger Masuda	Represents many public sector entities – 8 water agencies
\$230/hr. – David Hobbs	Familiarity with District Board, staff and local entities
\$230/hr. – Sara Lime	Competitive rates
Meeting attendance – one way travel time + mileage from Turlock	
These rates are in effect until October 1, 2016.	

Griffith and Masuda do not currently have an attorney on staff that specializes in Labor and Employment Law matters and have partnered with Littler Mendelson to provide these types of services to the District. Littler Mendelson is one of the largest firms representing public sector and specializing in Labor and Employment Law in the U.S. and have offices internationally.

Littler Mendelson	
Costs	Experience/Value
\$475/hr. – Bruce Sarchet	Extensive experience and access to many specialty attorneys
\$305/hr. – Kimberly Gee	Location
Meeting attendance – travel time + mileage	Assigned attorney not strong in representing special districts
These rates are in effect for one year and increased 3% each year thereafter.	

The firm of Silver and Wright solely represent public agencies. Their client list consists of only cities, however other attorneys in the firm have a wide variety of expertise that include some water issues, land use, development as well as civil litigation and labor and employment law.

Silver and Wright	
Costs	Experience/Value
\$174/hr. – All attorneys	Majority of firm’s representation is as Special Counsel not District Counsel
\$117/hr. – Paralegal and law clerks	Water experience is weak
Meeting attendance – mileage only	2-year rate guarantee
These rates are in effect for one year and increased 3% each year thereafter.	

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Marina Water, Marina Sewer, Ord Water Ord Sewer, and Recycled Water.

Other Considerations: Staff was seeking a firm that could provide both general legal counsel and labor and employment law services. Given that the need for Human Resources legal services is infrequent, staff could drop that requirement from the proposal and, if the Board approves, redo the RFP process for only District Counsel services while maintaining current counsel. In addition, staff can send out RFP’s for Special Counsel to provide labor and employment law services. Initially, staff was seeking firms within a drivable distance. If directed, staff could widen the area to include firms north of the Bay Area and south of Monterey County.

Material Included for Information/Consideration: Resolution No. 2015-23 and Evaluation matrix provided to the Board at the May 4, 2015 meeting, Proposal from Silver and Wright, Proposal from Griffith & Masuda and Proposal from Littler Mendelson.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Resolution No. 2015-23
Resolution of the Board of Directors
Marina Coast Water District
Consider Adoption of Resolution No. 2015-23 to Authorize a Contract for District legal Counsel
Services
May 18, 2015

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 18, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, staff was directed to solicit Request for Proposals (RFP’s) for District Legal Counsel services and Labor and Employment Law services. In March 2015 staff sent out RFP’s to 12 law firms in Northern California from the Bay Area to the Central Valley to include both legal services; and,

WHEREAS, staff received 2 responses by the deadline of April 30, 2015 and were presented to the Board on May 4, 2015; and,

WHEREAS, the Board tabled the item until the May 18, 2015 meeting in order to further discuss the firms of Silver and Wright and Griffith & Masuda as well as Griffith & Masuda’s partnering firm of Littler Mendelson who would provide only Human Resources legal services.

WHEREAS, a breakdown of costs and experience and value that the firms have to offer has been submitted; and

WHEREAS, staff requests the Board select an option from below:

Option #1 – maintain current legal services with Griffith & Masuda and retain their partner firm of Littler Mendelson for Labor and Employment Law services;

Option #2 – maintain current legal services with Griffith & Masuda for District Legal Counsel services and solicit new RFP for Labor and Employment Law services only;

Option #3 – hire the law firm of Silver and Wright to provide District Legal Counsel services and Labor and Employment Law services;

Option #4 – solicit two new RFP’s – one for District Legal Counsel only and one for Labor and Employment Law services;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby select Option #

PASSED AND ADOPTED on May 18, 2015, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Howard Gustafson, President

ATTEST:

Bill Kocher, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2015-23 adopted May 18, 2015.

Bill Kocher, Secretary

Marina Coast Water District
Staff Report

Agenda Item: 10-A

Meeting Date: May 18, 2015

Prepared By: James Derbin

Approved By: Bill Kocher

Subject: Update on State Water Resources Control Board's Emergency Mandatory Water Conservation Regulations

Summary: With historic emergency drought conditions persisting throughout California, the State Water Resources Control Board (SWRCB) adopted emergency regulations requiring an immediate 25% reduction in overall potable urban water use statewide in accordance with Governor Jerry Brown's April 1, Executive Order.

The Governor's Executive Order required, for the first time in California's history, mandatory conservation for all residents and directed several state agencies, including the SWRCB, to take immediate action to safeguard the state's remaining potable urban water supplies in preparation for a potential fifth year of drought.

The recent SWRCB action follows the release of statewide water production figures for the month of March which registered only a slight increase from the amount of water saved in the prior month. The overall amount of water conserved in March of 2015 for California urban water suppliers, as compared to March 2013 was 3.6 percent, up less than one percent from February's results.

Since the SWRCB adopted its initial emergency urban conservation regulation in July 2014, voluntary statewide conservation efforts have reached 9% overall. This is far short of the 20% Governor Brown called for in 2014.

The emergency regulation identifies how much water communities must conserve based on their summer 2013 average per person per day residential water use. The average per person per day residential water use number is often referred to as Gallons Per Capita per Day or GPCD.

On average, 50% of total residential use is outdoors, in some cases up to 80%. To save water now, during this drought emergency, the regulation targets these outdoor uses. Communities that are approaching, at or below the indoor target of 55 GPCD, are assigned a modest conservation standard while communities that use water well above the indoor target are asked to do much more.

To reduce water use by 25% statewide, the regulation adopted by the SWRCB places each urban water supplier into one of eight tiers which are assigned a conservation standard ranging between 4 - 36%. Each month, the SWRCB will compare every urban water suppliers' water use with their use for the same month in 2013 to determine if they are on track for meeting their assigned conservation standard. Local water agencies determine the most cost effective and locally

appropriate ways to achieve this standard. The SWRCB is working closely with water suppliers to implement the regulations and improve local efforts that are falling short of their goal. Residential customers of water suppliers with a conservation standard of 36% currently use between 216 and 614 GPCD in the months of July, August and September. Reducing their water use by 36% will still leave these residents with a minimum of 137 and up to 393 GPCD. Communities using less than 65 GPCD will be required to reduce their overall water use by 8%. MCWD has been assigned a Tier 3 reduction goal of 12% based on the summer 2014 residential consumption of 76 GPCD. See line 5, of page 2 of the attached “Water Suppliers and Regulatory Framework Tiers to achieve 25% Use Reduction” chart.

Summary

- The conservation savings for all urban water suppliers (serving more than 3,000 connections) are allocated across eight tiers of increasing levels of residential GPCD water use to reduce water use by 25% statewide and will take effect June 1, 2015.
- The new prohibitions in the Executive Order apply to all Californians and will take effect immediately upon approval of the regulation by the Office of Administrative Law. These include:
 - Irrigation with potable water of ornamental turf on public street medians; and
 - Irrigation with potable water outside of newly constructed homes and buildings not in accordance with emergency regulations or other requirements established by the Building and Standards Commission and the Department of Housing and Community Development.
- These are in addition to the existing restrictions that prohibit:
 - Using potable water to wash sidewalks and driveways;
 - Allowing runoff when irrigating with potable water;
 - Using hoses with no automatic shutoff nozzles to wash cars;
 - Using potable water in decorative features that do not recirculate the water;
 - Irrigating outdoors during and within 48 hours following measurable rainfall;
 - Restaurants serving water to their customers unless the customer requests it; and,
 - Hotels and motels must offer their guests the option to not have their linens and towels laundered daily and prominently display this option in each guest room.

Enforcement

In addition to other powers, local agencies can fine property owners up to \$500/day for failure to implement the water use prohibitions and restrictions. The SWRCB can issue informational orders, conservation orders or cease and desist orders to water suppliers for failure to meet their conservation standard. Water agencies that violate cease and desist orders are subject to a civil liability of up to \$10,000/day.

Schedule

- SWRCB hearing and adoption May 5, 2015
- Office of Administrative Law approval May 15, 2015
- Specific prohibitions effective June 1, 2015
- First (June) report on water production and conservation measures due July 15, 2015

Year to date, the District has achieved a monthly water production savings, in comparison to 2013, of 22% and a cumulative reduction of 16%. Please see attached tables and graphs for Production by Month and the Cumulative Production Savings, April 2015.

Staff has proactively reached out to all jurisdictions requesting all potable water usage for irrigation of ornamental turf in street medians cease. All parties have already confirmed compliance. Staff has also reached out to large landscape managers in our service area to reduce consumption. Staff continues to see significant voluntary curtailment of water use and removal of turf in these areas.

The Building and Standards Commission (BSC) and the Department of Housing and Community Development (DHCD) will be taking emergency action on or about June 1st to develop Landscape Standards for new building and home construction. Staff will track this and confirm that the current MCWD Landscape Standards comply with the BSC and the DHCD requirements. Staff will discuss reasonable timing to implement prohibition of the use of potable water for irrigation outside of new home and building construction, if needed, and report their findings to the MCWD Board.

In an effort to capture the new end user requirements, as stated in the Mandatory Water Conservation Regulations, the MCWD Water Conservation Commission (WCC) will be meeting June 4th to review and discuss staff's recommended amendments to the MCWD Water Shortage Contingency Plan (WSCP) Stage 3 restrictions. Staff plans to present the WCC recommendations to the Board at the June 15th regularly scheduled Board meeting.