



# 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, June 15, 2015, 6:30 p.m. PST

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

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

#### 1. Call to Order

#### 2. Roll Call

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

#### 4. Closed Session

- A. Pursuant to Government Code 54957  
Public Employee Appointment  
Title: General Manager
- B. Pursuant to Government Code 54956.9  
Conference with Legal Counsel – Existing Litigation  
(Subdivision (a) of Section 54956.9)

This agenda is subject to revision and may be amended prior to the scheduled meeting. Pursuant to Government Code section 54954.2(a)(1), the agenda for each meeting of the Board shall be posted at the City of Marina Council Chambers. The agenda shall also be posted at the following locations but those locations are not official agenda posting locations for purposes of section 54954.2(a)(1): District offices at 11 Reservation Road, Seaside City Hall, the City of Marina Library, and the City of Seaside Library. A complete Board packet containing all enclosures and staff materials will be available for public review on Wednesday, June 10, 2015. Copies will also be available at the Board meeting. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5910.

- 1) Ag Land Trust v. Marina Coast Water District, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case Nos. H038550 and H039559
- 2) In the Matter of the Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, California Public Utilities Commission No. A.12-04-019 & A.13-05-017 Settlement Agreement
- 3) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, San Francisco Superior Court Case No. CGC-13-528312 (Complaint for Declaratory Relief)
- 4) Marina Coast Water District v. California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CGC-13-528312 (Petition for Writ of Mandate).
- 5) Marina Coast Water District v. California State Lands Commission (California-American Water Company, Real Party in Interest), case number pending (Petition for Writ of Mandate)

C. Pursuant to Government Code 54957.6  
 Conference with Labor Negotiators  
 Agency Negotiators (Bill Kocher, Peter Le)  
 Employee Organization: Marina Coast Water District Employees Association

D. Pursuant to Government Code 54957.6  
 Conference with Labor Negotiators  
 Agency Negotiators (Bill Kocher, Peter Le)  
 Employee Organization: Teamsters Local 890

E. Pursuant to Government Code 54956.8  
 Conference with Real Property Negotiator  
 Property: Recycled Water Pipeline, Recycled Water  
 Agency Negotiators: Peter Le and Howard Gustafson  
 Negotiating parties: MRWPCA, MCWRA, MPWMD, City of Salinas, and others.  
 Under Negotiation: Price and Terms

## **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.*

A. Adopt Resolution No. 2015-24 to Approve the Employment Contract for the General Manager Position

**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. Adopt Resolution No. 2015-26 to Allow Tax Deferred Member-Paid Contributions – IRC 414(h)(2) Employer Pick-Up to the California Public Employees Retirement System

B. Adopt Resolution No. 2015-27 to Approve a Professional Services Agreement with Monterey Bay Technologies to Provide Information Technology Support Services to the District for FY 2015-2016

C. Receive and File the Check Register for the Month of May 2015

D. Approve the Draft Minutes of the Regular Board Meeting of June 1, 2015

E. Approve the Draft Minutes of the Special Board Meeting of June 4, 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. Discussion and Possible Action to Edit and Authorize the Interim General Manager to Submit a Comment Letter on the Monterey Downs EIR

*Action: The Board of Directors will consider authorizing the Interim General Manager to submit a comment letter on the Monterey Downs EIR.*

B. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-28 to Authorize a Contract to Provide Annual Audit Services to the District

*Action: The Board of Directors will consider authorizing a contract to provide annual audit services to the District.*

C. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-29 to Approve the Marina Coast Water District Budget for FY 2015-2016

*Action: The Board of Directors will consider approving the FY 2015-2016 budget.*

- D. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-30 to Approve the District Five-Year Capital Improvement Projects Budget

*Action: The Board of Directors will consider approving the District five-year Capital Improvement Projects budget for the Central Marina and Ord Community service areas.*

- E. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-31 to Approve a Contract with Inland Potable Services, Inc. for Water Tank Cleaning Services

*Action: The Board of Directors will consider approving a contract with Inland Potable Services, Inc. for water tank cleaning services.*

- 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  
1. Correspondence Received

- 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    |                                   |

- 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, July 6, 2015, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8

Meeting Date: June 15, 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) Adopt Resolution No. 2015-26 to Allow Tax Deferred Member-Paid Contributions – IRC 414(h)(2) Employer Pick-Up to the California Public Employees Retirement System
- B) Adopt Resolution No. 2015-27 to Approve a Professional Services Agreement with Monterey Bay Technologies to Provide Information Technology Support Services to the District for FY 2015-2016
- C) Receive and File the Check Register for the Month of May 2015
- D) Approve the Draft Minutes of the Regular Board Meeting of June 1, 2015
- E) Approve the Draft Minutes of the Special Board Meeting of June 4, 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: Resolution No. 2015-26; Resolution No. 2015-27; Check register for May 2015; the draft minutes of June 1, 2015; and the draft minutes of June 4, 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: June 15, 2015

Prepared By: Jean Premutati

Approved By: Bill Kocher

Agenda Title: Adopt Resolution No. 2015-26 to Allow Tax Deferred Member-Paid Contributions – IRC 414(h)(2) Employer Pick-Up to the California Public Employees Retirement System

Staff Recommendation: Adopt Resolution No. 2015-26 to allow tax deferred member-paid contributions – IRC 414(h)(2) employer pick up to the California Public Employees Retirement System (CalPERS).

Background: *2014 Strategic Plan Goal 5.1 - Recruit and retain high performing, engaged personnel.*

On January 1, 2013, the Public Employees' Pension Reform Act (PEPRA) went into effect. Per the new law, employees hired after this date with no prior CalPERS service would be responsible for paying the employee contribution portion to PERS. This does not apply to members who are considered "Classic" and hired prior to January 1, 2013.

The current District Memorandums of Understanding (MOU's) which became effective July 1, 2012 states that the District will pay 100% of employer and employee contributions. PERS allows employers to pay the PEPRA employee contribution provided a "MOU Impairment" letter is on file with PERS through the expiration of the MOU. The District submitted its impairment letter in May 2013 and will continue paying the employee portion through June 30, 2015, at which time the MOU's will expire. Effective July 1, 2015, PEPRA employees only will begin paying 6.2% for the employee portion of PERS.

Establishing an IRC 414(h)(2) will offer a tax-deferred benefit to the employees. In addition, this plan will also apply to Classic members as well should the collective bargaining units agree at a future date to begin paying the employee contributions.

Discussion/Analysis: There is no cost to the District and it will help to assuage the additional costs the employees will assume.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap – None

Other Considerations: None.

Material Included for Information/Consideration: None.

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

---

Board Action

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

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

June 15, 2015

Resolution No. 2015-26  
Resolution of the Board of Directors  
Marina Coast Water District

Allowing Tax Deferred Member Paid Contributions – IRC 414(h)(2) Employer Pick-Up  
to the California Public Employees Retirement System

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (MCWD), at a regular meeting duly called and held on June 15, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the Marina Coast Water District has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to All Employees of Marina Coast Water District who are members of the California Public Employees’ Retirement System (CalPERS).

NOW, THEREFORE, BE IT RESOLVED:

1. That the Marina Coast Water District will implement provisions of section 414(h)(2) IRC by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees’ Retirement System on behalf of all its employees or all its employees in a recognized group or class of employment who are members of the California Public Employees’ Retirement System. “Employee contributions” shall mean those contributions to the Public Employees’ Retirement System which are deducted from the salary of employees and are credited to individual employee’s accounts pursuant to California Government Code Section 20691.
2. That the contributions made by the Marina Coast Water District to the California Public Employees’ Retirement System, although designated as employee contributions, are being paid by the Marina Coast Water District in lieu of contributions by the employees who are members of the California Public Employee’s Retirement System.
3. That employees shall not have the option of choosing to receive amounts directly instead of having them paid by the Marina Coast Water District to the California Public Employee’s Retirement System.
4. That the Marina Coast Water District shall pay to the California Public Employee’s Retirement System the contributions designated as employee contributions from the same source of funds used in paying salary.
5. That the amount of the contributions designated as employee contributions and paid by the Marina Coast Water District to the California Public Employee’s Retirement System on behalf of an employee shall be the entire contribution required of the employee by the California Public Employee’s Retirement System (California Government Code Sections 20000, et seq.).

6. That the contributions designated as employee contributions made by the Marina Coast Water District to the California Public Employee's Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the California Public Employee's Retirement System.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2015-26 to Allow Tax Deferred Member Paid Contributions – IRC 414(h)(2) Employer Pick-Up to the California Public Employees Retirement System.

PASSED AND ADOPTED on June 15, 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. 2015-26 adopted June 15, 2015.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: June 15, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Adopt Resolution No. 2015-27 to Approve a Professional Services Agreement with Monterey Bay Technologies to Provide Information Technology Support Services to the District For FY 2015-2016

Staff Recommendation: The Board of Directors adopt Resolution No. 2015-27 to approve a Professional Services Agreement (PSA) with Monterey Bay Technologies (MBT) to provide Information Technology (IT) support services to the District for FY 2015-2016.

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.*

On December 13, 2011, the Board adopted Resolution No. 2011-89 awarding a contract to MBT to provide IT services to the District; on June 17, 2012, the Board received an update on the District's IT service provider and adopted Resolution No. 2012-35 awarding a contract to MBT to provide IT support services to the District for FY 2012-2013; on June 17, 2013, the Board adopted Resolution No. 2013-37 awarding a contract to MBT to provide IT support services to the District for FY 2013-2014; on May 19, 2014, the Board adopted Resolution No. 2014-21 awarding a contract to MBT to provide IT support services to the District for FY 2014-2015.

Discussion/Analysis: Since becoming the District's IT support services provider, MBT completed annual assessments of the District's technology, assisted staff in updating the District's annual IT Plan, installed a new server which consolidated two of the District's outdated servers, replaced the District's application server, and was instrumental during the Springbrook migration in April, 2015. In addition, MBT continues to be responsive to the District's IT needs. Staff therefore recommends continuance with MBT to provide IT support services to the District.

There will be no rate increase from FY 2014-2015. The monthly retainer will remain \$3,825.00 per month based on 45 hours per month at \$85.00 per hour. Additional monthly hours will be billed at \$105.00 per hour.

Environmental Review Compliance: None.

Financial Impact:   X   Yes        No Funding Source/Recap: Funded through FY 2015/2016 Operating Budget of the Central Marina and Ord Community cost centers – (MW: 27%, MS: 7%, OW: 54%, OS: 12%)

Material Included for Information/Consideration: Resolution No. 2015-27; and, PSA with MBT.

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

---

Board Action

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

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

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

June 15, 2015

Resolution No. 2015-27  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving a Professional Services Agreement with Monterey Bay Technologies  
to Provide Information Technology Support Services to the District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on June 15, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on May 19, 2014, the Board awarded Monterey Bay Technologies (MBT) a contract with the District to provide Information Technology (IT) support through June 30, 2015; and,

WHEREAS, as the District’s IT service provider, MBT has completed annual assessments of the District’s technology, assisted staff in updating the District’s IT Plans, installed a new server which consolidated two of the District’s outdated servers, replaced the District’s application server and was instrumental during the Springbrook migration in April 2015; and,

WHEREAS, MBT continues to be responsive to the District’s IT needs.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2015-27, to approve a Professional Services Agreement with Monterey Bay Technologies to provide information technology support services to the District for FY 2015-2016.

PASSED AND ADOPTED on June 15, 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. 2015-27 adopted June 15, 2015.

---

Bill Kocher, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: June 15, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

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

Staff Recommendation: The Board of Directors receive and file the May 2015 expenditures totaling \$701,461.54.

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 May 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: May 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-D

Meeting Date: June 15, 2015

Prepared By: Paula Riso

Approved By: Bill Kocher

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of June 1, 2015

Staff Recommendation: The Board of Directors approve the draft minutes of the June 1, 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 June 1, 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 June 1, 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: 8-E

Meeting Date: June 15, 2015

Prepared By: Paula Riso

Approved By: Bill Kocher

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of June 4, 2015

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

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

Discussion/Analysis: The draft minutes of June 4, 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 June 4, 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: June 15, 2015

Prepared By: Bill Kocher

Approved By: Bill Kocher

Agenda Title: Possible Action to Edit and Authorize the Interim General Manager to Submit a Comment Letter on the Monterey Downs Project EIR

Staff Recommendation: This is a Board requested item.

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.*

The District had provided a draft comment letter on June 1, 2015 where the Board requested several revisions and that it be brought back on June 15<sup>th</sup> for further review. From comments made at the June 1, 2015 Board meeting, staff has made two revisions to the draft comment letter. Those edits are shown on the attached revised draft. That revised draft was sent to all Board members on June 4, 2015, showing the two edits and inviting Directors to look the letter over again and suggest any edits for the Board's reconsideration of the draft in open session of the June 15 Board meeting. Staff did not receive any further suggestions for edits.

Discussion/Analysis: The deadline for comment is June 19, 2015, and the District is submitting comments as a responsible agency under the signature of the Interim General Manager.

Environmental Review Compliance: This comment letter complies with CEQA.

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

Other Considerations: The Board can elect not to submit comments or to edit the comments.

Material Included for Information/Consideration: Draft comment letter with revisions.

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-B

Meeting Date: June 15, 2015

Prepared By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Adopt Resolution No. 2015-28 to Authorize a Contract to Provide Annual Audit Services to the District

Staff Recommendation: The Board of Directors adopt Resolution No. 2015-28 to approve a 3-year contract to provide audit services to the District.

Background: *2014 5-Year Strategic Plan Strategic Element 3.4 – Close and audit financial statements in a timely manner.*

On April 6, 2015 the Board adopted Resolution No. 2015-16 approving a Request for Proposals (RFP) for independent audit services to the District.

California Government Code Section 26909 requires the County Auditor to either make or contract with a certified public accountant or public accountant to perform an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided, unless an audit by a certified public accountant has been arranged by the District.

Discussion/Analysis: Previously, the Board adopted Resolution No. 2015-16 approving a Request for Proposals (RFP) for independent audit services to the District. Staff issued the RFP with a proposal due date of May 8, 2015. Eleven (11) proposals were received and summarized by staff. On June 10, 2015, proposals along with an evaluation form were distributed to the Board for review and evaluation. The proposals were evaluated based on the following criteria:

- Experience, qualifications and recommendations
- Economics and value
- Locale of proposer
- Quality of proposal

In addition, staff evaluated the proposals and has provided an evaluation matrix for the Board to consider in their evaluation of the proposals. As members of the financing team for the 2015 Refunding Revenue Bonds pointed out during the refunding process, it is management's responsibility to the Board, the ratepayers and to investors (of District bonds) to ensure sure that the financial reporting of the District has been properly audited and potential investors in District bonds look to the strength and quality of that audit in making investment decisions.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: Services performed will be funded through FY 2015/2016 Operating Budget of the Central Marina and Ord Community cost centers Marina Water (MW) – 27%; Marina Sewer (MS) – 7%; Ord Water (OW) – 54%; Ord Sewer (OS) – 12%.

Material Included for Information/Consideration: Resolution No. 2015-28; Proposal Summary Matrix; and, copies of the audit proposals 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 \_\_\_\_\_

June 15, 2015

Resolution No. 2015-28  
Resolution of the Board of Directors  
Marina Coast Water District

Approving a 3-Year Contract with \_\_\_\_\_ to Provide Annual Audit Services to the District for FY 2014/2015 Through FY 2016/2017

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on June 15, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the California Government Code Section 26909 requires the County Auditor to either make or contract with a certified public accountant or public accountant to perform an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided, unless an audit by a certified public accountant has been arranged by the District; and,

WHEREAS, previously the Board adopted Resolution No. 2015-16 to approve a Request for Proposals (RFP) for independent audit services to the District; and,

WHEREAS, staff issued a RFP with a proposal due date of May 8, 2015 and received eleven (11) proposals; and,

WHEREAS, a summary of the proposals was prepared by staff and an evaluation matrix was completed of the Board member evaluations of the proposals.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2015-28, to approve a 3-year contract with \_\_\_\_\_ for a not to exceed amount of \$\_\_\_\_\_ per year to provide annual audit services to the District, and authorizes the General Manager and/or the Director of Administrative Services to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on June 15, 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. 2015-28 adopted June 15, 2015.

---

Bill Kocher, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: June 15, 2015

Submitted By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Consider Adoption of Resolution No. 2015-29 to Approve the Marina Coast Water District Budget for FY 2015-2016

Staff Recommendation: The Board of Directors adopt Resolution No. 2015-29 approving the Marina Coast Water District Budget for FY 2015-2016.

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.*

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. On April 20, 2015, the Board received the revised draft FY 2015-2016 and gave direction to staff in preparation of the final document.

Discussion/Analysis: Each year, the District follows a budget development process that results in the MCWD Board approval of the annual budget by June 30. On February 17, 2015, the Board received the draft budget schedule and set the date for the Budget Workshop. On March 16, 2015, the Board held its budget workshop and discussed the budget in detail. On April 20, 2015, the Board received a revised draft of the FY 2015-2016 budget and provided staff direction on preparation of the final document.

Per the Facilities Agreement between the Fort Ord Reuse Authority (FORA) and the District, FORA is also required to adopt the District's Ord Community annual budget or provide written response to the District listing items of dispute and alternatives to the disputed items within three months of receipt of the initial draft budget. If the District does not receive the required response from FORA within the three month period, the budget is deemed adopted by FORA.

On March 12, 2015, the draft Ord Community budget was sent to FORA for distribution to the FORA Water/Wastewater Oversight Committee (WWOC). FORA distributed it to the WWOC on March 17, 2015. District staff met with the WWOC several times over the course of March 2015 through May 2015 in discussion over the draft Ord Community budget. The draft Ord Community budget was then presented to the FORA Board on May 8, 2015 for adoption. The FORA Board voted to approve the Ord Community FY 2015-2016 budget without the water rate increase and with the elimination of proposed funding for the RUWAP Desalination Project however, because FORA requires a unanimous vote on all first votes, the item did not pass. FORA will bring back the motion for a second vote at their June 12, 2015 meeting at which time FORA staff will remind the FORA Board that they will also need to provide a list disputed elements, reasons for the dispute, and alternatives, in this case specific elements within the budget to offset the elimination of the water rate increase. The June 12<sup>th</sup> FORA meeting had not

occurred at the time this transmittal was completed. MCWD Board will have to consider the outcome of the June 12, 2015 FORA meeting at tonight's meeting. If FORA does not respond with either an approval of the proposed budget or a list of alternatives of any disputed items by June 13, 2015 the Ord Community Budget is deemed adopted by FORA.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: All Accounts

Material Included for Information/Consideration: Resolution No. 2015-29; and, FY 2015-2016 Draft Budget Document (provided separately).

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

---

Board Action

Resolution No  Motion By  Seconded By

Ayes  Abstained

Noes  Absent

Reagendized  Date  No Action Taken

June 15, 2015

Resolution No. 2015 - 29  
Resolution of the Board of Directors  
Marina Coast Water District  
Adopting the Marina Coast Water District Budget for FY 2015-2016

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on June 15, 2015 at the 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, staff prepared and presented the draft FY 2015-2016 Budget that includes projected revenues, expenditures and capital improvement projects for the six cost centers of the District’s Water and Wastewater systems, including the area within the jurisdiction of the Fort Ord Reuse Authority (“FORA”) and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, the District Board reviewed the proposed FY 2014-2015 Budget on March 16, 2015 and April 20, 2015; and,

WHEREAS, rates, fees, charges and capacity charges for Central Marina service area were adopted by the Board in Ordinances 56 and 57; and,

WHEREAS, rates, fees, charges and capacity charges for the Ord Community service area were adopted by the Board in Resolution No. 2014-18 and 2014-20; and,

WHEREAS, per the Facilities Agreement between the Fort Ord Reuse Authority (FORA) and the District, FORA is also required to adopt the District’s Ord Community annual budget or provide written response to the District listing items of dispute and alternatives to the disputed items within three months of receipt of the initial draft budget. If the District does not receive the required response from FORA within the three month period, the budget is deemed adopted by FORA; and,

WHEREAS, to date, the District has not received a detailed listing of disputed items and proposed alternatives from FORA which by District calculation, is past the three month deadline.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board of Directors of the Marina Coast Water District does hereby approve and adopt the FY 2015-2016 Budget of the Marina Coast Water District.
2. The FY 2015-2016 Ord Community Budget is deemed adopted by FORA.

PASSED AND ADOPTED on June 15, 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. 2015-29 adopted June 15, 2015.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: June 15, 2015

Prepared By: Andy Sterbenz

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2015-30 to Approve the District Five-Year Capital Improvements Program Budget

Staff Recommendation: The Board of Directors adopt Resolution No. 2015-30 approving the District Five-Year Capital Improvements Program Budget.

Background: *Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.*

Each year, the District follows a budget development process that results in Board approval of the annual budget. Annual update of the District's CIP program follows the same schedule. The current CIP budget was adopted on June 27, 2014. The updated draft CIP was presented to the Board for review on March 16, 2015.

Discussion/Analysis: The attached Five-Year CIP project list includes projects under work in the current FY 2014-2015 and those required in future years. Those needed in the next five years are shown with funding in the proposed FY, and the remaining projects are shown in "Out Years" (beyond FY 2019-2020). The Category column in the table indicates the project addresses an existing deficiency (E), a single development project (S), or multiple development projects (M). The majority of the projects needed address existing deficiencies (aging equipment requiring replacement, service mains which have failed in recent years, and a water storage tank for the A-Zone. In the out years, the category EDS means Eastern Distribution System, which is the planned relocation of wells inland to avoid seawater intrusion, should that need arise.

Projects are listed by service area and system. General Water (GW) and General Sewer (GS) projects affect both service areas. District-wide projects (WD) affect all four cost centers. Water augmentation projects are listed at the very end. The District's practice for allocation of costs for Capital Improvement Projects (CIP) that straddle cost centers is the expense ratio method. This method allocates these shared expenses in the fiscal year the project is initiated based on the previous fiscal year's actual expenses (CIP costs that are not dedicated to a single cost center are shared among four primary cost centers – Marina Water, Marina Sewer, Ord Community Water, and Ord Community Sewer).

Some of the projects have moved earlier or later compared to the FY 2014-2015 budget projection, due to the observed pace of redevelopment in the Ord Community and synchronizing pipeline projects with the related road improvements by the land use jurisdictions. In particular, pipeline projects required to provide commercial fire flows to the Dunes on Monterey Bay and to East Garrison have been moved forward. The highest priority project remains an A-Zone water

storage reservoir, located at an elevation which allows operational and fire flows to be met without pumping.

Individual project sheets are included for proposed FY 2015-2016 projects, and remaining FY 2014-2015 projects.

Environmental Review Compliance: None required. Projects are addressed individually during design/construction.

Other considerations: None.

Financial Impact:     \_\_\_\_\_Yes     \_\_\_X\_\_\_No

Funding Source/Recap: None

Material Included for Information/Consideration: Resolution No. 2015-30; Draft Five-Year CIP Budget, FY 2015-2016 Project Sheets.

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

---

Board Action

Motion By\_\_\_\_\_Seconded By\_\_\_\_\_No Action Taken\_\_\_\_\_

Ayes\_\_\_\_\_Abstained\_\_\_\_\_

Noes\_\_\_\_\_Absent\_\_\_\_\_

June 15, 2015

Resolution No. 2015-30  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving the District Five-Year Capital Improvements Program Budget  
for the Central Marina and Ord Community Service Areas

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on June 15, 2015, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Marina Coast Water District ("District") staff prepared and presented the draft FY 2015-2016 Budget which includes projected revenues, expenditures and capital improvement projects for Central Marina and the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of Fort Ord Reuse Authority (“FORA”) and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, the Five-Year Capital Improvement Projects Budget for the Central Marina and Ord Community provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable the District to provide continued water, recycled water and sewer services within the existing service areas in Central Marina and in the Ord Community; and,

WHEREAS, the Water/Wastewater Oversight Committee of FORA and the District's full Board have reviewed the proposed Five-Year Capital Improvement Projects Budget; and,

WHEREAS, after a public meeting and based upon staff’s recommendations, the Board has determined that the Five-Year Capital Improvement Projects Budget should be adopted.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Marina Coast Water District does hereby approve and adopt the Five-Year Capital Improvement Projects budget for Central Marina and the Ord Community.

PASSED AND ADOPTED on June 15, 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. 2015-30 adopted June 15, 2015.

---

Bill Kocher, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-E

Meeting Date: June 15, 2015

Submitted By: Jaron Hollida

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution 2015-31 to Approve a Contract with Inland Potable Services, Inc. for Water Tank Cleaning Services

Staff Recommendation: The Board of Directors adopt Resolution 2015-31 authorizing a contract with Inland Potable Services, Inc. for the inspection, cleaning, and possible repairs of eight water tanks.

Background: *Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.*

The District has eight potable water tanks which must be periodically inspected and cleaned. The State Water Resources Control Board, Division of Drinking Water (formerly under the Department of Public Health) recommended that the District inspect the tanks every five years. The last inspections performed were in 2009 for the D-Reservoir, and in 2005 for Reservoirs 2, B, C1 and C2.

The District published a Request for Proposals for the inspection and cleaning of the eight water tanks throughout the potable water system. The main focus of this project is to perform a comprehensive evaluation of the interior and exterior condition of the tanks, and remove any accumulated sediment. On April 23, 2015 the Request for Proposals was sent to a list of inspection companies as well as posted on the District's website with a deadline of May 29, 2015 by 4:00 P.M. A total of six (6) bids were received from the firms listed below, and were evaluated based on the lowest bid price and credible references. The lowest cost responsive bidder was Inland Potable Services, with a cost for the base inspection and cleaning scope of \$26,269.00

Inspection Firms:

Inland Potable Services  
Marine Diving Solutions  
Aqua Tech  
CSI Services  
DRS Marine  
Utility Divers

Discussion/Analysis: All inspection and cleaning services are to be conducted using divers with the tanks full. When possible, tanks will be off-line during the inspection and cleaning, which should not exceed one work day per tank. No customer service interruptions are anticipated.

This project is included as a capitalized maintenance item in the FY 2014-2015 Capital Improvements Program as project GW-0212 with a budget of \$58,000. The CIP budget included estimated costs for making on-the-spot repairs while the divers were on-site. Staff is requesting a project budget of \$54,565, which breaks out as follows:

Base Scope of Work, Inspection and Sediment Removal	\$26,269.00
Additional work by divers (8 hours)	\$3,296.00
Repair parts/materials/additional diver time	\$15,000.00

Additional work and repair materials would be authorized as needed by the District O&M Supervisor.

This project also appears in the FY 2015-2016 CIP, with an additional budget of \$44,000. Once the detailed inspection report is completed, if additional required repairs are identified, that budget will be available for more detailed repairs. During the 2005 tank inspections, identified repairs included replacing screens and vents, replacing hatches and ladders, and spot painting.

Environmental Review Compliance: This maintenance work is categorically exempt from CEQA.

Other considerations: None.

Financial Impact:     \_\_\_\_\_Yes     \_\_\_X\_\_\_No

Funding Source/Recap: Funding for this project comes from the FY 2014-2015 Capital Improvements Budget, Project GW-0212, Potable Water Tank Compliance, budgeted at \$58,000.

Material Included for Information/Consideration: Resolution No. 2015-31.

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

---

Board Action

\_\_\_\_\_Resolution No\_\_\_\_\_     Motion By\_\_\_\_\_     Seconded By\_\_\_\_\_

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

Noes\_\_\_\_\_     Absent\_\_\_\_\_

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

June 15, 2015

Resolution No. 2015-31  
Resolution of the Board of Directors  
Marina Coast Water District  
Authorize a Construction Contract with  
Inland Potable Services, INC for Inspection and Cleaning of Water Tanks

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on June 15, 2015, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the periodic inspection and cleaning of the District’s potable water storage tanks is required; and,

WHEREAS, the District solicited and received bids from qualified potable water tank inspection firms for the inspection and cleaning of the District’s water tanks, and all bidders were considered qualified and responsive; and,

WHEREAS, staff recommends contracting with Inland Potable Services, Inc to provide construction services for the inspection and cleaning of the eight water tanks in the amount of \$26,269; and,

WHEREAS, staff further recommends a contingency budget of \$18,296 be authorized to allow repair of deficiencies identified while the divers are still on-site; and,

WHEREAS, this work was included in the FY 2014-2015 Capital Improvements Program budget as Project GW-0212; and,

WHEREAS, this work is categorically exempt under section 15301 of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to execute a contract with Inland Potable Services, Inc, for inspection and cleaning of the eight water tanks, and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution, the total project budget dollar amount for which shall not-to-exceed \$54,565.00, which includes the base scope of work and the recommended contingency for identified repairs.

PASSED AND ADOPTED on June 15, 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. 2015-31 adopted June 15, 2015.

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