



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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

TEL: (831) 384-6131 FAX: (831) 883-5995

## 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, April 20, 2015, 6:00 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 Thursday, April 16, 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)

#### **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. Support the Marina Coast Water District's Participation in the Association of California Water Agencies/Joint Powers Insurance Authority Commitment to Excellence Program by signing the ACWA/JPIA Agreement
  - B. Receive and File the Check Register for the Month of March 2015
  - C. Approve the Draft Minutes of the Regular Board Meeting of April 6, 2015

**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. Receive Revised Draft District FY 2015-2016 Budget, Rates, Fees and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents

*Action: The Board of Directors will receive the draft District FY 2015-2016 Budget, Rates, Fees and Charges for the Marina and Ord Community Service Areas and provide direction regarding Preparation of the Final Budget Documents.*

B. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-18 to Authorize the District to Refund (Refinance) the Outstanding 2006 Certificates of Participation in the amount of \$35,170,000 with BOSC, Inc. as Underwriter, Jones Hall as Bond Counsel and Direct Staff to Issue a Request for Proposals for a Financial Advisor for the Refunding

*Action: The Board of Directors will consider authorizing the District to refund (refinance) the outstanding 2006 Certificates of Participation in the amount of \$35,170,000 with BOSC, Inc. as Underwriter, Jones Hall as Bond Counsel and direct staff to issue a Request for Proposals for a Financial Advisor for the refunding.*

C. Discussion and Possible Action to Consider Authorizing the District to Work with the Drought Water Assistance Program of Central Coast Energy Services, Inc. to Provide Payment Assistance to Low Income Customers

*Action: The Board of Directors will consider authorizing the District to work with the Drought Water Assistance Program of Central Coast Energy Services, Inc. to provide payment assistance to low income customers.*

D. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-19 to Authorize the Temporary Use of District Reserves to Fund Construction of the BLM Building Until Funding is Received from Rabobank

*Action: The Board of Directors will consider authorizing the temporary use of District reserves to pay the BLM construction costs until Rabobank Loan Funding is received.*

E. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-08 to Approve Proposed Revisions to the Board Procedure Manual

*Action: The Board of Directors will consider approving proposed revisions to the Board Procedures Manual.*

- F. Consider Extending the Deadline for the Completion of the Definitive Agreement (Source Waters and Water Recycling Memorandum of Understanding)

*Action: The Board of Directors will consider extending the deadline for the Source Waters and Water Recycling Memorandum of Understanding.*

- G. Discussion and Possible Action to Consider Approving the Renewal of the District's Membership in CalDesal

*Action: The Board of Directors will consider approving the District's membership in CalDesal.*

- 10. 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 | 6. LAFCO Liaison                  |
| 2. Joint City-District Committee | 7. FORA                           |
| 3. Executive Committee           | 8. WWOC Report                    |
| 4. Community Outreach            | 9. JPIA Liaison                   |
| 5. MRWPCA Board Member Liaison   | 10. Special Districts Association |

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

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

*Regular Meeting: Monday, May 4, 2015, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8

Meeting Date: April 20, 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) Support the Marina Coast Water District’s Participation in the Association of California Water Agencies/Joint Powers Insurance Authority Commitment to Excellence Program by signing the ACWA/JPIA Agreement
- B) Receive and File the Check Register for the Month of March 2015
- C) Approve the Draft Minutes of the Regular Board Meeting of April 6, 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: Copy of Commitment to Excellence agreement; the check register for March 2015; and, the draft minutes of April 6, 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: April 20, 2015

Submitted By: Jean Premutati

Approved By: Bill Kocher

Agenda Title: Support the Marina Coast Water District's Participation in the Association of California Water Agencies/Joint Powers Insurance Authority Commitment to Excellence Program by signing the ACWA/JPIA Agreement

Staff Recommendation: Support the Marina Coast Water District's (MCWD) participation in the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) Commitment to Excellence (CTE) program by signing the Commitment to Excellence agreement.

Background: In October 2013, the ACWA/JPIA initiated its "Commitment to Excellence" outreach. This is planned to be a long-term effort to help JPIA's membership reduce the frequency and severity of the following:

- Vehicle Operations
- Construction
- Infrastructure
- Employment Practices
- Ergonomics/Falls

The CTE agreement between ACWA/JPIA membership and JPIA staff will be the catalyst for initiating and sustaining this effort.

Since the most frequent and costly losses come from the above-mentioned areas, the JPIA's focus is on encouraging and assisting its members to implement programs and practices that can prevent these types of claims.

The support of member decision-makers (Board Members, General Managers, etc.) to influence the loss reduction activities and practices of their organizations is absolutely essential. Each district's General Manager and President of the Board of Directors (and other members of the Board if they desire), will be asked to demonstrate their on-going support by signing an ACWA/JPIA CTE agreement. Members who sign the agreement will be recognized as follows:

- The organization will receive a certificate frame for displaying their CTE agreement
- The organization's attendees at ACWA/JPIA conferences will have special ribbons added to their nametag indicating the district's commitment.
- Participation in the CTE will be highlighted in future Perspective articles, and emphasized in Executive Committee meeting and future ACWA/JPIA conferences.

The effectiveness of the CTE outreach will be reflected in the long-term loss rate and cost statistics following its implementation. Loss rates and cost statistics will be reported and evaluated during JPIA Committee and Board meetings.

Discussion/Analysis: Members are not required to adopt specific programs or policies as part of their commitment although Marina Coast Water District does utilize the Best Practices of the ACWA/JPIA in the areas of concern.

Environmental Review Compliance: None required.

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

Other Considerations: The Board can disregard the Commitment to Excellence program and continue to utilize the Best Practices of the ACWA/JPIA.

Material Included for Information/Consideration: Copy of Commitment to Excellence agreement.

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: 8-B

Meeting Date: April 20, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

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

Staff Recommendation: The Board of Directors receive and file the March 2015 expenditures totaling \$733,993.14.

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 March 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: March 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-C

Meeting Date: April 20, 2015

Prepared By: Paula Riso

Approved By: Bill Kocher

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of April 6, 2015

Staff Recommendation: The Board of Directors approve the draft minutes of the April 6, 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 April 6, 2015 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 April 6, 2015.

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: 9-A

Meeting Date: April 20, 2015

Submitted By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Receive Revised Draft District FY 2015-2016 Budget, Rates, Fees and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents

Staff Recommendation: The Board receive the revised of the draft District budget for FY 2015-2016 and provide direction to staff regarding preparation of the final budget documents.

Background: *Strategic Plan, Goal No. 4 – To manage the District’s finances in the most effective and fiscally responsible manner.*

On February 17, 2015, the Board set the date for the FY 2015-2016 Budget Workshop for March 16, 2015. On March 16, 2015, the Board held its FY 2015-2016 Budget Workshop and provided direction to staff.

Discussion/Analysis: The Draft FY 2015-2016 District Budget was distributed to the Board on March 6, 2015 for review in preparation for the budget workshop. Edits and further revisions were made based on discussions by the Board of the Draft Budget at the budget workshop and on comments received from the Fort Ord Reuse Authority’s Water Wastewater Oversight Committee at their April 1<sup>st</sup> and 15<sup>th</sup> meetings.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: None

Other Considerations: None.

Materials Included for Information/Consideration: Draft FY 2015-2016 Budget Document dated April 20, 2015 and list of changes from the March 6 draft document provided separately.

Action Required:  Resolution  Motion  Review

---

Board Action

Resolution No \_\_\_\_\_ Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

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

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

Reagendized \_\_\_\_\_ Date \_\_\_\_\_ No Action Taken \_\_\_\_\_

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: April 20, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2015-18 Authorizing the District to Refund (Refinance) the Outstanding 2006 Certificates of Participation in the Amount of \$35,170,000 with BOSC, Inc. as Underwriter, Jones Hall as Bond Counsel and Direct Staff to Issue a Request for Proposals for a Financial Advisor for the Refunding

Staff Recommendation: The Board authorize the District to Refund (Refinance) the Outstanding 2006 Certificates of Participation in the amount of \$35,170,000 with BOSC, Inc. as underwriter, Jones Hall as bond counsel and direct staff to issue a Request for Proposals (RFP) for a Financial Advisor for the Refunding.

Background: *Strategic Plan, Goal No. 4 – To manage the District’s finances in the most effective and fiscally responsible manner.*

On August 23, 2006, the District issued its Certificates of Participation, Series 2006, in the principal amount of \$42,310,000, for the purpose of financing improvements to the District’s water and wastewater systems and refinance prior obligations.

Discussion/Analysis: The District has an opportunity to do an early refunding (refinancing) of its outstanding 2006 Certificates of Participation (COPs) in the amount of \$35,170,000 and potentially save approximately \$314,000 per year in bond interest. Ms. Carmen Vargas from BOSC, Inc., previously with Citigroup (underwriter of the 2006 issuance), contacted the District to discuss refunding the COPs while rates are low. Because the bonds are not callable until June 1, 2016, the District would refund the bonds by creating an escrow account that would pay the bonds when they are due and callable. The escrow account would be funded by State and Local Government Series (SLGS) or treasury securities.

According to “The Bond Buyer 20-Year Bond Index”, fixed interest rates have been volatile and are currently 3.52%, 1.06% below historical average of 4.58% and within 0.25% of the historical low of 3.27%. The interest rate on the Districts 2006 COPs is 4.96%. Assuming interest rates reflect current market conditions for similar municipal bond sales, the District maintains its “AA-” rating and other factors, the District could realize a total Present Value Debt Service Savings of approximately \$4,969,000 however time is of the essence due to the volatility of interest rates. The goal would be to complete the transaction by June 30, 2015.

Because current staff that would be involved in the refunding was not with the District in 2006, staff believes it would be beneficial to have Ms. Vargas now with BOSC, Inc., provide the underwriting services of the refunding. Due to Ms. Vargas’ involvement in the 2006 transaction, BOSC, Inc. has proposed the underwriter’s discount of 0.4% or \$123,520. In contrast, the

underwriter's discount on the 2006 COPs was 1.472% and 0.7% on the District's 2010 Subordinate Refunding Revenue Bonds.

In addition to Ms. Vargas, Mr. Charles Adams of Jones Hall has been the District's bond counsel on both the 2006 and 2010 bond issuances and has provided outstanding service to the District in these matters. Staff therefore recommends that the District retain Jones Hall as bond counsel for this transaction.

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. Bartle Wells was the financial advisor for the District during the 2006 transaction; however, staff believes it would be beneficial for the District to issue an RFP for these services and possible future transactions. The RFP process would have an accelerated schedule so as to meet the June 30, 2015 deadline.

Environmental Review Compliance: None required.

Financial Impact  Yes  No Funding Source/Recap: The refunding of the 2016 COPs would not have a financial impact in FY 2014/2015 but would generate future cost savings on an annual basis of approximately \$314,000. The savings would be allocated based on the outstanding 2006 COPs as follows: Marina Water (MW) – 8%; Marina Sewer (MS) – 5%; Ord Water (OW) – 51%; Ord Sewer (OS) – 22%; Recycled Water (RW) – 14%

Other Considerations: It is important to note that services provided by the underwriter and bond counsel are paid only if the transaction is completed.

Material Included for Information/Consideration: Resolution No. 2015-18.

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

---

Board Action

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

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

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

April 20, 2015

Resolution No. 2015-18  
Resolution of the Board of Directors  
Marina Coast Water District  
Authorizing the Refunding (Refinancing) the Outstanding 2006 Certificates of Participation  
In the amount of \$35,170,000 with BOSC, Inc. as Underwriter,  
Jones Hall as Bond Counsel and Direct Staff to Issue a Request for Proposals (RFP)  
For a Financial Advisor for the Refunding

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 20, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District has an opportunity to do an early refunding (refinancing) of all or a portion of its outstanding 2006 Certificates of Participation (COPs) in the amount of \$35,170,000 and potentially save approximately \$314,000 per year in bond interest; and,

WHEREAS, assuming interest rates reflect current market conditions for similar municipal bond sales, the District maintains its “AA-“ rating and other factors, the District could realize a total Present Value Debt Service Savings of approximately \$4,969,000 however time is of the essence due to the volatility of interest rates; and,

WHEREAS, because current staff that would be involved in the refunding was not with the District in 2006, it would be beneficial to have Ms. Carmen Vargas, who was involved in the 2006 issuance and now with BOSC, Inc., provide the underwriting services of the refunding; and,

WHEREAS, Mr. Charles Adams of Jones Hall who served as the District’s bond counsel on both the 2006 and 2010 bond issuances and will be retained as bond counsel for this transaction; and,

WHEREAS, a financial advisor is necessary for this transaction to provide advice on structure of the transaction, review legal and disclosure documentation and provide independent pricing evaluation. Bartle Wells was the financial advisor for the District during the 2006 transaction; however, it would be beneficial for the District to issue an RFP for these services and possible future transactions.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to refund (refinance) the Outstanding 2006 Certificates of Participation in the amount of \$35,170,000 with BOSC, Inc. as underwriter, Jones Hall as bond counsel and to issue a Request for Proposals for a Financial Advisor for the refunding and possible future transactions.

PASSED AND ADOPTED on April 20, 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. 2015-18 adopted April 20, 2015.

\_\_\_\_\_  
Bill Kocher, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: April 6, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Consider Authorizing the District to Work with the Drought Water Assistance Program of Central Coast Energy Services, Inc. to Provide Payment Assistance to Low Income Customers

Staff Recommendation: The Board authorize the District to with the Drought Water Assistance Program of Central Coast Energy Services, Inc. to provide payment assistance to low income customers of the District.

Background: *2014 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: Central Coast Energy Services, Inc. (CCES) is a not-for-profit organization which provides energy conservation, consumer education & advocacy, home improvement, utility assistance, job training, and other services to people in need. They serve Monterey, San Benito, Santa Cruz and San Mateo counties. During the months of June-December 2014, CCES provided the Drought Water Assistance program for low-income Monterey County residents. During the 6-month contract term, 16 Marina Water District customers received over \$2,200 in water assistance benefits.

Because of the response they received, CCES has been granted another contract beginning April 1 and running through December 31, 2015. Income-eligible households may receive a one-time benefit of \$150; those in danger of being disconnected may be considered for an additional amount. Before CCES begins its outreach campaign in Monterey County, they have contacted the District about the possibility of having this year's water assistance program information available for MCWD customers.

Environmental Review Compliance: None required.

Other Considerations: The Board can decide not to participate in the program.

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

Material Included for Information/Consideration: Water Assistance Program Flyer and CCES assistance application.

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: 9-D

Meeting Date: April 20, 2015

Submitted By: Patrick Breen

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action Regarding Resolution No. 2015-19 to Authorize the Temporary Use of District Reserves to Fund Construction of the Bureau of Land Management Building until Funding is Received from Rabobank

Staff Recommendation: The Board of Directors consider adopting Resolution No. 2015-19 to authorize the temporary use of District reserves to fund construction of the Bureau of Land Management (BLM) building until funding is received from Rabobank.

Background: *Strategic Plan, Goal No. 4 – To manage the District’s finances in the most effective and fiscally responsible manner.*

On August 17, 2009, the Board adopted Resolution No. 2009-63 approving an agreement with the Association of Monterey Bay Area Governments (AMBAG) to purchase property within the Imjin Office Park; on November 13, 2012, the Board adopted Resolution No. 2012-77 authorizing the General Manager to take any and all actions necessary to provide a conditional commitment to the General Services Administration to construct an Imjin Office Park Building to house the Bureau of Land Management Regional Office. On April 1, 2013 the Board of Directors of the Marina Coast Water District adopted Resolution No. 2013-26, authorizing an agreement with Rabobank, N.A. to provide a loan to fund construction of office Building E and site improvements within the Imjin Office Park Project, the use of District Reserves to fund the soft costs of the project (design/permitting/engineering [non construction costs] not-to-exceed \$600,000). On November 17, 2014 the Board of Directors of the Marina Coast Water District adopted Resolution No. 2014-46 to authorize a loan with RaboBank in the amount of \$3,452,479, authorize a construction contract with Dilbeck & Sons Incorporated to construct a Building E at 940 Imjin Office Parkway in the amount of \$3,138,618 with a total contract authorization of \$3,452,479.

Discussion/Analysis: Once the contract was awarded in November 2014, staff began the loan process with Rabobank N. A. The loan process has taken longer than anticipated.

In order to further construction for the BLM Building project the contractor Dilbeck & Sons Incorporated is requesting payment. The construction contract was to be only funded through a loan from Rabobank N. A. and restricts the use of District funding for the actual construction.

Currently the closing and funding of the loan is anticipated to be mid-May 2015. Dilbeck & Sons has performed work under the contract and has not been reimbursed as staff was anticipating the loan would close and be funded sooner.

In order to continue progress and pursue completion of the project Staff is recommending the use of District reserves for a short period of time to pay the contractor. The payments from reserves would not exceed \$200,000.

The adoption of this resolution will not increase the budget for this project.

Environmental Review Compliance: None required.

Other Considerations: Staff has concluded that this is necessary to keep the construction on track.

Financial Impact:  Yes  No Funding Source/Recap: Costs to be temporarily funded through Operating Reserves, Marina Water-\$56,000, Marina Sewer-\$16,000, Ord Water-\$100,000, Ord Sewer \$28,000; and would be reimbursed once loan funding is received.

Material Included for Information/Consideration: Resolution No. 2015-19; Rabobank email authorizing District to pre-pay invoices prior to loan closure and funding.

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

---

Board Action

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

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

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

April 20, 2015

Resolution No. 2015 - 19  
Resolution of the Board of Directors  
Marina Coast Water District

Authorizing the Temporary Use of District Reserves to Fund Construction of the Bureau of Land Management Building until Funding is Received from Rabobank

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 20, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on August 17, 2009, the Board adopted Resolution No. 2009-63 approving an agreement with the Association of Monterey Bay Area Governments to purchase property within the Imjin Office Park; and,

WHEREAS, the Board of Directors finds that the property was purchased to be used as the centralized location for District administrative, engineering, and operational staffs. However, the property is not currently being used. The property will be needed for District use when the District’s existing administrative offices will need to be relocated due to continuing beach erosion or due to other causes so the Board finds that it is in the best interests of the District to retain and lease out the property at this time; and,

WHEREAS, the Bureau of Land Management (BLM) was seeking property in Marina to house their regional offices which presents the District the opportunity to recoup the cost of constructing Building E through leasing the building to BLM; and,

WHEREAS, Rabobank, N.A. has proposed a loan program to fund the construction and site improvements of the project; and,

WHEREAS, on April 1, 2013, the Board of Directors of the Marina Coast Water District adopted Resolution No. 2013-26, authorizing an agreement with Rabobank, N.A. to provide a loan to fund construction of office Building E and site improvements within the Imjin Office Park Project, the use of District Reserves to fund the soft costs of the project; and,

WHEREAS, on November 17, 2014, the Board of Directors of the Marina Coast Water District adopted Resolution No. 2014-46, which authorized a construction contract with Dilbeck & Sons Incorporated to construct Building E at 940 Imjin Office Parkway in the amount of \$3,138,618 with a total contract authorization of \$3,452,479 including a 10% contingency; and authorizes the General Manager to execute General Services Administration Lease GS-09B-03074 Amendments 1&2 and further, authorizes the General Manager to execute loan documents from Rabobank for said construction of Building E and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District adopt Resolution No. 2015-19 which authorizes the temporary use of District reserves to fund construction of the BLM Building until Rabobank loan funding is received.

PASSED AND ADOPTED on April 20, 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. 2015-19 adopted April 20, 2015.

\_\_\_\_\_  
Bill Kocher, Deputy Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-E

Meeting Date: April 20, 2015

Prepared By: Paula Riso

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Consider the Adoption of Resolution No. 2015-08 to Approve the Proposed Revisions to the Board Procedures Manual

Staff Recommendation: The Board of Directors review the proposed revisions to the Board Procedures Manual (BPM) and consider approving those changes.

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.”*

The last revision to the BPM was June 2014, where Section 42 was amended. Since that time, the Board and staff have been reviewing the BPM and following a special Board meeting on February 28<sup>th</sup>, are now bringing proposed revisions before the Board.

Discussion/Analysis: The changes being suggested are very extensive and require a thorough review. Legal Counsel has also reviewed the changes and has made suggestions. Since the February 28<sup>th</sup> meeting, staff made “tentative agreement” changes to sections 1, 2, 4, 8, 20, 21, 25, 26, 27, 32, 36, and 37, and those changes are included in the document.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: None

Other Considerations: The Board of Directors can consider approving the revisions at the April 20<sup>th</sup> Board meeting, or, since the revision is so extensive, the Board can consider approving several sections of the BPM each month until the entire document is complete.

Material Included for Information/Consideration: A redlined versions of the BPM with balloons showing the comments is provided separately.

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

---

Board Action

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

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

April 20, 2015

Resolution No. 2015-08  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving Revisions to the Board Procedures Manual

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 20, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, in late 2013, the Board directed staff to review the entire Board Procedures Manual and provide the Board potential revisions; and,

WHEREAS, over the course of several months, District staff provided revisions to the Board for discussion and in August 2014, the Board requested time to provide their suggestions and revisions; and,

WHEREAS, suggestions and extensive revisions have been received from staff, legal counsel, and Board members, and are included in this document for consideration.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2015-08, to approve the revisions to the Board Procedures Manual.

PASSED AND ADOPTED on April 20, 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. 2015-08 adopted April 20, 2015.

---

Bill Kocher, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-F

Meeting Date: April 20, 2015

Prepared By: Bill Kocher

Approved By: Bill Kocher

Agenda Title: Consider Extending the Deadline for the Completion of the Definitive Agreement  
(Source Waters and Water Recycling Memorandum of Understanding)

Staff Recommendation: Staff recommends that the Board approve extending the definitive agreement completion deadline and direct your Board President to sign the Definitive Agreement MOU Extension.

Background: The Source Waters and Water Recycling MOU was signed by five entities in the fall of 2014. The entities were the MRWPCA, MCWRA, City of Salinas, MCWD and the MPWMD. The MOU outlined the parties will work in good faith to try and negotiate these main items listed in the MOU: 1) protection of MCWD's recycled water right entitlement; 2) Provision of Recycled Water to MCWRA; 3) Phase I – GWR Project Water and additional water for CSIP; and, 4) Accounting Protocols between MCWRA and MRWPCA.

The MOU would expire if an executed Definitive Agreement had not occurred or by March 31, 2015. There was no language inside the document for extending the MOU. MRWPCA has contacted all signatories to this MOU proposing to extend the deadline until June 30, 2015 to allow time to finalize the various parts.

Progress is being made on the various agreements as written in the MOU. Extending the deadline will continue the dialogue for producing a Definitive Agreement. The proposed Definitive Agreement Extension document is attached.

Discussion/Analysis: The MCWD is continuing to meet with MRWPCA seeking a Definitive Agreement. Staff recommends extending the current MOU until June 30, 2015.

Environmental Review Compliance: DNA

Financial Impact:  Yes  No Funding Source/Recap: None

Other Considerations: Staff has concluded that it is necessary for the District to agree to this MOU extension to remain at the negotiations table regarding the water reclamation project.

Material Included for Information/Consideration: Draft Amendment 1 to MOU Regarding Source Water and Water Recycling.

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-G

Meeting Date: April 20, 2015

Prepared By: Bill Kocher

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Consider Approving the Renewal of the District's Membership in CalDesal

Staff Recommendation: That the Board of Directors consider and give direction to staff regarding renewing a Membership with CalDesal.

Background: *2015 Strategic Plan, Strategic Goal 1.5 – Develop an alternative water sources work plan that will carry us from conception to development.*

CalDesal is an organization formed by a collection of various water agencies throughout the State to be a source of information-sharing and support to those considering desalination as a source of new supply. The organization has matured to become the definitive source of information for regulators and other agencies within the State of California who seek technical information about desalination. That is largely due to the fact that its member agencies have invested millions of dollars in research and study into the many issues that surround the development of successful, permittable, and environmentally achievable desalination project designs. Those member agencies have agreed to use CalDesal as a clearinghouse for that collection of technical information.

It is also beneficial to have this support network as agencies work their way through the complexity of desalination permitting.

Discussion/Analysis: When the District was previously engaged in the Regional Desalination Project, it was a founding member of CalDesal but ceased to be a member when that project ceased to move forward. Staff would recommend that since the District is about to re-engage in desalination planning, it would be beneficial to re-join this organization.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: The cost of annual membership in CalDesal for founding members, according to its website, is \$5000. Funds would be obtained through the Marina Water and Ord Water membership cost centers.

Other Considerations: Should the Board not wish to rejoin CalDesal, it is not critical to the success of the proposed project. It would simply provide an easily accessible network of agencies that have experience in desalination.

Material Included for Information/Consideration: None.

Action Required:  Resolution  Motion  Review

---

Board Action

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

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_