



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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DIRECTORS

HOWARD GUSTAFSON
President

PETER LE
Vice President

THOMAS P. MOORE
WILLIAM Y. LEE
JAN SHRINER

Agenda

Special Board Meeting, Board of Directors Marina Coast Water District

11 Reservation Road, Marina, California

Thursday, December 10, 2015, **4:30 p.m.** PST

(Please note the different location)

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

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

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **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.*
5. **Closed Session**
 - A. 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

This agenda is subject to revision and may be amended prior to the scheduled meeting. A final agenda will be posted at the District office at 11 Reservation Road, Marina, 24 hours prior to the 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.

6. 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*

7. Action Item *The Board will review and discuss agenda items and take action or direct staff to return to the Board for action at a following meeting. The public may address the Board on these Items as each item is reviewed by the Board. Please limit your comment to four minutes.*

A. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-62 Approving the Advanced Treatment Water Delivery and Supply Project Agreement Between Monterey Regional Water Pollution Control Agency and Marina Coast Water District

Action: The Board of Directors will consider approving an agreement with Monterey Regional Water Pollution Control Agency for the advanced treatment water delivery and supply project.

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

*Regular Meeting: Monday, December 21, 2015, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

*Special Meeting: Tuesday, December 29, 2015, 4:30 p.m.,
District Office, 11 Reservation Road, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-A

Meeting Date: December 10, 2015

Prepared By: Keith Van Der Maaten

Approved By: Keith Van Der Maaten

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2015-62 Approving the Advanced Treatment Water Delivery and Supply Project Agreement Between Monterey Regional Water Pollution Control Agency and Marina Coast Water District

Staff Recommendation: The Board of Directors adopt Resolution No. 2015-62 to approve the Advanced Treatment Water Delivery and Supply Project Agreement Between Monterey Regional Water Pollution Control Agency and Marina Coast Water District.

Background: *2015 5-Year Strategic Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

In 2002, MCWD, in cooperation with FORA, initiated the Regional Urban Water Augmentation Project (RUWAP) to explore water supply alternatives to provide an additional 2,400 AFY of water supply needed under the 1997 Fort Ord Base Reuse Plan.

As a result of an extensive environmental review, FORA and MCWD agreed to adopt a modified Hybrid Alternative, which would provide 1,427 AFY of recycled water to the Ord Community without the need for seasonal storage, and this in turn resulted in the FORA Board adopting Resolution 07-10 (May 2007), which allocated that 1,427 AFY of RUWAP recycled water to its member agencies having land use jurisdiction. Following, the district moved forward on completing the CEQA, 90% of the design work, and 90% of the right-of-way acquisition for the RUWAP recycled water pipeline. Additionally, a small portion of the RUWAP recycled pipeline was installed.

On March 30, 2013, the Monterey Regional Water Pollution Control Agency (MRWPCA) commenced environmental review of its Pure Water Monterey Groundwater Replenishment Project (“Pure Water Monterey Project”). The Pure Water Monterey Project is a water supply project that would serve northern Monterey County by providing: (1) purified recycled water for recharge of a groundwater basin that serves as drinking water supply; and (2) recycled water to augment the existing Castroville Seawater Intrusion Project’s agricultural irrigation supply. The Pure Water Monterey Project includes a pipeline to transport purified recycled water from a new Advanced Water Treatment Plant (“AWT”) at MRWPCA’s Regional Treatment Plant to new Injection Well Facilities overlying the Seaside Groundwater Basin (“Product Water Conveyance Pipeline”).

The Environmental Impact Report (“EIR”) for the Pure Water Monterey Project evaluated two alternative alignments for the Product Water Conveyance Pipeline, a Coastal Alignment and an

alignment that follows the right-of-way for the existing and future RUWAP pipeline (“RUWAP Alignment”). On October 8, 2015, the MRWPCA Board unanimously voted to certify the EIR for the Pure Water Monterey Project and to approve the Pure Water Monterey Project. The MRWPCA Board selected the RUWAP Alignment for the Product Water Conveyance Pipeline.

MRWPCA and MCWD have been in discussions and negotiations over the past several months on a potential collaborative project utilizing the RUWAP alignment. The collaborative project was brought before FORA on October 9, 2015, and the FORA Board unanimously voted to adopt a resolution to endorse the Pure Water Monterey Project as an acceptable option as the recycled component of the RUWAP.

In continuance of the project, on November 17, 2015, the MCWD Board unanimously voted to submit a Clean Water State Revolving Fund Financial Assistance Application to the State Water Resources Control Board for the RUWAP and on December 1, 2015, MCWD staff completed the submission of the application.

Discussion/Analysis: The next step in the project is the establishment of a project agreement between MRWPCA and MCWD. Staff is recommending that the Board of Directors adopt Resolution No. 2015-62 to approve the Advanced Treatment Water Delivery and Supply Project Agreement between Monterey Regional Water Pollution Control Agency and Marina Coast Water District. A summary of the key points in the Agreement are as follows:

1. MRWPCA and MCWD agree to work together on a joint project with MRWPCA having 3500 AFY for recharge water into the Seaside basin and MCWD having up to 1427 AFY (600 AFY in this phase 1) to serve the Ord Community’s recycled water demands.
2. Capital and replacement/rehabilitation costs will be shared proportionally based on the respective capacity in the pipeline (fixed).
3. Operations and maintenance will be shared proportionally based on the actual product water flow through the pipeline (variable).
4. MCWD shall own the Product Water Conveyance Pipeline and MRWPCA shall own the AWT and Injection Well facilities.
5. MRWPCA will complete an amendment to the CEQA documents for the AWT and Injection facilities. The Pure Water Monterey Project EIR identified the environmental effects of constructing the Product Water Conveyance Pipeline along the RUWAP Alignment, and operating the Product Water Conveyance Pipeline for the Pure Water Monterey Project; however the EIR recognized that shared use of a single Product Water Conveyance Pipeline for both the Pure Water Monterey Project to supply recycled water to MCWD for the RUWAP would necessitate further review under the California Environmental Quality Act (“CEQA”). Shared use of a single Product Water Conveyance Pipeline would necessitate expansion of the Advanced Water Treatment Plant in order to purify the recycled water destined for the RUWAP because all water flowing in the shared pipeline must be purified; by contrast if water to serve the RUWAP were conveyed in its own separate pipeline, only tertiary treatment would be needed.

6. MRWPCA will construct the AWT and Injection Well facilities and MCWD will construct the new Product Water Conveyance Pipeline facilities by December 31, 2017.
7. MRWPCA agrees to not sell any water to MCWD's customers in MCWD's service area.
8. MRWPCA and MCWD agree on a process to determine the amount of MCWD Fort Ord Water Rights.
9. This agreement recognizes MCWD's existing rights to Central Marina wastewater flows per existing agreements. For example, in June 2009, MRWPCA and MCWD entered into a 50-year RUWAP Memorandum of Understanding, in which, subject to certain conditions specified therein, (a) MRWPCA committed 650 AFY of summer recycled water to MCWD for the Ord Community; (b) MCWD affirmed its separate commitment of 300 AFY of summer recycled water to the Ord Community; and (c) MRWPCA and MCWD committed to supply 477 AFY of recycled water during other months to the Ord Community - for a total of 1,427 AFY.
10. MRWPCA and MCWD agree on a process to discuss and resolve each's claim to "stranded costs".
11. This agreement includes off-ramps at several decision points including the inability to secure water user agreement(s), inability to gain easements, and denial by PUC of Pure Water Project.

Environmental Review Compliance: None required.

Financial Impact: ___Yes ___XNo Funding Source/Recap: None.

Material Included for Information/Consideration: Resolution No. 2015-62.

Action Required: ___X___Resolution (s) ___Motion ___Review
 (Roll call vote is required.)

Board Action

Motion By_____ Seconded By_____ No Action Taken_____

Ayes_____ Abstained_____

Noes_____ Absent_____

December 10, 2015

Resolution No. 2015-62
Resolution of the Board of Directors
Marina Coast Water District

Approving the Advanced Treated Water Delivery and Supply Agreement between the Monterey Regional Water Pollution Control Agency and Marina Coast Water District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a special meeting duly called and held on December 10, 2015 at 11 Reservation Road, Marina, California as follows:

WHEREAS, the 1997 Fort Ord Base Reuse Plan (BRP) identifies the availability of water as a resource constraint and the BRP estimates that an additional 2,400 AFY of water is needed to augment the existing groundwater supply to achieve the permitted development level as reflected in the BRP (Volume 3, figure PFIP 2-7); and,

WHEREAS, the Fort Ord Reuse Authority (“FORA”) transferred ownership of all of the then existing Fort Ord water and sewer facilities to the Marina Coast Water District (“MCWD”) under the 1998 Water/Wastewater Facilities Agreement; title was transferred in 2001; and,

WHEREAS, under Section 3.2.2 of the 1998 Water/Wastewater Facilities Agreement, FORA has the responsibility to determine, in consultation with MCWD, what additional water and sewer facilities are necessary for MCWD’s Ord Community service area in order to meet the BRP requirements, and that, once FORA determines that additional water supply and/or sewer conveyance capacity is needed, under Section 3.2.1, it is MCWD’s responsibility to plan, design, and construct such additional water and sewer facilities. Section 7.1.2 requires FORA to insure that MCWD recovers all of its costs for the new facilities and their operation; and,

WHEREAS, in 2002, MCWD, in cooperation with FORA, initiated the Regional Urban Water Augmentation Project (RUWAP) to explore water supply alternatives to provide the additional 2,400 AFY of water supply needed under the BRP; and,

WHEREAS, as a result of an extensive environmental review, FORA and MCWD agreed to adopt a modified Hybrid Alternative, which would provide 1,427 AFY of recycled water to the Ord Community without the need for seasonal storage, and this in turn resulted in the FORA Board adopting Resolution 07-10 (May 2007), which allocated that 1,427 AFY of RUWAP recycled water to its member agencies having land use jurisdiction; and,

WHEREAS, in June 2009, the Monterey Regional Water Pollution Control Agency (MRWPCA) and MCWD entered into a 50-year RUWAP Memorandum of Understanding, in which, subject to certain conditions specified therein, (a) MRWPCA committed 650 AFY of summer recycled water to MCWD for the Ord Community; (b) MCWD affirmed its separate commitment of 300 AFY of summer recycled water to the Ord Community; and (c) MRWPCA and MCWD committed to supply 477 AFY of recycled water during other months to the Ord Community - for a total of 1,427 AFY; and,

WHEREAS, MCWD has been and continues to work collaboratively with FORA and with the MRWPCA to carry out MCWD's obligation to provide the 1,427 AFY of recycled water for the Ord Community; and,

WHEREAS, on March 30, 2013, MRWPCA commenced environmental review of its Pure Water Monterey Groundwater Replenishment Project ("Pure Water Monterey Project"). The Pure Water Monterey Project is a water supply project that would serve northern Monterey County by providing: (1) purified recycled water for recharge of a groundwater basin that serves as drinking water supply; and (2) recycled water to augment the existing Castroville Seawater Intrusion Project's agricultural irrigation supply. The Pure Water Monterey Project includes a pipeline to transport purified recycled water from a new Advanced Water Treatment Plant ("AWT") at MRWPCA's Regional Treatment Plant to new Injection Well Facilities overlying the Seaside Groundwater Basin ("Product Water Conveyance Pipeline"). The Environmental Impact Report ("EIR") for the Pure Water Monterey Project evaluated two alternative alignments for the Product Water Conveyance Pipeline, a Coastal Alignment and an alignment that follows the right-of-way for the existing and future RUWAP pipeline ("RUWAP Alignment"). The Pure Water Monterey Project EIR identified the environmental effects of constructing the Product Water Conveyance Pipeline along the RUWAP Alignment, and operating the Product Water Conveyance Pipeline for the Pure Water Monterey Project; however the EIR recognized that shared use of a single Product Water Conveyance Pipeline for both the Pure Water Monterey Project to supply recycled water to MCWD for the RUWAP would result in project cost savings but would necessitate further review under the California Environmental Quality Act ("CEQA"). Shared use of a single Product Water Conveyance Pipeline would necessitate expansion of the Advanced Water Treatment Plant in order to purify the recycled water destined for the RUWAP because all water flowing in the shared pipeline must be purified; by contrast if water to serve the RUWAP were conveyed in its own separate pipeline only tertiary treatment would be needed ("AWT Expansion"); and,

WHEREAS, on September 8, 2015, MCWD and MRWPCA tentatively agreed to work together on the Pure Water Monterey Project; and

WHEREAS, on October 8, 2015, the MRWPCA Board unanimously voted to certify the EIR for the Pure Water Monterey Project and to approve the Pure Water Monterey Project. The MRWPCA Board selected the RUWAP Alignment for the Product Water Conveyance Pipeline.

WHEREAS, on October 9, 2015, the FORA Board unanimously voted to adopt a resolution to endorse the Pure Water Monterey Project as an acceptable option as the recycled component of the Fort Ord Regional Urban Water Augmentation Program and, as part of the Pure Water Monterey Project implementation, the FORA Board will review and consider project component costs and scheduling through annual consideration of the FORA CIP and Ord Community Budgets; and

WHEREAS, on November 17, 2015, the MCWD Board unanimously voted to submit a Clean Water State Revolving Fund Financial Assistance Application to the State Water Resources Control Board for the Regional Urban Water Augmentation Project; and,

WHEREAS, on December 1, 2015, MCWD completed the submission of a Clean Water State Revolving Fund Financial Assistance Application to the State Water Resources Control Board for the Regional Urban Water Augmentation Project; and,

WHEREAS, the President and Vice President with the assistance of District staff has negotiated a proposed Advanced Treated Water Delivery and Supply Agreement between Monterey Regional Water Pollution Control Agency and Marina Coast Water District and District staff has presented and reviewed the proposed agreement with the Board at this special meeting.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Marina Coast Water District as follows:

1. The Board has reviewed the Advanced Treated Water Delivery and Supply Agreement between Monterey Regional Water Pollution Control Agency and Marina Coast Water District (“Agreement”), finds that it is in the best interests of the District to approve the Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, and hereby approves the form of the Agreement.

2. The President is hereby authorized to execute and deliver after consultation with the District’s Legal Counsel the Agreement in the form presented at this meeting, with such changes, insertions and deletions as may be approved by the President before executing the Agreement, said execution being conclusive evidence of such approval.

3. The President and any other officers, employees and agents of the District shall be, and each of them hereby is, authorized to give or take all approvals, consents, directions, instructions, notices, orders, requests, indemnifications and other actions permitted or required by any of the documents authorized by this Resolution, and to take any such action that such authorized representative, with the advice of District’s Legal Counsel, may deem necessary or desirable to further the purposes of this Resolution.

4. All actions heretofore taken by the officers, employees and agents of the District in connection with the matters authorized by this Resolution are hereby ratified, approved and confirmed.

PASSED AND ADOPTED on December 10, 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:

Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2015-62 adopted at the meeting of the Marina Coast Water District Board of Directors held on December 10, 2015.

Keith Van Der Maaten, Secretary