



# 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  
and**

**Regular Board Meeting, Board of Directors  
Marina Coast Water District Groundwater Sustainability Agency**

Marina Council Chambers

211 Hillcrest Avenue, Marina, California

Monday, September 18, 2017, 6:30 p.m. PST

*This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the third Monday of each month with workshops scheduled for the first Monday of some months. 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 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

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, September 13, 2017. 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.

- 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)

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

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

## **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. Presentation**

- A. Consider Adoption of Resolution No. 2017-59 to Recognize and Appreciate James Derbin's Service to the District Due to the Announcement of His Resignation

*Action: The Board of Directors will consider recognizing and appreciating James Derbin's service to the District, and wish him well in his future endeavours.*

- 9. 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 August 2017

- B. Approve the Draft Minutes of the Joint Board/GSA Meeting of August 21, 2017

- C. Approve Changing the October 2, 2017 Rate and Master Plan Capacity Fee Workshop to October 9, 2017 due to Scheduling Conflicts

- 10. 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 Adoption of Resolution No. 2017-60 to Approve the 2017 5-Year Strategic Plan

*Action: The Board of Directors will consider approving the 2017 5-year Strategic Plan.*

- B. Consider Approving the District's 2017 "Year in Review"

*Action: The Board of Directors will consider approving the District's 2017 "Year in Review" report.*

- C. Consider Adoption of Resolution No. 2017-61 Directing Staff to Write-Off Two Aged Development Account Balances in the Total Amount of \$14,648

*Action: The Board of Directors will consider approving the write-off of uncollectable Developer fees totaling \$14,648.*

- D. Consider Providing Direction to the Board President Regarding Voting for the ACWA Region 5 Board

*Action: The Board of Directors will consider providing direction to the Board President regarding voting for the ACWA Region 5 Board.*

**11. Staff Report**

- A. Receive a Report on the State of MCWD's Groundwater Sustainably Agency

**12. 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. MOW Board Member Liaison       | 12. SVGSA Liaison                 |

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

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

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

*Master Plan Capacity Fee and Rate Workshop  
Monday, October 9, 2017, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: September 18, 2017

Prepared By: Keith Van Der Maaten

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-59 to Recognize and Appreciate James Derbin's Service to the District Due to the Announcement of His Resignation

Staff Recommendation: Staff recommends that the Board of Directors adopt Resolution No. 2017-59 recognizing and appreciating James Derbin's service.

Background: *5-Year 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: James Derbin began his employment with the District on May 31, 2006 as the Operations Engineer. James was promoted from Operations Engineer to Assistant O&M Superintendent in August 2009. In July 2010, he was made Interim O&M Superintendent, and in March 2012, James was promoted from Interim O&M Superintendent to O&M Superintendent.

James has been instrumental in enhancing the District's FOG program and procuring the CCTV van. In addition, James implemented a more formal Cross-Connection Control Program and now we have four certified Operators. In the 2012 reorganization of the District O&M department, James was instrumental in creating a new certification requirement program for all Operators to obtain Distribution/Treatment/Collections certifications.

Through his leadership as the Operations and Maintenance Superintendent, the Operations and Maintenance Department has been very effective in ensuring that the District continues to provide high quality water, wastewater collection, and conservation services to our customers 24 hours a day, every day of the year.

James's keen appreciation of the District's mission and vision for the Marina and the Ord Community service areas, and his excellent relationships with representatives from other local, regional, state and national agencies and private organizations has greatly assisted the District in its expanded role.

In September 2017, James announced his resignation and will be taking a new position with another public water agency. His last day with the District will be September 20, 2017. It is with great pleasure that the Board of Directors of the Marina Coast Water District recognizes and appreciates James Derbin's many contributions to the District during his years of service, and to wish him continued personal and professional success in his new endeavors.

Environmental Review Compliance: Not required.

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

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2017-59

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

Board Action

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

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

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

September 18, 2017

Resolution No. 2017-59  
Resolution of the Board of Directors  
Marina Coast Water District  
In Recognition and Appreciation of James Derbin's Service  
Due to the Announcement of His Resignation

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on September 18, 2017, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, James Derbin joined the District May 31, 2006; and,

WHEREAS, James was originally hired as the Operations Engineer, has advanced to the position of Operations and Maintenance Superintendent; and,

WHEREAS, James's accomplishments include enhancing the District's FOG program and procuring the CCTV, implementing a more formal Cross-Connection Control Program; and in creating a new certification requirement program for all Operators to obtain Distribution/Treatment/Collections certifications; and,

WHEREAS, through James's leadership as the Operations and Maintenance Superintendent over the last five years, the Operations and Maintenance Department has been very effective in ensuring that the District continues to provide high quality water, wastewater collection, and conservation services to our customers 24 hours a day, every day of the year; and,

WHEREAS, James's keen appreciation of the District's mission and vision for the Marina and the Ord Community service areas, and his excellent relationships with representatives from other local, regional, state and national agencies and private organizations has greatly assisted the District in its expanded role; and,

WHEREAS, in September 2017 James announced his resignation and will be taking a new position with another public water agency. His last day with the District will be September 20, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and recognize James Derbin for his service with the Marina Coast Water District, and wishes him personal and professional success in his future endeavors.

PASSED AND ADOPTED on September 18, 2017, 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. 2017-59 adopted September 18, 2017.

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



Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9

Meeting Date: September 18, 2017

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: *5-Year 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 and File the Check Register for the Month of August 2017
- B) Approve the Draft Minutes of the Joint Board/GSA Meeting of August 21, 2017
- C) Approve Changing the October 2, 2017 Rate and Master Plan Capacity Fee Workshop to October 9, 2017 due to Scheduling Conflicts

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: Check Register for August 2017; and, draft minutes of August 21, 2017.

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: 9-A

Meeting Date: September 18, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive and File the Check Register for the Month of August 2017

Staff Recommendation: The Board of Directors receive and file the August 2017 expenditures totaling \$1,428,445.88.

Background: *5-Year 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 August 2017 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: August 2017 Summary Check Register.

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 \_\_\_\_\_

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: September 18, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Joint Board/GSA Meeting of August 21, 2017

Staff Recommendation: The Board of Directors approve the draft minutes of the August 21, 2017 joint Board/GSA meeting.

Background: *5-Year 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 August 21, 2017 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 August 21, 2017.

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: 9-C

Meeting Date: September 18, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve Changing the October 2, 2017 Master Plan Capacity Fee and Rate Workshop to October 9, 2017 due to Scheduling Conflicts

Staff Recommendation: The Board of Directors is requested approve changing the October 2, 2017 Master Plan Capacity Fee and Rate Workshop to October 9, 2017 due to scheduling conflicts.

Background: *5-Year 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.*

At the March 20, 2017 Board meeting, the Board approved a revised meeting schedule with proposed workshops on February 6, March 6, April 3, and October 2, 2017.

Discussion/Analysis: As the District is the exclusive Groundwater Sustainable Agency (GSA) for Central Marina, it is imperative that the District is on track with the State's rules and deadlines regarding GSA Planning. To ensure the District is moving in the right direction, the General Manager and District Engineer will both be in Sacramento attending the Groundwater Resources Association's Groundwater Law Workshop and Conference from October 2 through October 4, 2017.

The Master Plan Capacity Fee and Rate workshop had been scheduled for October 2nd. While it is vital for the General Manager and District Engineer to attend this workshop, staff is recommending moving the workshop to October 9th at 6:30 p.m. to accommodate the Groundwater Resources Association's Groundwater Law Workshop and Conference schedule.

Environmental Review Compliance: None required.

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

Other Considerations: The Board can suggest alternate meeting dates.

Material Included for Information/Consideration: None.

Action Required: \_\_\_\_\_ Resolution  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-A

Meeting date: September 18, 2017

Prepared by: Jean Premutati

Approved by: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-60 to Approve the 2017 5-Year Strategic Plan

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-60 approving the 2017 Strategic Plan.

Background: *Five Year Strategic Plan, Objective 6.8 - Update Strategic Plan*

In March 2013, Mr. Brent Ives, BHI Consulting, met with individual Board members and staff to discuss conducting a public meeting to gain insight and feedback for creating a strategic plan for the District. Periodically, staff and Mr. Ives communicated by phone and email to construct a draft plan that was presented to the Board at a workshop on January 11, 2014. The Board made additional recommendations and approved the final 5-year strategic plan on April 7, 2014.

In 2016, staff updated the plan to include people/persons responsible for the strategic elements and the status of each component within the elements were included.

Discussion/Analysis: At a workshop held on March 6, 2017, the Board of Directors, Mr. Ives, and staff met to review and again update the plan. Staff has made the recommended changes by the Board and the draft is submitted for acceptance and/or any recommended changes.

Environmental Review Compliance: None required.

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

Material Included for Information Consideration:     Draft Strategic Plan

Other Considerations: The Board can recommend additional changes.

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 \_\_\_\_\_

September 18, 2017

Resolution No. 2017-60  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving the 2017 5-Year Strategic Plan

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on September 18, 2017 at 211 Reservation Road, Marina, California as follows:

WHEREAS, the District believes that the development of specific goals and objectives is vital to planning for our future water supply, infrastructure, fiscal planning, and organizational health and personnel, and,

WHEREAS, the original strategic plan was approved April 7, 2014; and,

WHEREAS, the strategic plan should function as a planning tool for the next five years with annual updates in coordination with the adoption of the coming fiscal year budget and capital improvement plan. The strategic plan will require modifications from year-to-year to reflect progress made on each of the strategic goals and to incorporate new goals and needs of the District for the coming five-year period; and,

WHEREAS, the District staff will update the plan with the Board each year for consideration and input which sets more detailed expectations and strategic goals for the District's coming fiscal year and more general goals for the four years following, so that it is a rolling five-year plan.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the 2017 5-Year Strategic Plan.

PASSED AND ADOPTED on September 18, 2017, 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. 2017-60 adopted September 18, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: September 18, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consider Approving the District's 2017 "Year in Review"

Staff Recommendation: The Board of Directors is requested to approve the District's 2017 "Year in Review".

Background: *5-Year 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 2016, the District's Executive Committee discussed developing an Annual Report giving background on the District as well as accomplishments and information regarding water, i.e. water projects, sustainability, and alternative water sources.

Discussion/Analysis: Staff has been working with the District's Public Relations firm, RSE, Inc. developing the report. The final report will be distributed to stakeholders in our area.

The current report is called a "Year in Review" instead of an "Annual Report" because it doesn't include financials. Financial information is not available until year end, however, if the Board wishes to include financial information as a traditional "Annual Report", staff can bring it back in early 2018 with financials.

Environmental Review Compliance: None required.

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

Other Considerations: The Board can move forward with dissemination of the "Year in Review", or, staff can bring it back in early 2018 with financial information and have a traditional "Annual Report".

Material Included for Information/Consideration: Draft "Year in Review" report.

Action Required: \_\_\_\_\_Resolution 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-C

Meeting Date: September 18, 2017

Prepared By: Brian True  
Reviewed By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-61 Directing Staff to Write-Off Two Aged Development Account Balances in the Total Amount of \$14,648

Staff Recommendation: The Board of Directors direct staff to write-off two aged development account balances in the total amount of \$14,648.

*Background: Strategic Plan, Goal 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.*

Staff provides quarterly reports to the Board on the status of the Development Accounts. The Board asked staff to improve the process for managing development accounts. At the June 26, 2017 Board meeting during the Developer Account update, staff made a recommendation to write-off certain developer account balances (owed to MCWD) as being uncollectable.

Discussion/Analysis: The two development projects that staff recommends writing-off the balances are the Marina Cottages and Del Rey Oaks projects. Obtaining payment for MCWD expenditures from either project is legally challenging and highly unlikely. The Del Rey Oaks developer is defunct. The Marina Cottages project is now a very aged account and the units are owned by individuals (not the original developer).

The amounts staff recommends writing-off are \$12,708 (approximately) for the Del Rey Oaks development and \$1,940 for the Marina Cottages development for a sum total of \$14,648.

The Del Rey Oaks project began in 2006 as a mixed-use development project covering 310-acres of Former Fort Ord intended for annexation into the City of Del Rey Oaks. The City was allocated 242.5-AFY of potable water by FORA; similarly, FORA allocated 280-AFY of non-potable water to the City of Del Rey Oaks from water developed by MCWD's RUWAP program. The City then provided that allocated water to Federal/JER Associates LLC (Federal) who became the development project's proponent. An Infrastructure Agreement between MCWD and Federal and the project's WSA were both completed near the end of 2006. The economic downturn caused Federal to not continue with the project in 2007 and MCWD staff attempted three times to invoice the project and recover the nearly \$12,000 over-run (at that time) in expended MCWD resources. The last attempt to collect from Federal was in mid-2008 but not continued thereafter because Federal and the City of Del Rey Oaks became embroiled in a lawsuit. The main cause of the MCWD expenditure was an over-run while conducting the WSA work and then staff time continuing to work with Federal to maintain the project as active. Part of Federal's challenge was the fact that, while MCWD supplied the developer with a Water Supply Assessment, MCWD was unable to provide the Written Verification of Water Supply because the water infrastructure in a

re-routed General Jim Moore Boulevard was not yet in existence. At this moment in time, Federal does not exist as an entity and attempting to recover the balance of \$12,708 would, in all likelihood, prove futile.

The Marina Cottages project was a 17-parcel townhome subdivision in the Central Marina service area accessed by Seaside Court and adjacent to the still-vacant parcel (intended for a motel development currently) making-up the northwest corner of the intersection of Reservation Road and Beach Road. The project began in 2006 and was largely constructed by the end of 2007. A staff labor over-run was created by extended efforts working with the project proponent's engineer on a sanitary sewer easement (since duly accepted by MCWD). The parcels of land created by the sub-division are now individually owned and the development entity does not exist any longer. Attempting to collect from the individual property owners the \$1,940 in expenditure over-runs would appear to take more in MCWD resources than the collection would bring-in, even if the effort could be legally undertaken at all at this late date (which is a doubtful assertion – i.e. attempting to collect debts beyond 3-years in age is problematic unless certain protocols and procedures are followed to the letter).

The \$14,648 represents the total amount for both uncollectable debts that are considered receivables to be written off as a loss.

In conclusion, staff recommends the MCWD Board of Directors adopt Resolution No. 2017-61 authorizing the General Manager to direct MCWD staff to write-off the two aged Developer Account balances as uncollectable debts for a sum total of \$14,648.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap:

Other Considerations: An alternative the Board might consider is to reject the staff recommendation and continue to carry the developer account balances on the Development Account Report provided each quarter. Further, the Board might desire to direct staff to continue examining methodologies for making write-offs more administrative in nature (rather than the currently proposed "write-off-by-Resolution" method) and select an alternative for continued processing.

Material Included for Information/Consideration: Resolution No. 2017-61; Attached Developer Deposit Balances (Excerpt).

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 \_\_\_\_\_

September 18, 2017

Resolution No. 2017 - 61  
Resolution of the Board of Directors  
Marina Coast Water District  
Directing Staff to Write-Off Two Aged Development Account Balances  
in the Total Amount of \$14,648

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 18, 2017, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, two aged development projects, the Del Rey Oaks development and the Marina Cottages development, having been carrying Development Account balances owed to the District for many years; and,

WHEREAS, MCWD staff recognizes the balances are uncollectable from legal and practical perspectives and recommends the balances be written-off from an accounting perspective; and,

WHEREAS, the total amount to be written-off sums to \$14,648.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to direct MCWD staff to write-off the aged Del Rey Oaks and Marina Cottages Development Account balances and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on September 18, 2017, 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. 2017-61 adopted September 18, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-D

Meeting Date: September 18, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consider Providing Direction to the Board President Regarding Voting for the Association of California Water Agencies Region 5 Board

Staff Recommendation: The Board of Directors provide direction to the Board President regarding voting for the Association of California Water Agencies (ACWA) Region 5 Board.

Background: *5-Year 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 August, the District received an Official Region 5 Board Ballot from ACWA. Included with the ballot were letters from Brent Hastey and Bill Rosen each requesting the District's vote for Region 5 Board Chair.

The Board is requested to either vote for the slate recommended by the Region 5 Nominating Committee or vote for individual region board members. The slate includes Bill Rosen for Chair, David T. Hodgkin for Vice Chair, and Polly Holcombe, Frank Mellon, Anson B. Moran, Sarah Palmer, and John L. Varela for Board members.

Environmental Review Compliance: None required.

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

Other Considerations: The Board of Directors can vote for the slate, vote for individual candidates, or choose to not vote for any of the candidates.

Material Included for Information/Consideration: ACWA Official Region 5 Board Ballot; and, letters from Brent Hastey and Bill Rosen.

Action Required:  Resolution  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: September 18, 2017

Prepared By: Patrick Breen

Approved By: Keith Van Der Maaten

Reviewed By: Michael Wegley

Agenda Title: Receive a Report on the State of MCWD's Groundwater Sustainability Agency

Staff Recommendation: The Board of Directors receive a report on State of MCWD's Groundwater Sustainability Agency.

Background: *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.*

The Sustainable Groundwater Management Act (SGMA) gives local agencies including cities, counties and water agencies, the authority to sustainably manage groundwater over the long-term. The purposes of SGMA are to provide for sustainable management of groundwater subbasins, to establish standards and regulations for local sustainable groundwater management, and to provide local agencies such as MCWD with the authority to sustainably manage its groundwater for its customers through the formation of a Groundwater Sustainability Agency (GSA).

Between September 6, 2016 and March 6, 2017, the District Board of Directors took a series of actions to file GSA formation Notifications of Intent (NOI) with the State of California. Through establishment of the MCWD Groundwater Sustainability Agency the District has the ability to ensure the groundwater supplies are managed in a sustainable manner to provide groundwater for the current planning forecast.

Between December 13, 2016 and April 22, 2017, first the County of Monterey and then the newly formed Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) took actions to file GSA NOI's overlapping the District's Ord Community Service Area in both the 180/400 Aquifer and Monterey subbasins.

The District is in the process of identifying solutions to resolve the overlap and to maintain management of the water supply (e.g. groundwater) in the Ord Community. Staff requested during the public hearing of the SVBGSA at its March 9, 2017 board meeting that the SVBGSA work with the District on the Ord Community overlap issue. At that meeting, the SVBGSA Board directed the SVBGSA staff to establish a negotiating team to work with the District. To date, no negotiation meetings have taken place, but staff continues to communicate with SVBGSA staff to identify options and solutions that can be presented to the MCWD GSA and the SVBGSA Boards and negotiating teams.

**Groundwater Sustainability Plan (GSP) Development Actions and Coordination Efforts**

The District is the exclusive GSA for its Central Marina Areas (jurisdictional boundaries) within the Monterey Subbasin and the 180/400 Subbasin. The District's Ord Community water system in both the Monterey Subbasin and the 180/400 Subbasin are still in an "overlap state" with the

SVBGSA. The SVBGSA is awaiting a response decision from the State before it will consider negotiating coordination and overlap issues with the District.

The District has been and continues to move forward on the development of water supply projects that improve groundwater sustainability and overall water supply reliability. The Regional Urban Water Supply Project will add a recycled water supply to the District. The electromagnetic tomography study will improve the District's understanding of groundwater quality. The Armstrong Ranch stormwater capture and reuse projects will improve groundwater recharge and provide protection from seawater intrusion. These efforts along with the Three Party MOU with the Fort Ord Reuse Authority will serve to reduce risk by diversifying the MCWD supply portfolio, which is heavily dependent on groundwater now and in the future, and to allow the District to continue to provide water that is safe, reliable, affordable, and sustainable for today's customers and future generations. It is expected that all of these projects and efforts will be a part of the groundwater sustainability plan that the District will be required to create as an exclusive GSA within the Monterey and 180/400 subbasins.

With the exclusive GSA status for the two Central Marina areas, the District will have to coordinate GSPs with other GSAs formed in the Salinas Valley Groundwater Basin. To begin this process the Marina Coast Water District GSA and the Arroyo Seco GSA have invited all GSAs within the Salinas Valley Groundwater Basin to a meeting on September 29, 2017 to begin discussions on developing the coordination agreements required under SGMA. This is especially important in light of the upcoming DWR grant funding coming this fall for development of GSP's which will require applicants to describe coordination agreements and efforts.

Two opportunities for GSP funding are available through DWR. The first is for facilitation services to pursue solutions that will be beneficial for the GSA's in overlap. The SVBGSA has secured this funding which will assist with coordination efforts.

The second opportunity for funding is for Groundwater Sustainability plans and projects. This tranche of funding is provided by the Proposition 1 Grant Program. The priority is to fund plans and projects in high and medium priority basins which include the Marina Coast Water District GSA subbasins.

If there are multiple applications within a basin, the Department of Water Resources (DWR) will contact the applicants and request a consolidated application for the basin be submitted before the close of the open filing period. This will be a topic for discussion at the September 29, 2017 with all GSA's in the Salinas Valley Basin, which extends into San Luis Obispo County.

Another activity that is on-going is the development of a public workshop in October for basin residents and other key stakeholders within and outside of the water service area to solicit feedback on the District GSA. This will help form the basis for the consideration and recruitment of the participants of two committees recommended by the SGMA law, one being an Advisory Committee and the other being a Technical Committee.

Potential Advisory Committee members will include stakeholders and the "Initial List of Beneficial Uses and Users of Groundwater". The Advisory Committee would review all Board agenda materials, provide Board recommendations regarding the GS Plan, Projects, and perform additional tasks as assigned by the Board.

Participants of the Technical Committee would be qualified technical personnel recruited from the stakeholders and “Initial List of Beneficial Uses and Users of Groundwater”, other local area GSA personnel, and public persons with the knowledge and experience necessary to provide technical advice regarding hydrogeological issues. The committee would provide technical advice and recommendations regarding the GS Plan, Projects, and perform additional tasks as assigned by the Board.

Potential Committee participants would be required to provide an application that describes their qualifications and experience, be recommended by Staff to the MCWD Board, and be appointed by the MCWD Board.