



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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DIRECTORS

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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, April 17, 2017, 6:30 p.m. PST

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

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

1. Call to Order

2. Roll Call

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

4. Closed Session

A. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Existing Litigation

1) Ag Land Trust v. Marina Coast Water District, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case Nos. H038550 and H039559

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, April 13, 2017. Copies will also be available at the Board meeting. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5910.

- 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)(2)
Conference with Legal Counsel – Anticipated Litigation
Significant exposure to Litigation – One Potential Case

7:00 p.m. Reconvene Open Session

5. Reportable Actions Taken During Closed Session *The Board will announce any reportable action taken during closed session and the vote or abstention on that action of every director present, and may take additional action in open session as appropriate. Any closed session items not completed may be continued to after the end of all open session items.*

6. Pledge of Allegiance

7. Oral Communications *Anyone wishing to address the Board on matters not appearing on the Agenda may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

8. Presentation

A. Consider Adoption of Resolution No. 2017-14 in Recognition of Patrick Breen, Project Manager, for 5 Years of Service to the Marina Coast Water District

- B. Consider Adoption of Resolution No. 2017-22 in Recognition of Brian True, Capital Projects Manager, for 10 Years of Service to the Marina Coast Water District

9. Consent Calendar *Board approval can be taken with a single motion and vote. A Board member or member of the public may request that any item be pulled from the Consent Calendar for separate consideration at this meeting or a subsequent meeting. The public may address the Board on any Consent Calendar item. Please limit your comment to four minutes.*

- A. Receive and File the Check Register for the Month of March 2017
- B. Approve the Draft Minutes of the Regular Board Meeting of March 20, 2017
- C. Approve the 2016 Consumer Confidence Report for the Marina Coast Water District Water System, Central Marina and Ord Community

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

- A. Consider a Variance Request for the Property of 3055 Zanetta Drive, Marina, Regarding Installation of a Backflow Device

Action: The Board of Directors will consider whether to give a variance request regarding the installation of a backflow device for the property of 3055 Zanetta Drive, Marina.

- B. Consider Adoption of Resolution No. 2017-23 to Approve an Agreement with SkyTEM to Provide an Airborne Electromagnetic Survey to Map Out the Distribution of Salt and Freshwater in the Northern Salinas Valley

Action: The Board of Directors will consider approving an Agreement with SkyTEM to provide an Airborne Electromagnetic Survey to map out the distribution of salt and freshwater in the northern Salinas Valley.

- C. Consider Adoption of Resolution No. 2017-24 to Accept the Infrastructure Improvements Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Target Parcel

Action: The Board of Directors will consider accepting the Infrastructure Improvements Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Target Parcel.

- D. Receive a Revised Draft District FY 2017-2018 Budget, Rates, Fees and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents

Action: The Board of Directors will receive a revised draft FY 2017-2018 Budget, Rates, Fees and Charges for the Marina and Ord Community service areas and provide direction regarding preparation of the final budget documents.

- E. Consider Adoption of Resolution No. 2017-25 to Direct Staff to Distribute a Request for Proposal to Conduct a Customized Classification and Compensation Study for the District

Action: The Board of Directors will consider directing staff to distribute a Request for Proposals to conduct a customized Classification and Compensation Study for the District.

11. Staff Report

- A. Receive the 1st Quarter 2017 MCWD Water Consumption and Sewer Flow Reports

12. Informational Items *Informational items are normally provided in the form of a written report or verbal update and may not require Board action. The public may address the Board on Informational Items as they are considered by the Board. Please limit your comments to four minutes.*

- A. General Manager's Report
- B. Counsel's Report
- C. Committee and Board Liaison Reports

- | | |
|-----------------------------------|-----------------------------------|
| 1. Water Conservation Commission | 7. LAFCO Liaison |
| 2. Joint City-District Committee | 8. FORA |
| 3. Executive Committee | 9. WWOC Report |
| 4. Community Outreach Committee | 10. JPIA Liaison |
| 5. Budget and Personnel Committee | 11. Special Districts Association |
| 6. MRWPCA Board Member Liaison | |

13. Correspondence

14. Board Member Requests for Future Agenda Items

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

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

*Regular Meeting: Monday, May 15, 2017, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: April 17, 2017

Submitted By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-14 in Recognition of Patrick Breen, Project Manager, for 5 Years of Service to the Marina Coast Water District

Staff Recommendation: The Board consider adoption of Resolution No. 2017-14 recognizing Patrick Breen, Project Manager, and award him a plaque and gift certificate for 5 years of service to the Marina Coast Water District.

Background: *Strategic Plan, Strategic Element 5.0 – Our objective is to recruit and maintain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service.*

Discussion/Analysis: Mr. Patrick Breen joined the District fulltime on March 9, 2012. By that time, Patrick already had 19 months experience working for the District having started August 4, 2010 as a contract employee where Patrick was charged with managing construction and development of the Imjin Office Park. Patrick has been instrumental in completion of all the construction and tenant occupancy tasks and every deadline of the office park. Patrick's high quality of work has continued throughout his tenure with the District and has resulted in full occupancy of Imjin Office Park.

During his tenure with the District as a full-time employee, Patrick has been given challenging engineering projects including the construction management, inspection and oversight of the Watkins Gate Well, Well 34, and the Reservation Road Remediation Project. Patrick approaches his projects with a professional commitment to complete them on schedule and within budget. His eye to details and fairness makes working with Patrick on sometimes difficult engineering issues that much easier and pleasant.

It is with great pleasure that we recognize Patrick Breen's 5 years of service to the Marina Coast Water District. We collectively thank him for his years of outstanding service, and wish him well in his continued service to the District.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Hospitality & Awards account numbers of all four cost centers.

Other Considerations: None

Material Included for Information/Consideration: Resolution No. 2017-14.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

April 17, 2017

Resolution No. 2017-14
Resolution of the Board of Directors
Marina Coast Water District
In Recognition of Patrick Breen for 5 Years
of Service to the Marina Coast Water District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Patrick Breen joined the District fulltime on March 9, 2012 as Project Manager; and,

WHEREAS, Patrick was charged with managing construction of Capital Improvement Projects including development of the Imjin Office Park; and,

WHEREAS, Patrick’s high quality of work has continued throughout his tenure with the District and has resulted in full occupancy of Imjin Office Park; and,

WHEREAS, Patrick has been given challenging engineering projects including project management oversight of the construction of the Watkins Gate Well, Well 34, and the Reservation Road Remediation Project; and,

WHEREAS, Patrick approaches his projects with a professional commitment to complete them on schedule and within budget; and,

WHEREAS, Patrick’s eye to details and fairness makes working with Patrick on sometimes difficult engineering issues that much easier and pleasant.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and awards a plaque and gift certificate in recognition of Patrick Breen’s five years of service to the Marina Coast Water District and wishes his well in his continued service with the District.

PASSED AND ADOPTED on April 17, 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. 2017-14 adopted April 17, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: April 17, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-22 in Recognition of Brian True, Capital Projects Manager, for 10 Years of Service to the Marina Coast Water District

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2017-22 in recognition of Brian True, Capital Projects Manager, and awarding a plaque and gift certificate for ten years of service to the Marina Coast Water District.

Background: *Strategic Plan, Strategic Element 5.0 – Our objective is to recruit and maintain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service.*

Discussion/Analysis: Brian True joined the District on April 11, 2007 as a Capital Projects Manager. He served as the Interim District Engineer from August 2008 to November 2009.

During his ten years with the District, Brian has led challenging development projects including East Garrison, The Dunes on Monterey, Marina Heights – Seahaven, The Veterans Cemetery, and the Veterans Administration Healthcare Facility. He has also provided planning and construction engineering expertise for numerous capital projects and CSU Monterey Bay projects.

Brian has simultaneously managed multiple projects in various phases of development. In these areas, Brian established and sustained productive relationships with numerous local, regional and state agencies. Brian has always been willing to provide guidance and help others, for the betterment of the District and the community.

It is with great pleasure that the District recognizes Brian True's ten years of service to the Marina Coast Water District, and wishes him well in his continued service to the District.

Environmental Review Compliance: None required.

Financial Impact: Yes No
centers – Hospitality and awards.

Funding Source/Recap: All four cost

Other Considerations: None

Material Included for Information/Consideration: Resolution No. 2017-22.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

April 17, 2017

Resolution No. 2017-22
Resolution of the Board of Directors
Marina Coast Water District
In Recognition of Brian True for
10 Years of Service to the Marina Coast Water District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Brian True joined the District on April 11, 2007 as a Capital Projects Manager, and served as the Interim District Engineer from August 2008 to November 2009; and,

WHEREAS, during his ten years with the District, Brian has led challenging assignments and projects with responsibility for design and construction engineering oversight for the completion of numerous projects; and,

WHEREAS, Brian has been a helpful staff team member and has strived to support District and the community.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and recognizes Brian True for ten years of service to the Marina Coast Water District, awarding a plaque and gift certificate and wishes him continued success with the District.

PASSED AND ADOPTED on April 17, 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. 2017-22 adopted April 17, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9

Meeting Date: April 17, 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 March 2017
- B) Approve the Draft Minutes of the Regular Board Meeting of March 20, 2017
- C) Approve the 2016 Consumer Confidence Report for the Marina Coast Water District Water System, Central Marina and Ord Community

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 March 2017; draft minutes of March 20, 2017; and, 2016 Consumer Confidence Report for the Marina Coast Water District Water System, Central Marina and Ord Community.

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: 9-A

Meeting Date: April 17, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

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

Staff Recommendation: The Board of Directors receive and file the March 2017 expenditures totaling \$1,834,032.92.

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 March 2017 and the Board is requested to receive and file the check register.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Expenditures are allocated across the six cost centers; 01-Marina Water, 02-Marina Sewer, 03- Ord Water, 04- Ord Sewer, 05-Recycled Water, 06-Regional Water.

Other Consideration: None.

Material Included for Information/Consideration: March 2017 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: 9-B

Meeting Date: April 17, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of March 20, 2017

Staff Recommendation: The Board of Directors approve the draft minutes of the March 20, 2017 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 March 20, 2017 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

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

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

Material Included for Information/Consideration: Draft minutes of March 20, 2017.

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-C

Meeting Date: April 17, 2017

Prepared By: Thomas Barkhurst

Approved By: Keith Van Der Maaten

Agenda Title: Approve the 2016 Consumer Confidence Report for the Marina Coast Water District Water System, Central Marina and Ord Community

Staff Recommendation: Staff recommends approval of the 2016 Consumer Confidence Report for the Marina Coast Water District Water System, Central Marina and Ord Community.

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

The Water Conservation Commission reviewed this item at its April 6, 2017 meeting and recommends approval of the 2016 Consumer Confidence Report for the Marina Coast Water District Water System, Central Marina and Ord Community.

Discussion/Analysis: The Safe Drinking Water Act requires water utilities to provide accurate and timely information to consumers about the quality of their drinking water. The US Environmental Protection Agency and California State Water Resource Control Board, Division of Drinking Water (formerly known as the California Department of Public Health (CDPH)) adopted regulations requiring the distribution of the Consumer Confidence Report (CCR) to water utility customers by July 1st each year. The District has provided CCR's (formerly called annual water quality report) to District customers since 1989.

The 2016 CCR summarizes the results of detected contaminants in District's supply wells and distribution systems conducted in calendar year 2016, or, the most recent sampling year. The District's water system did not have any violation in 2016 and is in compliance with State and Federal drinking water regulations.

A list of contaminants tested for but not detected will be posted in the District's website at www.mcwd.org/2016ccr-ND.html.

The 2016 CCR will be mailed together with each customer's water bill starting May 2016 or sooner. A separate mailing will be conducted for residents in the Ord military housing at or about the same time. Copies will be distributed to Alliance Residential, businesses, apartment managers, and school administrators for further distribution to customers who do not receive a water bill directly from the District. Staff will coordinate with the US Army and CSUMB's News and Public Information Officer to establish the website links for access by the military and university communities. The CCR will be available at the District's website at www.mcwd.org.

Environmental Review Compliance: None.

Financial Impact: Yes No Funding Source/Recap: Printing Expense, Laboratory Budget, Marina Water Fund and Ord Water Fund.

Other Considerations: Regulatory.

Material Included for Information/Consideration: Draft 2016 Consumer Confidence Report.

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: 10-A

Meeting Date: April 17, 2017

Prepared By: James Derbin

Approved By: Keith Van Der Maaten

Agenda Title: Consider a Variance Request for the Property of 3055 Zanetta Drive, Marina, Regarding Installation of a Backflow Device

Staff Recommendation: Staff recommends denying the variance request allowing the property owner of 3055 Zanetta Drive to not install a backflow device as requested.

Background: *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: In 2011, two District staff members in the Operations and Maintenance Department earned their CA/NV Cross-Connection Control Program Specialist certification. This professional certification was needed in order to comply with the CA State Water Resources Control Board, Division of Drinking Water (DDW) requirement, per Title 17 of the California Code of Regulations, that the District have an effective Cross-Connection Control program in place. Part of this requirement is that the District conduct periodic site surveys of all properties connected to the Districts potable water system and assess any hazards those connections pose to the potable water supply.

On June 16, 2016, District staff conducted a Cross-Connection Control Survey of 3055 Zanetta Drive. Staff found the plumbing to this four unit apartment complex to be complex in nature. Following the completion of the Survey a letter was sent to the property owner requesting a backflow prevention device be installed at the customer's meter.

District staff later discussed the District backflow requirements with the property owner over the phone. In this discussion, staff explained that since the meter box is located in the driveway the District would allow the backflow be installed at the side of the driveway. In an effort to clarify the current District backflow requirements, staff updated Section 3.28 of District Code with Ordinance No. 59. This update of the District code was approved by the Board at the November 7, 2016 meeting. Following the required public readings of Ordinance 59 and publication in the local newspaper, Ordinance 59 went into effect on January 1, 2017.

The updated ordinance states in Section 3.28.020.B.3 that all “multifamily residential units with three or more dwelling units” are required to install a backflow prevention device.

The property owner has stated he will not install the backflow since it will be in the middle of his driveway. Staff has reached out several times to discuss installation options with the property owner over the phone and has offered to meet with them and show how other properties on Zanetta Drive have achieved backflow compliance.

The properties of 3039, 3043, and 3074 Zanetta Drive already had backflows installed before the current District Cross-Connection Control staff surveyed the properties in 2016. Other multi-family properties on Zanetta that recently installed backflows are 3035, 3049, 3051, 3057, and 3059 Zanetta.

Two of the properties listed above, have a common water meter box located in the driveway. These properties, 3057 and 3059 Zanetta, have installed backflow devices to their respective sides of the driveway as staff has requested the 3055 Zanetta Drive property to do.

Eight of the ten multifamily residential units on Zanetta, with three dwelling units or more, already have backflows installed and are currently in compliance with the District's backflow requirement. The two that have yet to install a backflow are 3053 and 3055 Zanetta. If the District were to grant a variance for 3055 Zanetta Drive it would result in "unequal treatment" to the other property owners on this street that have already installed these devices.

Staff has reviewed this request and recommends denial of the variance request. Staff does not find that the strict application of the code would result in "unequal treatment and undue hardship". District staff has explained to the property owner how to install the backflow device to the side of the driveway rather than in the middle of the driveway.

Environmental Review Compliance: None required.

Financial Impact: _____Yes X No Funding Source/Recap: None

Other Considerations: The Board may grant the variance if it meets all the required conditions.

Material Included for Information/Consideration: 3055 Zanetta Drive Variance Request; Chapter 3.28 of the District Code; pictures of the meter boxes at 3055 Zanetta Drive and 3057 and 3059 Zanetta Drive.

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: 10-B

Meeting Date: April 17, 2017

Prepared By: Keith Van Der Maaten

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-23 to Approve an Agreement with SkyTEM Canada Inc. to Conduct an Airborne Electromagnetic Survey to Map the Distribution of Salt and Freshwater in the Northern Salinas Valley

Staff Recommendation: The Board of Directors approve of an agreement with SkyTEM Canada Inc. to Conduct an Airborne Electromagnetic Survey to Map the Distribution of Salt and Freshwater in the Northern Salinas Valley.

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.*

There are four key efforts the District is currently engaged in to sustain water supplies that exist today and prepare for future growth. Those efforts include the RUWAP recycled water project, Sustainable Groundwater Management, the Armstrong Ranch Surface Water Project, and the Three-Party MOU Project between MCWD, FORA, and MRWPCA. The goal of these efforts is to allow MCWD to continue to provide safe, reliable, affordable, and sustainable supply for today's customers and future generations. While these efforts may lead to an increased diversification of MCWD's water supply portfolio, MCWD is currently heavily dependent on groundwater to meet its customer's demands and it is projected that groundwater will continue to make up the majority of MCWD's supplies in the future. For that reason, this valuable resource must be protected.

In May 2016, the District's hydrogeologist analyzed the data produced from the test pumping from the proposed MPWSP, in preparation for the issuance of the DEIR for the project and as part of the District's sustainable groundwater management efforts. Using the data from the MPWSP, the District's hydrogeologist confirmed the presence of freshwater in an around the Marina and Ord areas in both the Dunes and 180 shallow aquifers. This is significant because the presence of this freshwater provides water level protections from potential seawater intrusion into MCWD's service area and because these results provide a very different picture of the state of the basin in MCWD's service area than what is shown on the saltwater intrusion maps produced by the MCWRA for the Salinas Valley. Additionally, those "intrusion maps" are misleading for the following reasons:

- The maps rely on 500 mg/l chloride as the standard for ocean saltwater intrusion. 500 mg/l is actually the limit for drinking water, but is still water that is very usable and beneficial and even defined by the RWQCB as "Drinking Water" per their policies and plans (Ocean saltwater is at 19,500 mg/l chloride).
- These maps indicate the "first discovery of 500 mg/l" on the "front", but don't tell us the TDS levels throughout the region over time or what they are today. In fact, there is no data from within MCWD's service area used in these maps.

- It is suspected, based on analysis of the water quality, that the chloride levels used in the maps for the shallow aquifers in the areas around Marina and Ord may be more due to land use practices than from salt water intrusion from the ocean

In November 2016, in continuation of many years of study regarding the potential use of stormwater recharge at the District's Armstrong Ranch property, the District hired a consultant to refresh the studies and prepare for the next steps in the development of the project. As part of the scope, the consultant mined groundwater records from many Ord wells and confirmed the presence of freshwater as presented by the District's hydrogeologist in May 2016. Further, the consultant identified that the current state of the shallow aquifers around the District's Armstrong Ranch property makes a surface water project useful in both providing additional supplies and in maintaining a barrier to protect the basin in MCWD's service area from salt water intrusion. In support of the sustainable groundwater management efforts and the Armstrong Ranch Surface Water Project, it is important that the District map the extents of the freshwater area and have a complete picture. To that end, the District has engaged Stanford University and SkyTEM to assist the District in these efforts.

Discussion/Analysis:

This project involves the use of airborne electromagnetic (AEM) method in the northern Salinas Valley to map out the distribution of salt and freshwater. Under the attached contract and proposal, SkyTEM will conduct the survey in the survey area as shown in the attached proposal and will deliver the data to MCWD. The budget for the SkyTEM work as stated in the proposal is \$124,900. The mobilization date is scheduled for May 2017 and it is estimated to take 3 days to perform approximately 410 line-miles of survey (flight lines). SkyTEM will be utilizing Sinton Helicopters Inc to fly the area and will be using the SkyTEM304 system which may provide data down to 900 feet below ground, depending on hydrogeologic conditions.

Previously, the Board approved an agreement with Stanford University at its March 20, 2017, meeting wherein Stanford University will assist Marina Coast Water District (MCWD) with the logistics of planning the data acquisition; will work with MCWD staff to compile, locate and format well data; and will assist in the processing and inversion of the data. Stanford will collaborate in the interpretation of the results to produce a hydrogeologic framework report, and a map of estimated saltwater intrusion areas in the surveyed area. While SkyTEM will be responsible for conducting the survey and providing the data set, Stanford will be responsible for the final presentation of results to MCWD, and for publication of the results.

No later than four weeks after the completion of data acquisition Stanford will provide to MCWD the interpretation of the data acquired in the region of the suspected freshwater lens. This will be provided as images displaying the lateral and depth extent of the lens, accompanied by a report describing the steps involved in the interpretation. This work will be presented to the Board no later than July 2018, but staff is targeting to have this information presented as part of the upcoming MCWD sustainable groundwater management workshop currently scheduled for June 5, 2017. No later than ten months after the completion of data acquisition Stanford will provide to MCWD a final report.

Environmental Review Compliance: None required.

Financial Impact: X Yes No Funding Source/Recap: This contract for \$124,900 is financially accounted for in the current budget.

Other Considerations: The Board of Directors may consider the following alternative options to the staff's recommendation:

- 1) Elect to not move forward with this work which would mean the District would continue to rely upon incomplete information for future decisions on sustainable groundwater management and water supply projects

Material Included for Information/Consideration: Resolution No. 2017-23; and, SkyTEM Contract.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

April 17, 2017

Resolution No. 2017-23
Resolution of the Board of Directors
Marina Coast Water District
Approving an Agreement with SkyTEM Canada Inc. to Conduct
an Airborne Electromagnetic Survey to Map the Distribution
of Salt and Freshwater in the Northern Salinas Valley

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District is currently heavily dependent on groundwater to meet its customer’s demands and it is projected that groundwater will continue to make up the majority of MCWD’s supplies in the future; and,

WHEREAS, the District is currently engaged in efforts to sustain water supplies that exists today and prepare for future growth. Those efforts include the RUWAP recycled water project, Sustainable Groundwater Management, the Armstrong Ranch Surface Water Project, and the Three-Party MOU Project between MCWD, FORA, and MRWPCA; and,

WHEREAS, in May 2016, the District’s hydrogeologist analyzed the data produced from the test pumping from the proposed Monterey Peninsula Water Supply Project; and,

WHEREAS, the District’s hydrogeologist confirmed the presence of freshwater in an around the Marina and Ord areas in both the Dunes and 180 shallow aquifers; and,

WHEREAS, in support of the Districts’ sustainable groundwater management efforts and the Armstrong Ranch Surface Water Project, the District needs to map the extents of the freshwater area and has engaged Stanford University and SkyTEM Canada Inc to assist the District in these efforts; and,

WHEREAS, this project involves the use of airborne electromagnetic (AEM) method in the northern Salinas Valley to map out the distribution of salt and freshwater; and,

WHEREAS, on March 20, 2017, the Board approved a contract with Stanford University to assist Marina Coast Water District (MCWD) with the logistics of planning the data acquisition; to compile, locate and format well data; to assist in the processing and inversion of the data; to collaborate in the interpretation of the results; to produce a hydrogeologic framework report and a map of estimated saltwater intrusion areas in the surveyed area; and, to provide the final presentation of results to MCWD; and,

WHEREAS, SkyTEM will be responsible for conducting the survey of approximately 660 line kilometers (410 miles) in the survey area using the SkyTEM304 system and will provide the data set to MCWD for a turnkey price of \$124,900.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve an Agreement with SkyTEM Canada Inc to Conduct an

Airborne Electromagnetic Survey to Map the Distribution of Salt and Freshwater in the Northern Salinas Valley.

PASSED AND ADOPTED on April 17, 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. 2017-23 adopted April 17, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-C

Meeting Date: April 17, 2017

Prepared By: Brian True

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-24 to Accept the Infrastructure Improvements on the Target Parcel Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Phase 1A Development Project

Staff Recommendation: The Board considers adopting Resolution No. 2017-24 accepting the infrastructure improvements on the Target Parcel installed under the Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Phase 1A development project.

Background: *Strategic Plan, Strategic Element 2.0 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.*

Marina Community Partners (MCP) constructed the Dunes – Phase 1A (formerly University Villages – Phase 1A) development project in the City of Marina portion of the Ord Community. The District entered into a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with MCP by adopting Resolution No. 2005-71 on December 14, 2005. On January 11, 2016, MCWD accepted the infrastructure installed under that Infrastructure Agreement by adopting Resolution 2016-04; however, the water and sewer infrastructure installed within the parcel of land owned by Target was excluded from that acceptance action because the title of the land had already passed from MCP to Target.

Discussion/Analysis: The infrastructure improvements made by MCP on the Target Parcel for which this acceptance of ownership is requested includes potable water pipelines, sanitary sewer pipelines, and appurtenant features for both networks (e.g. water valves, sewer manholes). Marina Community Partners installed water and sewer improvements on behalf of MCWD in front of and behind the large building housing the Target store on a parcel of property that they transferred ownership of to Target Corporation in 2007 (approximately). The recycled water network does not cross the Target Parcel but that parcel is served irrigation water from a connection located on MCP's portion of the parking lot. A more detailed break-down of the infrastructure to be owned by MCWD may be found within the attached Bill of Sale. The included Exhibits depict the locations of the infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership totals \$256,822; \$151,344 in sewer infrastructure and \$105,478 in water infrastructure.

Please note that the infrastructure was installed in 2007 and the majority of the Dunes 1A infrastructure was accepted in January, 2016. There are several reasons the transfer of ownership of the Target Parcel's infrastructure is just now occurring. The most significant reason for the time between 2007 and 2016 was the suspension of work brought on by the economic down-turn

compounded by the loss of a key member of the development team. As the new team-members came in to resume the project, their focus was on moving the project forward (and generating revenue for the project) rather than on looking back to completing the remaining infrastructure agreement items; after all, the completed infrastructure was in-service and functioning well. The gap in time between the 2016 acceptance action and today's request may be attributed to Target Corporation's lack of familiarity with the process that needed to take place and their recalcitrance in taking action based in that lack familiarity. Staff also observes that the Target Corporation is quite a substantial organization with myriad layers of bureaucracy such that making them take rapid action on their part was somewhat un-achievable on our part.

Under the terms of the Infrastructure Agreement, MCWD requires the following items prior to final acceptance:

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a bill-of-sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a punch-list walk-through and the associated corrective work was completed by August, 2007. The easements appropriate for the transfer-of-ownership transaction are being recorded at Monterey County (see attached Easement document); all currently proposed MCWD assets are located within the public right-of-way, public utility easements recorded on the subdivision's Final Map, or easements in MCWD's favor. A Bill of Sale is prepared for execution and is awaiting this Board-action for Acceptance (see attached bill of Sale document). As-built drawings for the improvements described above were received during the summer of 2007 and incorporated within MCWD's system-maps since November 2007. The District Engineer and District Counsel have determined that the One-Year Warranty Bond requirement in this specific instance may be waived. The functionality and benefit of holding a one-Year Warranty Bond is highly questionable at this late date since installation (again, the infrastructure has served well for approximately 10-years already). In accord with the Infrastructure Agreement, this list fulfills the District's requirements and conditions for accepting ownership of the installed infrastructure.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: There is no direct cost to MCWD in these transactions; however, an increase in operational and maintenance costs may be reasonably anticipated within the Ord Water and Ord Sewer cost centers in the distant future.

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2017-24; Bill of Sale prepared for execution; executed Easement document awaiting recordation.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

April 17, 2017

Resolution No. 2017-24
Resolution of the Board of Directors
Marina Coast Water District

Accepting the Infrastructure Improvements Installed on the Target Parcel
Under a Construction and Transfer of Water, Sewer, and Recycled Water
Infrastructure Agreement Between Marina Coast Water District and
Marina Community Partners for the Dunes – Phase 1A 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 April 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Marina Community Partners LLC, a California limited liability corporation (“Developer”), has constructed water, sewer and recycled water infrastructure for their Dunes – Phase 1A development project in the Ord Community portion of the City of Marina; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District in December, 2005; and,

WHEREAS, the Developer sold to Target Corporation a parcel of land within the Phase 1A development area that had water and sewer infrastructure installed within it that required transfer of ownership to MCWD; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is complete and the Developer and Target Corporation have now satisfied all of the close-out conditions required in the Infrastructure Agreement for the Dunes – 1A development project; and,

WHEREAS, the Developer and Target Corporation requests that the District take ownership of the installed infrastructure.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water and Sewer Infrastructure within the Target Parcel portion of the Dunes – Phase 1A development project and directs the General Manager and/or District Engineer to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on April 17, 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. 2017-24 adopted April 17, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-D

Meeting Date: April 17, 2017

Submitted By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive a Revised Draft District FY 2017-2018 Budget, Rates, Fees and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents

Staff Recommendation: The Board receives the revised of the draft District budget for FY 2017-2018 dated April 17, 2017 and provides direction to staff regarding preparation of the final budget documents.

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

On January 11, 2017, the Board set the date for the FY 2017-2018 Budget Workshop for March 20, 2017. On March 20, 2017, the Board held the Budget Workshop for the FY 2017-2018 Budget.

Discussion/Analysis: The Draft FY 2017-2018 District Budget was distributed to the Board on March 16, 2017 for review in preparation for the budget workshop. On March 20, 2017, the Board held its budget workshop and received a presentation from staff.

The Ord Community portion of the Draft FY 2017-2018 District Budget was sent to the Fort Ord Reuse Authority (FORA) on March 13, 2017 and was presented to the Water and Wastewater Oversight Committee (WWOC) on March 15, 2017. District staff provided a presentation on the Ord Community Budget to the WWOC at its April 12, 2017 regular meeting.

Staff has made corrections/revisions to the draft budget that was initially presented to the Board at the March 20, 2017 Budget Workshop.

The Revised Draft FY 2017-2018 District Budget includes corrections to the Total CIP/Capitalized Equipment, Principal Debt Service and Transfer (From)/To Reserves line items of 2015-2016 Actuals. The revised draft also includes updates to the same line items of the FY 2016-2017 Estimated Actuals. In addition, updates to the FY 2017-2018 Proposed Salaries and Benefits, Franchise & Admin Fee and Transfer (From)/To Reserve line items are included. A summary of the changes has been provided which indicates the specific changes to each line item.

Environmental Review Compliance: None.

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

Materials Included for Information/Consideration: Summary of Line-Item Revisions to the Draft FY 2017-2018 Budget Document; and, Revised Draft FY 2017-2018 Budget Document dated April 17, 2017 (provided separately).

Action Required: ___ Resolution ___ Motion ___ X Review

Board Action

____ Resolution No ____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-E

Meeting Date: April 17, 2017

Presented By: Jean Premutati

Reviewed by: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-25 to Direct Staff to Distribute a Request for Proposal to Conduct a Customized Classification and Compensation Study for the District

Staff Recommendation: Adopt Resolution No. 2017-25 to direct staff to distribute a Request for Proposal (RFP) to conduct a customized Classification and Compensation Study for the District.

Background: *Strategic Plan, Strategic Element 5.4 Conduct periodic compensation studies - To ensure the District remains able to attract and keep a high-performing workforce, the District will conduct periodic compensation studies to determine competitiveness relative to the local and regional labor market. The Board will establish its salary and benefit philosophy prior to the commissioning of these studies.*

In May 2012, the Board received and approved the recommendations of a Koff & Associates classification and salary survey. As it has been five years since a salary survey was conducted, and staff designated in the strategic plan a survey to be completed in 2017, staff is requesting the Board to approve an RFP for a new customized classification and salary survey. Staff is recommending a not-to-exceed budget of \$30,000. The funds for the study have been included in the FY 2017/2018 budget.

In the water industry there are many classifications that are analogous to other classifications in other entities. With this survey, rather than have all positions in the District reviewed and evaluated, staff will be requesting a modified classification review of approximately 9-10 positions where titles and duties may not adequately represent the classification or where current titles are not suitable to the position. Staff will request these positions be identified and analyzed for existing internal hierarchy and update and/or create new job descriptions to uniformly reflect the distinguishing characteristics, essential job functions, and license/certification requirements for classifications as needed.

In addition, a modified classification study should help to reduce the overall cost of the survey.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: All four cost centers.

Material Included for Information Consideration: Resolution No. 2017-25; and, RFP for a customized classification and compensation study.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

April 17, 2017

Resolution No. 2017-25
Resolution of the Board of Directors
Marina Coast Water District
Approve Staff to Distribute a Request for Proposals to Conduct a
Compensation and Classification Survey

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on April 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the last classification and salary survey was completed in May 2012; and,

WHEREAS, the updated 2017 strategic plan establishes the District will conduct periodic compensation studies to ensure the District remains able to attract and maintain a high performing workforce; and,

WHEREAS, staff recommends a modified classification review of approximately 9-10 positions where titles and duties may not adequately represent the classification or where current titles are not suitable to the position; and,

WHEREAS, staff is recommending a not-to-exceed budget of \$30,000 for the size and scope of work expected with funds available in the FY 2017/2018 budget.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby direct staff to distribute a Request for Proposals to conduct a Compensation and Classification Survey.

PASSED AND ADOPTED on April 17, 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. 2017-25 adopted April 17, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-F

Meeting Date: April 17, 2017

Prepared By: Keith Van Der Maaten

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-26 to Approve Amendment No. 1 to the Pure 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. 2017-26 to Approve Amendment No. 1 to the Pure Water Delivery and Supply Project Agreement Between Monterey Regional Water Pollution Control Agency and Marina Coast Water District.

Background: *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 No. 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 entered into negotiations 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.

On April 8, 2016, MCWD and MRWPCA entered into the Pure Water Delivery and Supply Project Agreement pursuant to which the Pure Water Monterey's Product Water Conveyance Pipeline would be designed, constructed, owned, and operated by MCWD in accordance with the 1998 MCWD-FORA Water/Wastewater Facilities Agreement. Under this 2016 Agreement, MCWD will have the right to utilize for the Ord Community up to and including a net 600 AFY during Phase 1 and a net 1,427 AFY during Phase 2 to implement FORA Board Resolution No. 07-10.

Discussion/Analysis: Due to a delay in the funding from the State through the State Revolving Fund and other delays in the approvals necessary for the MRWPCA's Pure Water Monterey Project to move forward, the dates in the conditions precedent section of the Agreement need to be changed. An amendment to this Agreement was originally approved by the Board in November 21, 2016, but was never approved by PCA as it was extremely uncertain at that time what was happening with the State funding and it was decided to wait to see how the funding would progress before finalizing the amendment. In that November meeting, the Board approved to amend the condition precedent dates by extending them out three months due to the delay in SRF funding (from December 2016 to March 2017). Now, it is clear that we are moving to be funded by August or September, and the State only needs the amendment to these dates in this agreement to finalize MCWD's application for SRF funding. Staff is now requesting the Board to approve this amendment, which would extend those dates to no later than October 31, 2017, subject to discussions with PCA on setting those dates. It is expected that another amendment will be coming in May to update the funding details of the Agreement in response to the delay in SRF funding.

Environmental Review Compliance: None required.

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

Material Included for Information/Consideration: Resolution No. 2017-26.

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 _____

April 17, 2017

Resolution No. 2017-26
Resolution of the Board of Directors
Marina Coast Water District
Approving Amendment No. 1 to the Pure 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 regular meeting duly called and held on April 17, 2017 at 211 Hillcrest Avenue, 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”) agreed under the 1998 Water/Wastewater Facilities Agreement that ownership of all of the then existing Fort Ord water and sewer facilities should be transferred to the Marina Coast Water District (“MCWD”) subject to their conveyance from the Army to FORA; title to the Fort Ord water and sewer facilities and rights to water and sewage treatment capacity, except for those rights reserved by the Army, was transferred to MCWD in October 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 new 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; and,

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,

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 April 8, 2016, MCWD and MRWPCA entered into the Pure Water Delivery and Supply Project Agreement pursuant to which the Pure Water Monterey's Product Water Conveyance Pipeline will be designed, constructed, owned, and operated by MCWD in accordance with the 1998 MCWD-FORA Water/Wastewater Facilities Agreement. Under this

2016 Agreement, MCWD will have the right to utilize for the Ord Community up to and including a net 600 AFY during Phase 1 and a net 1,427 AFY during Phase 2 to implement FORA Board Resolution 07-10; and,

WHEREAS, due to delays in project funding for MRWPCA through the State Revolving Fund and other delays in the approval of items necessary for MRWPCA to move forward on the Pure Water Monterey Project, certain dates within Section 1.01 (a) “Conditions Precedent” and Section 1.01 (b) “Key Dates and Conditions for Future Negotiations” of the Pure Water Delivery and Supply Project Agreement Between Monterey Regional Water Pollution Control Agency and Marina Coast Water District need to be extended; and,

WHEREAS, an amendment to this Agreement was originally approved by the Board in November 21, 2016, but was never approved by PCA as it was extremely uncertain at that time what was happening with the State funding and it was decided to wait to see how the funding would progress before finalizing the amendment. In that November meeting, the Board approved to amend the condition precedent dates by extending them out three months due to the delay in SRF funding (from December 2016 to March 2017); and,

WHEREAS, MCWD is expecting an initial funding agreement from the State by August or September 2017, and the State needs the amendment to these dates in the agreement to finalize MCWD’s application for SRF funding.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District approves the following amendments to the Pure Water Delivery and Supply Project Agreement between the Monterey Regional Water Pollution Control Agency and Marina Coast Water District to be included in an Amendment No. 1:

Replace in its entirety Sections 1.01(a)(ii), 1.01(a)(v), 1.01(b)(i), 1.01(b)(ii), 1.01(b)(ii)(a), and 1.01(b)(ii)(b) of the Pure Water Delivery and Supply Project Agreement Between Monterey Regional Water Pollution Control Agency and Marina Coast Water District as follows:

1.01(a)(ii). AWT: PCA must complete any necessary CEQA review for AWT Phase 1 and AWT Phase 2 by **no later than October 31, 2017 ~~December 31, 2016~~**. In conducting the CEQA review, PCA reserves all of its rights, powers and discretion with regard to the expansion of the AWT. This includes the authority to adopt mitigation measures and/or an alternative project design, configuration, capacity or location in order to reduce any identified significant environmental impacts; the authority to deny the expansion of the AWT based on any significant environmental impact that cannot be mitigated (in which case this Agreement shall not take effect); and the authority to approve the expansion of the AWT notwithstanding any significant environmental impact that cannot be mitigated, if PCA determines that these impacts are outweighed by the project’s social, economic or other benefits. MCWD similarly reserves all of its rights, powers and discretion under CEQA with regard to any decision by MCWD on whether and how to approve any expansion of the AWT.

1.01(a)(v). Funding must be secured by **no later than October 31, 2017 ~~December 31, 2016~~** for the Pure Water Monterey Project and the RUWAP Distribution Facilities, including for any change in the location of the New Pipeline Facilities as compared to the location evaluated in the EIR for the Pure Water Monterey Project, for AWT Phase 1, and for the CEQA work for AWT Phase 2; provided, however, that this funding is not required for the

completed design and construction of AWT Phase 2 for the provisions of this Agreement to take effect with regard to implementation of Phase 1.

1.01(b)(i). If the Division of Financial Services of the State Water Resource Control Board fails to approve PCA's SRF loan Initial Funding Agreement by **no later than October 31, 2017**, ~~December 31, 2016~~ then MCWD and PCA agree to negotiate in good faith alternatives for providing recycled water (tertiary or purified) for potential customers.

1.01(b)(ii). If the Division of Financial Services of the State Water Resource Control Board approves PCA's initial funding agreement, then if the Division of Financial Services of the State Water Resource Control Board fails to approve MCWD's State Revolving Fund (SRF) loan Initial Funding Agreement **and MCWD does not have an alternative funding plan for the construction of the pipeline**, and/or MCWD passes a Board resolution to discontinue work on the project by **no later than October 31, 2017** ~~December 31, 2016~~, then MCWD shall transfer all work product (e.g. right-of-way, design, survey, environmental, bid documents, etc.) to PCA so PCA can continue progressing with the project. ~~If the Division of Financial Services of the State Water Resource Control Board approves PCA's State Revolving Fund (SRF) Loan Final Funding Agreement but denies MCWD's State Revolving Fund (SRF) Loan Final Funding Agreement and MCWD does not identify alternate financing by no later than October 31, 2017 ~~December 31, 2016~~, MCWD shall transfer all work product to PCA for financing and constructing the New Pipeline Facilities.~~

1.01(b)(ii)(a). PCA will pay MCWD for all project expenditures on any work products transferred (e.g. right-of-way, design, survey, environmental, and bid document development).

1.01(b)(ii)(b). In the event that PCA assumes responsibility for the financing and construction of the product water conveyance facilities, MCWD would continue to maintain ownership of the Product Water Conveyance Facilities per 2.06 of this agreement, ~~and MCWD agrees to would assume ownership upon satisfactory mitigate demonstration of no-~~ additional financial impact to PCA, for providing the financing to construct the Product Water Conveyance Facilities that can be satisfactorily demonstrated to be the direct result of PCA assuming the responsibility for the financing and construction of the Product Water Conveyance Facilities and MCWD maintaining ownership of those facilities.

BE IT FURTHER RESOLVED that the President of the Board of Director is hereby authorized to execute and deliver after consultation with the District's Legal Counsel, **subject to discussions with PCA on setting those dates**, the Amendment No. 1 provisions set forth in this Resolution with such non-substantive changes, insertions and deletions as may be approved by the President, the President's signature being conclusive evidence of such approval.

PASSED AND ADOPTED on April 17, 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. 2017-26 adopted on April 17, 2017.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Staff Report

Agenda Item: 11-A

Meeting Date: April 17, 2017

Prepared By: Kelly Cadiente and Paul Lord

Approved By: Keith Van Der Maaten

Agenda Title: 1st Quarter 2017 Ord Community Water Consumption and Sewer Flow Reports

Summary: The Board of Directors is requested to receive the 1st Quarter 2017 District Water Consumption and Sewer Flow Report. Quarterly water consumption reports of the Ord Community have been submitted to the Board since 2006 and are organized by land-use jurisdiction. Reports submitted since 2016 include the consumption information for Central Marina as well as an analysis of variances between current-year projected consumption and prior-year consumption. Because projections are calculated by month and not by weather patterns, and there has been a much larger amount of rain in the 1st quarter 2017 compared to the 1st quarter 2016, large variances for nearly all subdivisions occurred and therefore, a variance report has not been provided for this quarter.

The Ord Community's sanitary sewer flow to the Monterey Regional Water Pollution Control Agency (MRWPCA) interceptor system is measured by a District flume structure located adjacent to the retired Main Garrison wastewater treatment plant.

This staff report normally includes tracking information on sewer flows through MRWPCAs Fort Ord and Marina pump stations however, sewer flow data was not available at the time of production of this staff report.

Below are informational annotations for the data included in the report:

- The rainfall total for the 1st quarter of 2017 (January, February, March) in Marina (www.met.nps.edu) was 14.91 inches. This amount of rainfall is 6.37 inches higher than the historical quarterly average rainfall of 8.54 inches.
- The estimated (no March reading) reference evapotranspiration rate in South Salinas for the 1st quarter was 6.91 inches. This measurement was 0.31 inches below the historic quarterly average reading of 7.22 inches.