



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: [www.mcwd.org](http://www.mcwd.org)

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## DIRECTORS

HOWARD GUSTAFSON  
*President*

THOMAS P. MOORE  
*Vice President*

WILLIAM Y. LEE  
JAN SHRINER  
HERBERT CORTEZ

## Agenda

### Regular Board Meeting, Board of Directors Marina Coast Water District

Marina Council Chambers  
211 Hillcrest Avenue, Marina, California  
Monday, December 5, 2016, 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. **Pledge of Allegiance**
4. **Administer Oath of Office**

*Action: The Oath of Office will be administered to Thomas P. Moore and Herbert Cortez so they can serve as Directors to the Marina Coast Water District Board.*

5. **Election of Board President and Vice-President**

*Action: The Board will elect two Directors to serve as President and Vice-President of the Board until December 2017.*

6. **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.*

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, November 30, 2016. 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.

## 7. 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
- 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) In the Matter of the Unauthorized Diversion and Use of Water by the California American Water Company, State Water Resources Control Board Cease and Desist Order WR 2009-0060

### 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

**7:00 p.m. Reconvene Open Session**

**8. 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.*

**9. 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.*

**10. 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 the Quarterly Financial Statements for April 1, 2016 to June 30, 2016

B. Approve the Draft Minutes of the Regular Board Meeting of November 21, 2016

**11. 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. Consider Approving the Proposed Regular Board Meeting Dates for 2017

*Action: The Board of Directors will consider approving a schedule of regular Board meeting dates for 2017.*

B. Consider Adoption of Resolution No. 2016-68 to Authorize the General Manager to Execute a Utility Agreement between Monterey Bay Military, LLC, and Marina Coast Water District for Installation of Water Meters on Unmetered Residential Housing Units within the Ord Military Community

*Action: The Board of Directors will consider authorizing the General Manager to sign an agreement with Monterey Bay Military Housing LLC. to install water meters within the Ord Military Community.*

C. Consider Adoption of Resolution No. 2016-69 to Approve the First Amendment to the Office Lease Between Marina Coast Water District and the Ford Ord Reuse Authority at 920 2<sup>nd</sup> Avenue

*Action: The Board of Directors will consider approving the first amendment to the Fort Ord Reuse Authority Lease of the Imjin Office Park Building at 920 2<sup>nd</sup> Avenue.*

**12. Staff Reports**

A. Armstrong Ranch Surface Water Project/3-Party Memorandum of Understanding Update

B. Preview of the New MCWD Hydrology Information Video

**13. 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    |                                   |

**14. Board Member Requests for Future Agenda Items**

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

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

*Regular Meeting: Monday, December 19, 2016, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 4

Meeting Date: December 5, 2016

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Administer Oath of Office

Staff Recommendation: Administer the oath of office Mr. Thomas P. Moore and Mr. Herbert Cortez.

Background: *2016 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: In accordance with the November 8, 2016 election results, two individuals are to be sworn in to begin serving new four-year terms as members of the District Board of Directors. Mr. Thomas P. Moore and Mr. Herbert Cortez will be sworn in at this meeting.

*“I, \_\_\_\_\_, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.”*

Environmental Review Compliance: None required.

Financial Impact: \_\_\_\_\_ Yes      X   No    Funding Source/Recap: None

Other Considerations: None.

Material Included for Information/Consideration: None.

Action Required: \_\_\_\_\_ Resolution    \_\_\_\_\_ Motion    \_\_\_\_\_ Review      X   Oath

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

Noes \_\_\_\_\_ Absent \_\_\_\_\_

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 5

Meeting Date: December 5, 2016

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Election of Board President and Vice-President

Staff Recommendation: The Board of Directors elect a President and Vice-President to serve the next 1-year term.

Background: *2016 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: Resolution No. 98-1, as amended, states that the Board will annually elect a President and Vice-President. The Board Procedures Manual last revised on July 5, 2016 states in part:

“The Board of Directors shall have a President who is elected by the Board from among the five directors. The President shall be elected annually in the month of December but not before any newly elected or reelected director(s) have taken office. No Director shall serve more than three (3) consecutive years as President. If a majority of the directors cannot agree on who should be the new President, then the existing President shall remain President until the issue can be resolved.”

“The Board of Directors shall have a Vice-President who shall be elected by the Board from among the five directors at the same time as the President is elected. The Vice-President shall be elected annually in the month of December but not before any newly elected or reelected director(s) have taken office. It is the Board's policy to rotate the office of Vice-President among the Board members. However, no director shall serve more than three (3) consecutive years as Vice President. If a majority of the directors cannot agree on who should be the new Vice President, then the existing Vice President shall continue in office until the issue can be resolved.”

Environmental Review Compliance: None required.

Financial Impact:     \_\_\_ Yes     \_\_\_ X No     Funding Source/Recap: None

Other Considerations: None.

Material Included for Information/Consideration:     None.

Action Required:     \_\_\_ Resolution     \_\_\_ X Motion     \_\_\_ Review

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10

Meeting Date: December 5, 2016

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consent Calendar

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

Background: *2016 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.*

Consent calendar consisting of:

- A) Receive the Quarterly Financial Statements for April 1, 2016 to June 30, 2016
- B) Approve the Draft Minutes of the Regular Board Meeting of November 21, 2016

Discussion/Analysis: See individual transmittals.

Environmental Review Compliance: None required.

Other Considerations: The Board of Directors can approve these items together or they can pull them separately for discussion.

Material Included for Information/Consideration: Quarterly Financial Statements for April 1, 2016 to June 30, 2016; and, draft minutes of November 21, 2016.

Action Required: \_\_\_\_\_Resolution      X   Motion    \_\_\_\_\_Review  
(Roll call vote is required.)

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

Noes \_\_\_\_\_ Absent \_\_\_\_\_



Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-A

Meeting Date: December 5, 2016

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive the Quarterly Financial Statements for April 1, 2016 to June 30, 2016

Staff Recommendation: The Board receives the Quarterly Financial Statements for April 1, 2016 to June 30, 2016.

Background: *2016 Strategic Plan, Strategic Element No. 3.2 – Regular Financial Updates to Policymakers and Managers.*

Discussion/Analysis: All figures reported for the quarter are based on accrual basis accounting. The District's consolidated financial statement for the quarter includes revenues of \$3.350 million and expenses of \$4.893 million, resulting in net loss from operations of \$1.543 million. The District budget projected net gain from operations of \$0.420 million for the same period.

The net loss from operations for the quarter was higher than the budget expectation by \$1.963 million due to: (1) the deferred premiums and associated costs associated with the refinancing of the 2006 COPS were recognized as interest expense at fiscal year-end; and (2) the timing of when revenues are earned and expenses are accrued producing different results than those in which the annual budget amounts are divided evenly by quarter.

Summary of Cost Centers:

<u>Description</u>	<u>Actual Qtr</u>	<u>Budget Qtr</u>	<u>Actual FYTD</u>	<u>Budget FYTD</u>
<b>Marina Water</b>				
Revenue	911,479	1,036,155	3,559,868	4,144,621
Expenses	<u>898,589</u>	<u>678,036</u>	<u>2,434,848</u>	<u>2,712,137</u>
Net Gain/(Loss)	12,890	358,119	1,125,020	1,432,484
<b>Marina Sewer</b>				
Revenue	278,617	258,132	1,045,246	1,032,525
Expenses	<u>292,555</u>	<u>189,172</u>	<u>712,399</u>	<u>756,688</u>
Net Gain/(Loss)	(13,938)	68,960	332,847	275,837
<b>Ord Community Water</b>				
Revenue	1,541,376	1,419,973	5,533,293	5,679,889
Expenses	<u>2,466,161</u>	<u>1,513,974</u>	<u>5,779,924</u>	<u>6,055,897</u>
Net Gain/(Loss)	(924,785)	94,001)	246,631)	376,008)

<u>Description</u>	<u>Actual Qtr</u>	<u>Budget Qtr</u>	<u>Actual FYTD</u>	<u>Budget FYTD</u>
<b>Ord Community Sewer</b>				
Revenue	579,090	529,718	2,145,916	2,118,872
Expenses	<u>813,939</u>	<u>383,177</u>	<u>1,660,481</u>	<u>1,532,707</u>
Net Gain/(Loss)	234,849)	146,541	485,435	586,165
<b>Recycled Water Project</b>				
Revenue	39,615	2,075	39,617	8,300
Expenses	<u>421,398</u>	<u>61,175</u>	<u>601,222</u>	<u>244,698</u>
Net Gain/(Loss)	(381,783)	(59,100)	(561,605)	(236,398)
<b>Regional Project</b>				
Revenue	-	-	-	-
Expenses	<u>240</u>	<u>-</u>	<u>240</u>	<u>-</u>
Net Gain/(Loss)	(240)	-	(240)	-
<b>Consolidated Cost Centers</b>				
Revenue	<b>3,350,177</b>	<b>3,246,053</b>	<b>12,323,940</b>	<b>12,984,207</b>
Expenses	<b><u>4,892,882</u></b>	<b><u>2,825,534</u></b>	<b><u>11,189,114</u></b>	<b><u>11,302,127</u></b>
Net Gain/(Loss)	<b>(1,542,705)</b>	<b>420,519</b>	<b>1,134,826</b>	<b>1,682,080</b>

As of June 30, 2016, the District had \$15.542 million in liquid investments. The District also had \$0.850 million of 2010 refunding bond proceeds for debt reserve purposes in the bank. The remaining 2006 COPS bond proceeds were expended for construction purposes by quarter end June 30, 2016 as per the District's commitment under the refinancing agreement of the COPS.

The District owed \$29.840 million for the 2015 Senior Revenue Refunding Bonds Series A as well as \$4.190 million for the 2010 Subordinate Revenue Refunding Bonds, and \$3.430 million in aggregate for the BLM building financing at June 30, 2016. The Construction loan financing for the IOP building was paid off in full on December 1, 2015 and the 2015 Senior Revenue Refunding Bonds Series B were paid off in full on June 1, 2016.

Environmental Review Compliance: None required.

Financial Impact:        Yes   X   No                      Funding Source/Recap: None

Other Considerations: None

Material Included for Information/Consideration: Quarterly Financial Statements, Investments and Debt Summary Statements.

Action Required:        Resolution        Motion   X   Review

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: December 5, 2016

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of November 21, 2016

Staff Recommendation: The Board of Directors approve the draft minutes of the November 21, 2016 regular Board meeting.

Background: *2016 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 November 21, 2016 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Financial Impact:     \_\_\_ Yes     \_\_\_ **X** No     Funding Source/Recap: None

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

Material Included for Information/Consideration: Draft minutes of November 21, 2016.

Action Required:     \_\_\_ Resolution     \_\_\_ **X** Motion     \_\_\_ Review

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

Noes \_\_\_\_\_ Absent \_\_\_\_\_

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 11-A

Meeting Date: December 5, 2016

Submitted By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Proposed Regular Board Meeting Dates for 2017

Staff Recommendation: The Board of Directors is requested to select and approve which proposed regular Board meeting schedule for 2017 they prefer.

Background: *2016 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: In looking at the past several months and at the projected agenda items for the Board, it is believed that one meeting per month is sufficient to meet the demand of Board agenda items. Therefore, staff is proposing a one meeting per month schedule with the Board meeting to be held on the third Monday of the month, although, if there is an urgent item, a special meeting can always be called. By scheduling meetings on the third Monday of the month schedule, this allows staff to close out the previous months items, e.g. check register, and bring them to the Board in a timely manner.

Staff is providing two Board meeting schedules for the Board to select from. Schedule A is one Board meeting per month and Schedule B is two Board meetings per month. In both schedules, staff is suggesting only one meeting in January due to the holidays on the first and third Monday.

**Schedule A**

3<sup>rd</sup> Monday of Each Month  
6:30 p.m.

January 9, 2017\*  
February 21, 2017\*\*  
March 20, 2017  
April 17, 2017  
May 15, 2017  
June 19, 2017  
July 17, 2017  
August 21, 2017  
September 18, 2017  
October 16, 2017  
November 20, 2017  
December 18, 2017

\* January 9<sup>th</sup> is due to the holiday season.

\*\* Monday is a holiday so the meeting is scheduled for Tuesday.

**Schedule B**

1<sup>st</sup> and 3<sup>rd</sup> Monday of Each Month  
6:30 p.m.

January 9, 2017*	
February 6, 2017	February 21, 2017**
March 6, 2017	March 20, 2017
April 3, 2017	April 17, 2017
May 1, 2017	May 15, 2017
June 5, 2017	June 19, 2017
July 3, 2017	July 17, 2017
August 7, 2017	August 21, 2017
September 5, 2017**	September 18, 2017
October 2, 2017	October 16, 2017
November 6, 2017	November 20, 2017
December 4, 2017	December 18, 2017

\* January 9<sup>th</sup> is due to the holiday season.

\*\* Monday is a holiday so the meeting is scheduled for Tuesday.

Environmental Review Compliance: None required.

Financial Impact:     \_\_\_\_\_Yes      X  No     Funding Source/Recap: None

Other Considerations: The Board can suggest alternate meeting dates.

Material Included for Information/Consideration:   None.

Action Required:     \_\_\_\_\_Resolution      X  Motion    \_\_\_\_\_Review

**Board Action**

Motion By\_\_\_\_\_ Seconded By\_\_\_\_\_ No Action Taken\_\_\_\_\_

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

Noes\_\_\_\_\_ Absent\_\_\_\_\_

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 11-B

Meeting Date: December 5, 2016

Prepared By: James Derbin

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2016-68 to Authorize the General Manager to Execute a Utility Agreement between Monterey Bay Military, LLC, and Marina Coast Water District for Installation of Water Meters on Unmetered Residential Housing Units within the Ord Military Community

Staff Recommendation: The Board of Directors is requested to authorize the General Manager to execute a Utility Agreement between Monterey Bay Military Housing, LLC, and Marina Coast Water District for District staff to install residential water meters within the Ord Military Community and be reimbursed by Monterey Bay Military Housing, LLC for all labor, materials and equipment.

Background: *2016 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.*

In February 1996, the President of the United States signed into law the Defense Authorization Bill (Public Law 104-106) creating the Military Housing Privatization Initiative which provides authority and financing for construction and improvement of military housing. Pursuant to the Defense Authorization Bill, the Army has initiated a program known as the Residential Communities Initiative (“RCI”) whereby Army will establish long-term business relationships with private sector companies for the purpose of improving military family housing communities. The Army has formed a limited liability company known as Monterey Bay Military Housing LLC (MBMH). MBMH is controlled by the United States of America by the Department of the Army and Clark Realty Capital Monterey Bay, LLC.

The U.S. Army (“Army”) owns certain real property within the Ord Military Community (“the OMC”) area of the former Fort Ord known generally as Fitch Park 2B, Moore’s Landing East and West, Marshall Park and Lower Stillwell that currently do not have water meters installed. The Army is responsible for the metering costs per the 2000 Potable Water Utility Service agreement between the District and the Army. The remaining 976 unmetered residences are billed by the District on a flat unmetered rate based on occupancy. Lower Stillwell will be the last area to meter until renovation/demolition plans are developed and finalized by the Owner. This first phase of metering will include an estimated 432 meters with a not to exceed amount of \$475,000. District staff will install as many meters that can be done for \$475,000. Once this first phase of metering is completed, the Utility Agreement with MBMH can be amended for a Phase II metering effort. Staff will report to the Board on the results of the phase I metering efforts and request approval to amend the Utility Agreement at that time.

Discussion/Analysis: In 2004, the California Legislature passed Assembly Bill 2572, requiring Urban Water Utilities to install water meters on all connections by the year 2025. Prior to 2015, the District had a total of 1073 unmetered water services in the Ord Military Community. In 2015/2016 staff developed a pilot project to meter these residential units and be reimbursed by

MBMH for the effort. The project was completed successfully, in three phases, with an average cost of \$1,100/meter and a total of 97 meters installed. Depending on field conditions, some meters were installed for as little as \$750. MBMH staff indicated previous bids for this work from private underground utility contractors have come in at \$3,000/meter.

District staff has been working with MBMH staff on a metering plan for these unmetered residences for many years. Staff is pleased to have developed a cooperative cost effective plan to achieve compliance with AB 2572 well in advance of the 2025 deadline.

Environmental Review Compliance: None required.

Financial Impact:     \_\_\_\_\_Yes     \_\_\_X\_\_\_No                   Funding Source/Recap: None

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2016-68; and, Draft copy of Utility Agreement between the Monterey Bay Military Housing, LLC, and Marina Coast Water District for installation of residential water meters.

Action Required:     \_\_\_X\_\_\_ Resolution     \_\_\_\_\_Motion     \_\_\_\_\_Review  
(Roll call vote is required.)

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Board Action

Motion By\_\_\_\_\_ Seconded By\_\_\_\_\_ No Action Taken\_\_\_\_\_

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

Noes\_\_\_\_\_ Absent\_\_\_\_\_



December 5, 2016

Resolution No. 2016 - 68  
Resolution of the Board of Directors  
Marina Coast Water District

Authorize the General Manager to Execute a Utility Agreement  
Between Monterey Bay Military Housing, LLC and Marina Coast Water District  
for Installation of Water Meters on Unmetered Residential Housing Units

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 5, 2016 at 211 Hillcrest Avenue, Marina, California.

WHEREAS, District operations and maintenance of the potable water system is regulated under State Water Resources Control Board, Division of Drinking Water Permit No. 2710017; and,

WHEREAS, Monterey Bay Military Housing, LLC is under a long term contract with the U.S. Army for managing the Ord Military Community Housing; and,

WHEREAS, in 2004 the California Legislature passed Assembly Bill 2572, requiring Urban Water Utilities to install water meters on all potable water connections by 2025; and,

WHEREAS, prior to 2015, the District had a total of 1073 unmetered services in the Ord Military Community; and,

WHEREAS, in 2015/2016 District staff successfully installed 97 water meters on unmetered residences in the Ord Military Community and was reimbursed by Monterey Bay Military Housing, LLC for all labor materials and equipment; and,

WHEREAS, the District currently has 976 unmetered water connections remaining in the Ord Military Community area of the former Fort Ord, known generally as Fitch Park 2B, Moore’s Landing East and West, Marshall Park and Lower Stillwell; and,

WHEREAS, Monterey Bay Military Housing, LLC has secured \$475,000 of funding for installing additional water meters; and,

WHEREAS, The first proposed phase will include 432 meter installations or as many as can be installed for \$475,000; and,

WHEREAS, before the completion of the Phase 1 metering work, and in a manner that allows for continuous progress to be made on the installation of water meters, Monterey Bay Military Housing, LLC staff have indicated they will make efforts to secure and provide additional funding to pay the District for an additional \$475,000 for water meter installation on existing unmetered housing; and,

WHEREAS, water metering is an essential part of effectively managing the District’s water resources; and,

WHEREAS, staff recommends continuing the cooperative support of this metering effort in order to meet the metering requirements of AB 2572.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to execute a Utility Agreement between Marina Coast Water District (MCWD) and the Monterey Bay Military Housing, LLC for installation of residential water meters.

PASSED AND ADOPTED on December 5, 2016 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:

\_\_\_\_\_  
Keith Van Der Maaten, 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. 2016-68 adopted December 5, 2016.

\_\_\_\_\_  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 11-C

Meeting Date: December 5, 2016

Submitted By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2016-69 to Approve the First Amendment to the Office Lease Between Marina Coast Water District and the Ford Ord Reuse Authority at 920 2<sup>nd</sup> Avenue

Staff Recommendation: The Board of Directors adopt of Resolution No. 2016-69 to approve the First Amendment to the Office Lease between Marina Coast Water District and the Ford Ord Reuse Authority at 920 2nd Avenue.

Background: *2016 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.*

In July 2009, the District entered into a Lease Agreement (Lease) with the Fort Ord Reuse Authority (FORA), to lease to FORA the to-be-built office building located at 920 2<sup>nd</sup> Avenue. The Lease was initially set to expire on the last day of the fifty-seventh (57) month following the delivery of the certificate of occupancy to the tenant. The initial intent was to have building completion and the lease term coincide with FORA's anticipated sunset date under its enabling statute. However, the building was not complete until August 2011 at which time the 57 month lease term began.

Discussion/Analysis: The Lease term expired in April 2016. FORA continues to occupy the building and pays rent on a month-to-month basis. The Lease requires the District as owner to provide written authorization for the tenant to remain in the building. Since FORA's enabling statute was amended such that FORA's new sunset date is currently June 30, 2020, an amendment to the Lease has been prepared to provide the written notice to FORA which amends the lease term to June 30, 2020.

Staff recommends that the Board approve amending the lease term to expire June 30, 2020.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: None

Other Considerations: None

Material Included for Information/Consideration: Resolution No. 2016-69; Office Lease between Marina Coast Water District and the Fort Ord Reuse Authority; and, First Amendment to the Office Lease.

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

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Board Action

Motion By\_\_\_\_\_ Seconded By\_\_\_\_\_ No Action Taken\_\_\_\_\_

Ayes\_\_\_\_\_

Abstained\_\_\_\_\_

Noes\_\_\_\_\_

Absent\_\_\_\_\_

December 5, 2016

Resolution No. 2016 - 69  
Resolution of the Board of Directors  
Marina Coast Water District

Approving the First Amendment to the Office Lease Between Marina Coast Water District  
and the Fort Ord Reuse Authority

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 5, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, in July 2009, the District entered into a Lease Agreement (Lease) with the Fort Ord Reuse Authority (FORA), to lease to FORA the to-be-built office building located at 920 2<sup>nd</sup> Avenue with an initial expiration on the last day of the fifty-seventh (57) month following the delivery of the certificate of occupancy to the tenant; and,

WHEREAS, the initial intent was to have building completion and the lease term coincide with FORA’s anticipated sunset date under its enabling statute; however, the building was not complete until August, 2011 at which time the 57 month lease term began; and,

WHEREAS, the Lease term expired in April, 2016 and the Lease requires the District as owner to provide written authorization for the tenant to continue to occupy the building; and,

WHEREAS, to remedy the situation, since FORA’s enabling statute was amended such that FORA’s new sunset date in currently June 30, 2020, an amendment to the Lease has been prepared to provide the written notice to FORA which amends the lease term to June 30, 2020.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District adopts Resolution No. 2016-69, to approve the first amendment to the Office Lease between Marina Coast Water District and the Fort Ord Reuse Authority which extends the lease term to June 30, 2020.

PASSED AND ADOPTED on December 5, 2016 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:

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Keith Van Der Maaten, 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. 2016-69 adopted December 5, 2016.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Staff Report

Agenda Item: 12-A

Meeting Date: December 5, 2016

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Armstrong Ranch Surface Water Project/3-Party Memorandum of Understanding Update

Background: *Strategic Plan, Goal No. 1 – Our objective is to manage and protect our current water source (groundwater) and find alternative water sources. We will secure and protect our developed potable water sources sufficiently to supply current and future customers. Our water sources strategy is to work with local land use jurisdictions to determine what their ultimate and interim projected demands will be and explore alternative water sources such as desalination, surface water treatment and recycled water, to find the most efficient, and to secure cost effective water source portfolio.*

### **Armstrong Ranch Surface Water Project**

The 2015 Urban Water Management Plan reports recent investigations in and around the North Marina Area that have identified an occurrence of freshwater within the shallow dune aquifer and the underlying 180-foot aquifer that were considered seawater intruded in the past. Water data from wells in the North Marina Area appear to show protective water levels that are sufficiently above sea level to prevent seawater intrusion. This condition, combined with the reduction in agricultural pumping in the 180-Foot aquifer resulting from Castroville Seawater Intrusion Project (CSIP) irrigation utilizing recycled water and Salinas River water in lieu of groundwater appears to have slowed seawater intrusion in this portion of the coastline.

The District owns 224 acres at Armstrong Ranch adjacent to and south of the Monterey Regional Water Pollution Control Agency (MRWPCA) Regional Treatment Plant (RTP) and near the Salinas River. The property has been considered a water storage site in the past. The Armstrong property is situated within the North Marina Area that it could potentially serve multiple purposes. Normally unutilized winter flows from the Salinas River could potentially be diverted and percolated or diverted, treated, and injected into the ground for groundwater recharge and to act as a barrier to seawater intrusion. This is a potential project for the District's groundwater sustainability plan.

The District has engaged the services of Erler and Kalinowski, Inc. (EKI) of Burlingame to conduct a feasibility study to assess potential recharge rates based on available technical documents at the Armstrong Ranch. EKI Consulting Engineers and Scientists practice areas include Environmental, Water Wastewater and Water Resources. A technical memorandum summarizing the results of the feasibility study will be completed by January 30, 2017.

### **3-Party Memorandum of Understanding Update**

In 1997, the Fort Ord Base Reuse Plan estimated that an additional 2,400 Acre-Feet-per-Year (AFY) of water would be needed to augment the existing groundwater supply for the redevelopment of Fort Ord. Under the 1998 Water/Wastewater Facilities Agreement, FORA has the responsibility to determine, in conjunction with Marina Coast Water District (MCWD), what

additional water and sewer facilities are necessary for MCWD's Ord Community service area in order to meet the BRP requirements. MCWD is responsible to plan, design and construct the facilities.

The Fort Ord Reuse Authority (FORA) is required to insure that MCWD recovers all of its costs for the new facilities and their operation. In 2002, FORA established the Basewide Community Facilities District to collect fees for, among other development impacts, 2,400 AFY of water augmentation to support the BRP.

In 2007, FORA and MCWD agreed on a Recycled Urban Water Augmentation Project (RUWAP) alternative and the FORA Board allocated 1,427 acre feet per year (AFY) of recycled water to its land use jurisdiction members. On April 8, 2016, MCWD combined the RUWAP with Monterey Regional Water Pollution Control Agency (MRWPCA) Pure Water Monterey with initial production capacity deliverable to the District of 600 AFY and future expansion to 1,427 AFY. MCWD's pipeline will convey up to 3,700 AFY of advance treated water for MRWPCA recharge groundwater in Seaside for the Monterey Peninsula Water Management District.

In 2015, FORA, MRWPCA and MCWD agreed to participate in a tripartite planning process in order to study and identify water sources to supply the remaining 973 AFY of additional water augmentation that will be needed once 1,427 AFY of recycled water is in production. FORA is the lead agency for the three-party planning effort to explore the most cost effective and technically efficient mix of advanced treated water, conservation, desalination, groundwater recharge and recovery, and other water sources, options and alternatives. The emphasis will be on strategies that lower the cost burden on ratepayers and end users, such as through economies of scale.

The study will be performed to determine the economics of each option, a cost/benefit analysis, technical requirements, and a comparative analysis to determine a recommended water augmentation mix. The study will include a community engagement process with the FORA land use jurisdictions, CSU Monterey Bay, UC Santa Cruz, Monterey Peninsula College, the Army, other stakeholders, and the public at large.

The FORA Board will utilize the study to develop a preferred water augmentation mix for the collection of CFD impact fees. This will provide the basis for FORA to approve additional water augmentation project(s) to be developed by MCWD pursuant to the 1997 Facilities Agreement. FORA started the engagement process working with the Water and Wastewater Oversight Committee. MCWD is working with FORA on the preparation of a Request for Proposals. FORA has not yet set a study schedule.



Marina Coast Water District  
Staff Report

Agenda Item: 12-B

Meeting Date: December 5, 2016

Prepared By: Jean Premutati

Approved By: Keith Van Der Maaten

Agenda Title: Marina Coast Water District Hydrology Information Video

Summary: The Board of Directors approved a contract with the public relations firm of Runyon Saltzman Einhorn, Inc. (RSE) in February 2016. Since that time, RSE has worked closely with District staff to enhance MCWD's presence in the community and the region.

RSE has assisted the District in becoming social on Facebook and Twitter. We have a monthly calendar of posts that are uploaded to let our followers know that MCWD is working to keep their water safe, spreading the word on conservation by providing tips and helpful ways to use water wisely, and providing resources and links to other useful information regarding water and water resources in our area.

RSE conducted a materials audit which helped staff standardize the ways we communicate through brochures and flyers to the public. There have been surveys of the District's ratepayers, internal staff and community stakeholders. We are very proud of the results stemming from the information received which showed an 82% approval rating when compared with other special districts, cities and utilities in our area.

Most recently, after completing our Urban Water Management Plan, RSE created an infographic that we can use as a tool for demonstrating current water supply and demand vs. future supply and demand. In addition, RSE has been very helpful in developing a communication plan for the District. As part of this plan, the video you will be viewing addresses not only the District's accomplishments, such as the partnership in the Pure Water project and the move toward establishing the District as a sustainable groundwater agency, but the need to protect the future of our water supply, seeking alternative water sources and potential threats to our groundwater resources.