



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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DIRECTORS

HOWARD GUSTAFSON
President

THOMAS P. MOORE
Vice President

WILLIAM Y. LEE
JAN SHRINER
HERBERT CORTEZ

Agenda

Regular Board Meeting, Board of Directors

Marina Coast Water District

Marina Council Chambers

211 Hillcrest Avenue, Marina, California

Monday, January 9, 2017, 6:30 p.m. PST

This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the 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 54956.9

Conference with Legal Counsel – Existing Litigation

- 1) Ag Land Trust v. Marina Coast Water District, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case Nos. H038550 and H039559
- 2) In the Matter of the Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, California Public Utilities Commission No. A.12-04-019 & A.13-05-017 Settlement Agreement

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, January 5, 2017. Copies will also be available at the Board meeting. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5910.

- 3) Marina Coast Water District v. California Public Utilities Commission, California Supreme Court Case No. S230728, Writ of Review
- 4) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, San Francisco Superior Court Case No. CGC-13-528312 (Complaint for Declaratory Relief); First Appellate District Court of Appeals Case No. A145604
- 5) Marina Coast Water District vs. California-American Water Company, Monterey County Water Resources Agency, and Does 1 through 50, San Francisco Superior Court Case No. CGC-15-547125 (Complaint for Breach of Warranties, etc.)
- 6) Marina Coast Water District v, California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180839 (Petition for Writ of Mandate). Sixth District Court of Appeal Case No. H042742
- 7) Marina Coast Water District v, California State Lands Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180895 (Petition for Writ of Mandate)

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

C. Pursuant to Government Code 54956.9(d)(4)
 Conference with Legal Counsel – Anticipated Litigation
 Initiation of Litigation: Two potential cases

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. Receive and File the Check Register for the Month of December 2016
- B. Approve the Draft Minutes of the Regular Board Meeting of December 19, 2016

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. Consider Appointing Public Member to the Water Conservation Commission

Action: The Board of Directors will consider appointing a public member to fill a vacant position on the Water Conservation Commission.

- B. Consider Adoption of Resolution No. 2017-01 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District and Monterey Bay Charter School for the Monterey Bay Charter School – New School at CSUMB Development Project

Action: The Board of Directors will consider approving a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District and Monterey Bay Charter School for the Monterey Bay Charter School – new school at CSUMB development project.

- C. Consider Adoption of Resolution No. 2017-02 to Set a Public Hearing on Whether to Form One or More Groundwater Sustainability Agencies for the 180/400 Foot Aquifer Subbasin and Authorize the Publication of a Notice of a Public Hearing

Action: The Board of Directors will consider setting a public hearing on whether to form one or more Groundwater Sustainability Agencies for the 180/400 foot aquifer and authorize the publication of a notice of a public hearing.

- D. Consider Adoption of Resolution No. 2017-03 to Dedicate a Source of Revenue for Repayment of the Clean Water State Revolving Fund Financial Assistance Agreement to Fund the Regional Urban Water Augmentation Project

Action: The Board of Directors will consider dedicating a source of revenue for repayment of the Clean Water State Revolving Fund Financial Assistance Agreement to fund the Regional Urban Water Augmentation Project.

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

11. Board Member Requests for Future Agenda Items

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

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

Regular Meeting/

*Board Workshop: Monday, February 6, 2017 6:30 p.m.
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

*Regular Meeting: Monday, January 9, 2017, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: January 9, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consent Calendar

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

Background: *2016 Strategic Plan Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Consent calendar consisting of:

- A) Receive and File the Check Register for the Month of December 2016
- B) Approve the Draft Minutes of the Regular Board Meeting of December 19, 2016

Discussion/Analysis: See individual transmittals.

Environmental Review Compliance: None required.

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

Material Included for Information/Consideration: Check Register for December 2016; and, draft minutes of December 19, 2016.

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: January 9, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive and File the Check Register for the Month of December 2016

Staff Recommendation: The Board of Directors receive and file the December 2016 expenditures totaling \$1,075,644.05.

Background: *2016 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 December 2016 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: December 2016 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-B

Meeting Date: January 9, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of December 19, 2016

Staff Recommendation: The Board of Directors approve the draft minutes of the December 19, 2016 regular Board meeting.

Background: *2016 Strategic Plan, Mission Statement – We Provide high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of December 19, 2016 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

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

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

Material Included for Information/Consideration: Draft minutes of December 19, 2016.

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: January 9, 2017

Prepared By: Paul Lord

Approved By: Keith Van Der Maaten

Reviewed By: Jean Premutati

Agenda Title: Consider Appointing Public Member to the Water Conservation Commission

Staff Recommendation: The Board receive the application, review the qualifications of the applicant, and consider appointing member to the Water Conservation Commission.

Background: *2016 Strategic Plan – We will review and update our water conservation program.*

Discussion/Analysis: The Water Conservation Commission is currently authorized eight public positions. Six positions are presently occupied. Three of those positions have terms ending August 3, 2017. The other three positions have terms ending August 2, 2018. Of the two vacant positions, Public Position #1 has been vacant for two months and has a term ending date of August 3, 2017. The other vacant position, Public Position #7 has been vacant for one month, and it has term ending August 2, 2018.

On January 5, 2017, the Water Conservation Commission will review the one and only application recently submitted for the two available seats.

Environmental Review Compliance: None Required.

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

Other Considerations: Consider appointing the single applicant to fill one of the vacant Public Positions on the Water Conservation Commission.

Material Included for Information/Consideration: Margaret-Anne Coppernoll's application; and, an updated WCC Membership Table.

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-B

Meeting Date: January 9, 2017

Prepared By: Brian True

Approved By: Keith Van Der Maaten

Reviewed By: Michael Wegley

Agenda Title: Consider Adoption of Resolution No. 2017-01 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District and Monterey Bay Charter School for the Monterey Bay Charter School – New School at CSUMB Development Project

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2017-01 to approve a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District and Monterey Bay Charter School for the Monterey Bay Charter School – New School at CSUMB Development Project

Background: *Strategic Element No. 2 Infrastructure – Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District standards.*

The Monterey Bay Charter School (MBCS, Developer) has out-grown the existing school site in Pacific Grove and selected a new school site to develop on the campus of California State University, Monterey Bay (CSUMB). CSUMB is fully entitled to act as a quasi-land-use jurisdiction over the property that will be leased to MBCS. Otherwise, the land is within the City of Seaside portion of the Former Fort Ord in MCWD's Ord Service Area. A site plan for the proposed school site is included in Exhibit C of the Infrastructure Agreement. The project area is bounded by Colonel Durham Drive on the south (a public road right-of-way), B (or Butler) Street on the north (privately owned CSUMB roadway), 6th Avenue on the west (privately owned CSUMB roadway), and 7th Avenue on the east (privately owned CSUMB roadway). The Developer has deposited monetary funds with MCWD to conduct the preliminary work of their proposed development within the CSUMB campus; their development account is in good-standing.

Discussion/Analysis: The Board of Directors is requested to approve a Water, Sewer, and Recycled Water Infrastructure Agreement (hereafter referred to as the Infrastructure Agreement) between MCWD and Monterey Bay Charter School for the Monterey Bay Charter School – New School at CSUMB development project. The attached draft Infrastructure Agreement is based upon the most recent board-approved (June 2013) format used for all other development groups within the MCWD service area.


The water allocation that CSUMB has received from FORA is 1035-AFY of potable water. Of that total, CSUMB has allocated 8.79-AFY of potable water to the Monterey Bay Charter School – New School at CSUMB project as documented through the Lease Agreement excerpted In Exhibit A of the Infrastructure Agreement and by the Letter from CSUMB (also found in Exhibit A).

The new infrastructure being transferred to the District will be constructed within the public right-of-way, public utility easements, or within easements provided to MCWD by CSUMB. The specific infrastructure proposed for transfer includes PVC potable water pipelines, PVC gravity sewer pipelines, associated sewer manholes, water valves, fire-hydrants, and other water and sewer appurtenances. Some water and sewer infrastructure that currently exists and is in-service may be proposed for re-use by the project depending on the results of a Condition Assessment. The determination to allow existing infrastructure to be re-used will be made within the context of MCWD's In-Tract Policy. An Opinion of Probable Cost, which will assist in determining the magnitude of the Payment and Performance bonding specified by this Infrastructure Agreement, has yet to be provided or evaluated because the precise infrastructure improvements to be installed by the Developer and turned-over to MCWD for ownership and operation has to be finalized through the Condition Assessment.

The attached Exhibit A CSUMB letter dated December 8, 2016 is to provide assurances that a portion of the CSUMB potable water allocation from FORA to CSUMB will be provided to MBCS for the project. Normally, a fully executed Lease Agreement would be provided rather than an assurance letter. MBCS has provided the monetary resources for project design review, in addition to the letter assuring MCWD that the water allocation (and, by extension, the project itself) will occur. If the Lease Agreement is not completed and the project ceases to exist, MCWD's obligations to provide services under this Infrastructure Agreement would cease as well.

Infrastructure Agreement Section 1.2., Allocation of Water Capacity for the Development, states:

The parties hereto expressly agree that as a condition precedent for the performance of the District's obligations hereunder, Developer must provide proof to the satisfaction of the District that the City has approved the allocation of water capacity for the Development from the water and recycled water capacity allocated to the City by the Fort Ord Reuse Authority (FORA).

Yellow highlights in the attached draft Infrastructure Agreement (IA) show the differences between the proposed IA and the Board approved 2013 IA template. All the additions (i.e. the differences that were added to the proposed IA document that are not within the IA template) are highlighted. The deletions (from the template) in the proposed IA may be discerned by the symbol of highlighted underscores (appearance is ). The proposed IA is substantially the same as the Board-approved IA's template.

Environmental Review Compliance: This Infrastructure Agreement is not a "project" under the California Environmental Quality Act (CEQA); this action is categorically exempt.

Prior Committee or Board Action: None.

Financial Impact: _____ Yes X No Funding Source/Recap: There is no financial impact.

Other Considerations: The Board may desire to consider other alternatives to adopting the motion as recommended by staff including:

1. Modifying or conditioning the action; or,
2. Direct further staff work; or,
3. Deny the action.

January 9, 2017

Resolution No. 2017 - 01
Resolution of the Board of Directors
Marina Coast Water District
Approving a Water, Sewer, and Recycled Water Infrastructure Agreement
Between Marina Coast Water District and Monterey Bay Charter School
for the Monterey Bay Charter School – New School at CSUMB Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 9, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Monterey Bay Charter School (“Developer”) has coordinated with the District on their Monterey Bay Charter School – New School development project, consisting of new construction and related infrastructure, located on the CSUMB campus within the City of Seaside portion of the Ord Community; and,

WHEREAS, CSUMB, acting as a land-use jurisdiction, is intending to allocate a portion of its former Fort Ord water supply allocation for the Developer’s use in developing the Monterey Bay Charter School – New School at CSUMB development project and has provided assurance in writing that the allocation will occur, and,

WHEREAS, the District and the Developer are working cooperatively regarding proposed water, recycled water and sewer system improvements; and,

WHEREAS, the District and the Developer have agreed upon the proposed Water, Sewer and Recycled Water Infrastructure Agreement and desire to enter into same.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager and/or the District Engineer to execute the Water, Sewer and Recycled Water Infrastructure Agreement between MCWD and Monterey Bay Charter School for their Monterey Bay Charter School – New School at CSUMB Development Project and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on January 9, 2017, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Howard Gustafson, President

ATTEST:

Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-01 adopted January 9, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: January 9, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-02 to Set a Public Hearing on Whether to Form One or More Groundwater Sustainability Agencies for the 180/400 Foot Aquifer Subbasin and Authorize the Publication of a Notice of a Public Hearing

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-02 to set a public hearing on February 6, 2017, to consider whether to form one or more Groundwater Sustainability Agencies for the 180/400 Foot Aquifer Subbasin and authorize the Publication of a Notice of the Public Hearing.

Background: *2016 Strategic Plan Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The Sustainable Groundwater Management Act of 2014, Water Code Sections 10720, et seq. (“SGMA”), was signed into law on September 16, 2014, and effective January 1, 2015. SGMA requires that each California groundwater subbasin be managed by a single Groundwater Sustainability Agency (“GSA”) or by a combination of GSAs and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GS Plan”), or coordinated multiple GS Plans. The legislative intent of the SGMA is to provide for sustainable management of groundwater subbasins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater. Water Code Section 10723(a)(1) and (d) authorizes any local agency with a service area overlying a groundwater subbasin or portion thereof to establish itself as the GSA for its service area. The District qualifies as a GSA under SGMA because it has water supply and water management responsibilities within the Monterey Subbasin and the 180/400 Foot Aquifer Subbasin.

The focus of SGMA is on groundwater management within each groundwater subbasin, not within the larger groundwater basin, such as the Salinas Valley Groundwater Basin or the San Joaquin Valley Groundwater Basin, which spans from Stockton to Bakersfield. As Butte County’s Water & Resource Conservation Director has said, “subbasins are the windows through which DWR views SGMA.” MCWD’s Central Marina water service area overlies the Monterey Subbasin and a portion of the 180/400 Foot Aquifer Subbasin. MCWD’s Ord Community water service area is within the Monterey Subbasin and a portion of the Adjudicated Seaside Groundwater Basin.

Pursuant to Resolution No. 2016-54 adopted September 6, 2016, the Board of Directors authorized the filing with the California Department of Water Resources (DWR) of two notices of the District’s election to become the groundwater sustainability agency (GSA) within its service areas within the then separate Seaside Subbasin and Corral de Tierra Subbasin, excluding any portion of the District’s service area within the boundaries of the Adjudicated Seaside Groundwater Basin. By letter dated September 15, 2016, District staff filed those formation notices with DWR.

Subsequent to those filings, DWR merged the portions of the Seaside and Corral de Tierra Subbasins outside of the Adjudicated Seaside Groundwater Basin into a new subbasin designated the Monterey Subbasin. DWR posted those notices on September 29, 2016.

While all of the District's production wells are located along the northern boundary of the Monterey Subbasin, those wells also draw from aquifers within the adjoining 180/400 Foot Aquifer Subbasin (180/400 Subbasin). The District's hydrogeologist, Curtis Hopkins, has studied the condition of the groundwater aquifers both within the Monterey Subbasin and the 180/400 Subbasin. Mr. Hopkins has concluded that the Dune Sand Aquifer and the 180 Foot Aquifer within the 180/400 Subbasin contain a substantial amount of good groundwater that act as a fresh water barrier to seawater intrusion and protects the District's production wells. Mr. Hopkins has also concluded that the proposed slant well pumping on the CEMEX property for CalAm's proposed desalination plant could harm both the protective groundwater condition and the District's production wells and groundwater rights. While the CEMEX property is outside of the District's service, it is very important that the District try to protect the groundwater aquifers within the 180/400 Subbasin. Therefore, establishing one or more District GSAs within the 180/400 Subbasin would be important to enable the District to participate in the development of the groundwater sustainability plan for the Subbasin and to protect the District's substantial groundwater interests.

A local agency that elects to form a GSA must hold a public hearing and submit a Notice of Intent to the California Department of Water Resources (DWR) within 30 days of electing to be a GSA. 90 days after DWR posts notice of the filing on its website and no competing GSA notice filed, the GSA is presumed to be the GSA.

Because it is now clear that the County is attempting to block MCWD from managing groundwater within MCWD's service area outside of MCWD's political boundaries, staff would point out the following:

1. The SVGB is a complex system of 8 subbasins, two of which have been designated by the State of California as being critically overdrafted, including the 180/400 Foot Aquifer Subbasin. MCWD has effectively managed the groundwater within its Central Marina service area since 1960 and within the Ord Community service area since 1997. The District has implemented water use efficiency programs, water loss programs, and a highly successful conservation programs with its customers. This effort has contributed to the development of a fresh water barrier between MCWD production wells and the ocean. MCWD has been an early proponent and adopter of recycled and desalinated water to augment existing supplies and for in-lieu and direct groundwater recharge. MCWD continually monitors and manages water quality through our own laboratory. All this shows that MCWD has a strong record of groundwater and environmental stewardship within its service area and region.
2. The District locally manages its groundwater and is directly responsive to and to be transparent with our ratepayers. Enhancing local management is best achieved by maintaining this direct relationship with our customers and avoids added layers of government bureaucracy that would diminish public participation by MCWD and our customers.
3. The District is a regional water player. Through active practice of measuring and setting goals under the Urban Water Management Plan (UWMP), conservation programs, facility master plans, Regional Urban Water Augmentation Plan (RUWAP), and funding

agreements, MCWD is a proven leader in the region. Implementation of SGMA will require that the groundwater sustainability plans for both the Monterey Subbasin and the 180/400 Subbasin be consistent and complimentary with these efforts and that comprehensively, all of the groundwater management efforts work in concert to achieve groundwater sustainability, optimize water efficiency, minimize water loss, and maximize reliability while minimizing risk to the District's water supply.

4. MCWD is principally a water service provider for municipal uses and one whose customers are socioeconomically and culturally diverse. Customer feedback is critically important to MCWD and, according to a recent survey among existing ratepayers, their strong desire is that MCWD work to identify solutions for future water supply while maintaining low rates. Establishing our own GSAs are the only sure fire way to ensure our customers' voices are heard through the SGMA implementation process and not co-opted by other interests.

For these reasons, staff is therefore recommending that the Board of Directors adopt Resolution No. 2017-02 to set a public hearing for February 6, 2017 on whether to form one or more Groundwater Sustainability Agencies for the 180/400 Foot Aquifer Subbasin of the Salinas Valley Groundwater Basin and authorize the Publication of a Notice of the Public Hearing.

Environmental Review Compliance: None.

Financial Impact: ___ Yes __X__ No Funding Source/Recap: None

Other Considerations: To not form one or more GSAs within the 180/400 Foot Aquifer Subbasin and have no direct input on the groundwater management within that subbasin.

Material Included for Information/Consideration: Resolution No. 2017-02.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

January 9, 2017

Resolution No. 2017-02
Resolution of the Board of Directors
Marina Coast Water District

Setting a Public Hearing on Whether to Form One or More Groundwater Sustainability Agencies
Within the 180/400 Foot Aquifer Subbasin and to Authorize Publication of the Notice

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 9, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

Recitals

A. The Sustainable Groundwater Management Act of 2014, Water Code Sections 10720, et seq. (“SGMA”), was signed into law on September 16, 2014, and effective January 1, 2016; and,

B. SGMA requires that each California groundwater subbasin be managed by a single Groundwater Sustainability Agency (“GSA”) or by a combination of GSAs and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GS Plan”), or coordinated multiple GS Plans; and,

C. The legislative intent of the SGMA is to provide for sustainable management of groundwater subbasins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and,

D. Water Code Section 10723(a)(1) and (d) authorizes any local agency with a service area overlying a groundwater subbasin or portion thereof to establish itself as the GSA for its service area; and,

E. The District qualifies to be a GSA under SGMA because it has water supply and water management responsibilities within the Monterey Subbasin and the 180/400 Foot Aquifer Subbasin; and,

F. The District elected to become the exclusive GSA for the District’s Central Marina and Ord Community water service areas overlying portions of the Monterey Subbasin of the Salinas Valley Groundwater Basin in the manner required by law and duly submitted the required notification to the California Department of Water Resources on September 17, 2016; and,

G. A portion of the District’s Central Marina water service area and a portion of its Ord Community water service area are within the 180/400 Foot Aquifer Subbasin of the Salinas Valley Groundwater Basin; and,

H. District staff is requesting the Board of Directors to consider forming one or more GSAs for that portion of the District’s Central Marina water service area and Ord Community water service area within the 180/400 Foot Aquifer Subbasin; and,

I. Prior to adopting a resolution of intent to establish the District as the exclusive GSA for one or more of MCWD's service areas within the 180/400 Foot Aquifer Subbasin, Water Code Section 10723(b) requires a local agency to hold a public hearing, after publication of notice pursuant to Government Code Section 6066, on whether or not to adopt a resolution to become a GSA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2017-02 setting the required public hearing for Monday, February 6, 2017, at 7:00 PM at 211 Hillcrest Avenue, Marina, CA, and authorizing the Secretary to the Board to publish the notice in accordance with Government Code Section 6066.

PASSED AND ADOPTED on January 9, 2017, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Howard Gustafson, President

ATTEST:

Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-02 adopted January 9, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: January 9, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-03 to Pledge Revenues and Funds for Repayment of Financing of the Planning, Design, and Construction of the Regional Urban Water Augmentation Project from the State Water Resources Control Board and Replace Resolution No. 2015-57

Staff Recommendation: The Board of Directors adopt Resolutions No. 2017-03 to dedicate the source of revenue and fund for repayment of the Clean Water State Revolving Fund Financial Assistance Agreement to fund the Regional Urban Water Augmentation Project pipeline and replace Resolution No. 2015-57.

Background: *2016 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 2009, the District pursued financing/funding options from the Clean Water State Revolving Fund (CWSRF), administered by the State Water Resources Control Board (SWRCB) for the Regional Urban Water Augmentation Project (RUWAP). RMC Water and Environment prepared the Financial Assistance Application (FAA) with assistance from MCWD staff. SWRCB deemed the FAA complete however the project did not move forward due to the District's shift in concentrating its efforts to pursue desalinated water through the Regional Desalination Project (RDP).

In 2015, the District was approached by the Monterey Regional Water Pollution Control Agency (PCA) about collaborating on the construction and use of the RUWAP project facilities (i.e. pipeline and pump station). PCA had submitted an FAA to the State to fund their Aquifer Storage and Recovery Project which included the cost of the RUWAP however, after discussion with the SWRCB and a complete review of the previous application materials, the District resubmitted its own FAA to secure SRF funding for the RUWAP on December 1, 2015.

Included in the submission of the FAA were a series of resolutions adopted by the Board:

No. 2015-55 – Reimbursement Resolution: This resolution indicates the maximum amount of financing that the District is requesting from SWRCB for the project. It also allows the District to seek reimbursement for certain capital costs in the event that the District incurs costs for the project prior to the FAA approval by the SWRCB.

No. 2015-56 – Authorizing Resolution: This resolution designates the Board President as the Authorized Representative for the project who will have the authority to sign and submit the CWSRF application materials, certify compliance with applicable laws, execute the FAA and amendments, and certify disbursement requests.

No. 2015-57 – Pledged Revenues and Fund(s) Resolution: This resolution establishes the dedicated source of revenue for repayment as recycled water sales and lease revenues derived from the leasing of the pipeline to Monterey Regional Water Pollution Control Agency.

Discussion/Analysis: The SWRCB has now moved the District’s FAA up in its queue for financial review. Upon their review, the SWRCB informed staff that the District’s Resolution No. 2015-57 did not conform with the State’s revised format of the pledged revenue and fund resolution and needed to be amended or replaced.

Environmental Review Compliance: None.

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

Material Included for Information/Consideration: Resolution No. 2017-03; and copy of Resolution No. 2015-57.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

January 9, 2017

Resolution No. 2017-03
Resolution of the Board of Directors
Marina Coast Water District
To Pledge Revenues and Funds
for Repayment of Financing of the Planning, Design, and Construction
of the Regional Urban Water Augmentation Project from
the State Water Resources Control Board and Replace Resolution No. 2015-57

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 9, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on November 16, 2015, the Directors of the District adopted Resolution No. 2015-56 authorizing the Board President to sign and file, for and on behalf of the District, in the State Revolving Fund financial assistance application process to fund the planning, design, and construction of the Regional Urban Water Augmentation Project (“RUWAP”); and,

WHEREAS, the Directors of the District previously adopted Resolution No. 2015-57 pledging revenues for repayment of financing the Project which will be replaced with Resolution No. 2017-03 upon adoption; and,

WHEREAS, on December 1, 2015, the District submitted a Financial Assistance Application to the State Water Resources Control Board (“SWRCB”).

NOW, THEREFORE BE IT RESOLVED, that the Marina Coast Water District:

1. Hereby dedicates and pledges the net revenues of recycled water sales, net lease revenues derived from the leasing of the recycled water pipeline to the Monterey Regional Water Pollution Control Agency, and any debt service provided through capital contributions from the Regional Urban Water Augmentation Enterprise Fund, to the payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the RUWAP.
2. The District commits to collecting such revenues and maintaining such a fund throughout the term of such financing and until the District has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the SWRCB. So long as the financing agreement is outstanding, the District’s pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund and revenues without any further action necessary. So long as the financing agreement is outstanding, the District commits to maintaining the fund and revenues at levels sufficient to meet its obligations under the financing agreement.

PASSED AND ADOPTED on January 9, 2017 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Howard Gustafson, President

ATTEST:

Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-03 adopted at the meeting of the Marina Coast Water District Board of Directors held on January 9, 2017.

Keith Van Der Maaten, Secretary