



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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

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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, May 15, 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 Wednesday, May 10, 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 54956.8  
 Conference with Real Property Negotiator  
 Property: Recycled Water Pipeline, Recycled Water  
 Agency Negotiators: Howard Gustafson, Thomas Moore  
 Negotiating parties: MRWPCA and MCWD.  
 Under Negotiation: Price and Terms

D. Pursuant to Government Code 54956.9 (d)(2)  
 Conference with Legal Counsel – Anticipated Litigation  
 Significant Exposure to Litigation – One Potential Case

E. Pursuant to Government Code 54956.9 (c)  
 Conference with Legal Counsel – Anticipated Litigation  
 Initiation of 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. Presentations**

A. Receive a Presentation from the Monterey Regional Water Pollution Control Agency Regarding their Proposition 218 Rate Process

B. Consider Adopting Resolution No. 2017-28 Proclaiming the Week May 21-27, 2017 National Public Works Week

**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 April 2017

B. Approve the Draft Minutes of the Regular Board Meeting of April 17, 2017

C. Approve the Draft Minutes of the Special Board Meeting of May 1, 2017

D. Adopt Resolution No. 2017-29 to Approve a Request for Proposals for a Five-Year Comprehensive Water, Wastewater and Recycled Water Rate and Fee Study with a Cost Allocation Plan

**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 Adoption of Resolution No. 2017-30 to Approve a Professional Services Agreement with Denise Duffy and Associates, Inc. for Annexation Process Services

*Action: The Board of Directors will consider approving a Professional Services Agreement with Denise Duffy & Associates for the annexation process.*

B. Consider Adoption of Resolution No. 2017-31 to Award a Contract for Interim Financing of the Regional Urban Water Augmentation Project Pipeline to BBVA Compass Bank

*Action: The Board of Directors will consider approving interim financing for the Recycled Urban Water Augmentation Project Pipeline construction.*

- C. Consider Adoption of Resolution No. 2017-32 to Approve a Reimbursement Agreement with the Monterey Regional Water Pollution Control Agency for EIR/EIS and NPDES Permitting Work on the Pure Water Advance Water Treatment and Outfall Wastewater Disposal for the Regional Urban Water Augmentation Project

*Action: The Board of Directors will consider approving reimbursement to the Monterey Regional Water Pollution Control Agency for EIR/EIS and NPDES permitting work to RUWAP with Pure Water Advance Water Treatment and outfall wastewater disposal.*

**11. Staff Report**

- A. Receive an Update on the Meter Requirement for Home Additions/Granny Units
- B. Receive an Update on the Imjn Office Park Owners Association Budget

**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
  - 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

**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, June 5, 2017, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: May 15, 2017

Prepared By: Paula Riso

Presented By: Keith Van Der Maaten

Agenda Title: Receive a Presentation from the Monterey Regional Water Pollution Control Agency Regarding their Proposition 218 Rate Process

Staff Recommendation: The Board of Directors receive a presentation from the Monterey Regional Water Pollution Control Agency regarding their Proposition 218 rate process.

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

Discussion/Analysis: Mr. Paul Sciuto, General Manager of the Monterey Regional Water Pollution Control Agency, will give a brief presentation on their recent Proposition 218 rate process.

Environmental Review Compliance: None required.

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

Other Consideration: None.

Material Included for Information/Consideration: None.

Action Required:        \_\_\_\_\_ Resolution        \_\_\_\_\_ Motion          X   Review

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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: May 15, 2017

Prepared By: Michael Wegley

Presented By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-28 Proclaiming the Week May 21-27, 2017 National Public Works Week

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2017-28 in recognition of National Public Works Week.

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

Discussion/Analysis: Public works infrastructure, facilities and services including the water and wastewater collection systems of the Marina Coast Water District are of vital importance to sustainable communities and to the health, safety and well-being of the people of this community. Such facilities and services could not be provided without the dedicated efforts of public works professionals, engineers, managers and employees from State and local units of Government and the private sector, who are responsible for and must plan, design, build, operate, and maintain the transportation, water supply, waste water and solid waste systems, public buildings, and other structures and facilities essential to serve our citizens.

The health, safety and comfort of this community greatly depends on these facilities and services. It is in the public interest for the citizens, civic leaders and children in the United States of America to gain knowledge of and maintain a progressive interest and understanding of the importance of public works and public works programs in their respective communities.

2017 marks the 57<sup>th</sup> annual National Public Works Week sponsored by the American Public Works Association.

Environmental Review Compliance: None required.

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

Other Consideration: None.

Material Included for Information/Consideration: Resolution No. 2017-28.

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

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Board Action

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

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

May 15, 2017

Resolution No. 2017-28  
Resolution of the Board of Directors  
Marina Coast Water District  
Proclaiming the Week May 21-27, 2017  
National Public Works Week

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 15, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, public works infrastructure, facilities and services are of vital importance to sustainable communities and to the health, safety and well-being of the people of this community; and,

WHEREAS, such facilities and services could not be provided without the dedicated efforts of public works professionals, engineers, managers and employees from State and local units of Government and the private sector, who are responsible for and must plan, design, build, operate, and maintain the transportation, water supply, waste water and solid waste systems, public buildings, and other structures and facilities essential to serve our citizens; and,

WHEREAS, the health, safety and comfort of this community greatly depends on these facilities and services; and,

WHEREAS, it is in the public interest for the citizens, civic leaders and children in the United States of America to gain knowledge of and maintain a progressive interest and understanding of the importance of public works and public works programs in their respective communities; and,

WHEREAS, the year 2017 marks the 57<sup>th</sup> annual National Public Works Week sponsored by the American Public Works Association.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby proclaim the week May 21-27, 2017 as National Public Works Week; and urge all our people to join with representatives of the American Public Works Association and government agencies in activities and ceremonies designed to pay tribute to our public works professionals, engineers, managers and employees and to recognize the substantial contributions they have made to our national health, safety, welfare and quality of life.

PASSED AND ADOPTED on May 15, 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 \_\_\_\_\_



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Howard Gustafson, President

ATTEST:

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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. 2017-28 adopted May 15, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9

Meeting Date: May 15, 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: *5-Year Strategic Plan Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Consent calendar consisting of:

- A) Receive and File the Check Register for the Month of April 2017
- B) Approve the Draft Minutes of the Regular Board Meeting of April 17, 2017
- C) Approve the Draft Minutes of the Special Board Meeting of May 1, 2017
- D) Adopt Resolution No. 2017-29 to Approve the Request for Proposals for a 5-Year Rate Study

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 April 2017; draft minutes of April 17, 2017; draft minutes of May 1, 2017; and, Request for Proposals for a 5-Year Rate Study.

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

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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: May 15, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

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

Staff Recommendation: The Board of Directors receive and file the April 2017 expenditures totaling \$834,866.33.

Background: *5-Year 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 April 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: April 2017 Summary Check Register.

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

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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: May 15, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of April 17, 2017

Staff Recommendation: The Board of Directors approve the draft minutes of the April 17, 2017 regular Board meeting.

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

Discussion/Analysis: The draft minutes of April 17, 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 April 17, 2017.

Action Required:     \_\_\_ Resolution     \_\_\_ **X** Motion     \_\_\_ Review

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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: May 15, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of May 1, 2017

Staff Recommendation: The Board of Directors approve the draft minutes of the May 1, 2017 special Board meeting.

Background: *5-Year 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 May 1, 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 May 1, 2017.

Action Required:     \_\_\_ Resolution     \_\_\_ **X** Motion     \_\_\_ Review

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Board Action

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

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

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: May 15, 2017

Submitted By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Adopt Resolution No. 2017-29 to Approve a Request for Proposals for a Five-Year Comprehensive Water, Wastewater and Recycled Water Rate and Fee Study with a Cost Allocation Plan

Staff Recommendation: The Board consider adoption of Resolution No. 2017-29 to approve a Request for Proposals (RFP's) for a five-year comprehensive water, wastewater and recycled water rate and fee rate study with a cost allocation plan.

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

On September 11, 2012, the Board adopted Resolution No. 2012-55 to approve a professional services agreement with Carollo Engineers to prepare a five-year water, wastewater, and recycled water financial plan and rate study. The Board received the plan in July, 2013 and adopted Resolution No. 2013-53 on August 26, 2013 to approve the plan for implemented beginning July 1, 2014. FY 2017-2018 is the final year of plan, therefore, the District will need to conduct a new rate study in order to set rates and fees for the subsequent five years.

Discussion/Analysis:

The scope of services in the RFP will include:

- Review current rates and fees associated with water, wastewater and recycled water services and propose rates and fees that will ensure recovery of actual costs associated with the services provided.
- Review District code and other appropriate laws, as necessary.
- Review current charges including capacity charges and propose charges that will ensure recovery of actual costs associated with services provided.
- Identify new and proposed expenses including but not limited to water, wastewater and recycled water and propose rates and charges that will ensure recovery of actual costs.
- Review current debt service and five year capital improvement projects, and propose financing action plan for current status, as well as increases in future debt service from financing of capital improvement projects.
- Provide a comparison of current and proposed water and wastewater rates and capacity charges against surrounding public agency water and wastewater purveyors.
- Provide a rate model which the District can use for forecasting and planning.

The tentative schedule of RFP process is as follows:

- May 15, 2017 – Board approve RFP for independent audit services

- May 16, 2017 – Distribution of RFP
- May 30, 2017 – Deadline for questions
- June 12, 2017 – Closing Date
- June 13 – 20, 2017 – Proposal evaluations and possible interviews
- June 26, 2017 – Present Recommendations to District Board for contract award
- October 2, 2017 – Rate Workshop #1
- November 6, 2017 – Rate Workshop #2
- December 4, 2017 – Rate Workshop #3

Environmental Review Compliance: None.

Financial Impact:  Yes  No Funding Source/Recap: Funded through FY 2017/2018 Operating Budget of the Central Marina and Ord Community cost centers.

Material Included for Information/Consideration: Resolution No. 2017-29; and, Draft RFP for five-year comprehensive rate and fee study with cost allocation plan.

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

Board Action

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

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

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

May 15, 2017

Resolution No. 2017-29  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving a Request for Proposals For a  
Five-Year Comprehensive Water, Wastewater and Recycled Water Rate  
And Fee Study with a Cost Allocation Plan

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 15, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on September 11, 2012, the Board adopted Resolution No. 2012-55 to approve a professional services agreement with Carollo Engineers to prepare a five-year water, wastewater, and recycled water financial plan and rate study; and,

WHEREAS, the Board received the plan in July, 2013 and adopted Resolution No. 2013-53 on August 26, 2013 to approve the plan for implemented beginning July 1, 2014; and,

WHEREAS, FY 2017-2018 is the final year of plan, therefore, the District will need to conduct a new rate study in order to set rates and fees for the subsequent five years.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2017-29 to approve a request for proposals for a five-year comprehensive rate and fee study with a cost allocation plan.

PASSED AND ADOPTED on May 15, 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. 2017-29 adopted May 15, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-A

Meeting Date: May 15, 2017

Submitted By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-30 to Approve a Professional Services Agreement with Denise Duffy and Associates, Inc. for Annexation Process Services

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-30 to approve a Professional Services Agreement with Denise Duffy and Associates, Inc. for annexation process services for the Marina Coast Water District with the Local Agency Formation Commission at a cost not-to-exceed \$30,649.

*Background: 5-Year Strategic Plan, 6.1 Annexation of the Ord community – To ensure direct representation of the Ord Community in matters related to the District, we will work with LAFCO to expand the District’s Sphere of Influence and legal boundary to include the Ord Community. During the annexation process the District will work with LAFCO to ensure proper governance is applied to the resultant District. Additional care will be taken to ensure that existing cost centers remain separate so that the City of Marina and the Ord Community remain independent divisions within the District, supporting their individual infrastructure needs.*

MCWD is the exclusive water service provider for the Ord Community pursuant to Federal Law and implementing agreements thereunder. Effective June 2, 1997, MCWD became the operator of the Fort Ord water system. The Ord Community is within MCWD’s water service area pursuant to the Defense Base Closure and Realignment Act of 1990, as amended, the Fort Ord Base Reuse Plan, the 1998 MCWD-FORA Water/Wastewater Facilities Agreement, the June 20, 2000 Memorandum of Agreement between the Army and the Fort Ord Reuse Authority (FORA), and the Potable Water Service Contract with the Army, which all cumulated in the October 2001 conveyance by the Army through FORA to MCWD of all of Fort Ord’s water and sewer infrastructure and 4,871 AFY of the 6,600 AFY of the Army’s groundwater allocation from the Monterey County Water Resources Agency.

According to the FORA Act, FORA will cease to exist on June 30, 2020, and as a final step to the above actions, the Ord Community will need to be annexed into the District’s service area or included in its Sphere of Influence (SOI) before FORA goes away. Amending the District’s sphere of influence and service area boundary is an action under the Local Agency Formation Commission of Monterey County (LAFCO). A Draft Initial Study/Negative Declaration (IS/ND) was prepared by Denise Duffy and Associates, Inc. (DDA) to accompany a future LAFCO application for the District. This IS/ND was circulated for public review on October 31, 2011. Written comments were received through December 15, 2011, and a public hearing to receive oral comments was held on January 10, 2012. The key comments received are summarized as follows:

1. LAFCO and the City of Seaside noted that MCWD currently provides water and wastewater service to Seaside High School, but the school property is located outside the boundary of the former Fort Ord as of the date of the base closure; therefore, this property was excluded from the proposed sphere of influence and annexation area. The

- letters recommended this parcel be added to the proposed sphere and service area pending Board direction. That change has been made to the attached maps.
2. SCSD noted their 2014 proposal to annex the Seaside City limits of the Ord Community except for CSUMB lands for sewer services. MCWD informed SCSD that the existing water and sewer system is owned by MCWD so that would not be possible. However, the developable areas of the Ord Community within Seaside and Del Rey Oaks are proposed to be included in the SOI for future service and annexation discussions with SCSD.
  3. LAFCO pointed out the Seaside County Sanitation District (SCSD) had previously annexed all of Del Rey Oaks into its service area for wastewater collection service. Per the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (as amended, Government Code Section 56668 d.), only one agency may provide municipal services (in this case, wastewater collection) within a given service area. The City of Del Rey Oaks also submitted a comment stating the City's position that former Fort Ord areas of Del Rey Oaks should be served by the SCSD based upon the action cited above as well as previous decisions between the City and the City of Seaside and the SCSD. Per the citation above, this area may be served for water only, or the two Districts may meet and agree upon a revised boundary for one or both. SCSD submitted a letter expressing their interest in providing wastewater service to all of the development parcels south of the existing developed areas in the Ord Community. Del Rey Oaks is proposed to be included in the SOI for future service and annexation discussions with SCSD as in #2 above.
  4. LAFCO and other commenters stated that the annexation of dedicated open space areas into the District service area would result in inconsistencies with LAFCO policy. Commenters objected to the scope and boundary of the proposed project and suggested that the District did not need to annex the majority of the former Fort Ord particularly those areas that were within the State Parks and BLM areas. LAFCO also pointed out that special districts are not required to have contiguous boundaries as cities are, and therefore the isolated offices and visitor-serving facilities within dedicated open space areas may be served by "island" annexation, government-to-government contract, or other. The lands owned by BLM and California State Parks need not be annexed to provide water and sewer service to select sites. The attached maps do not include Ord National Monument and California State Parks. Other open space/parks/habitat areas are only proposed to be within the SOI. This allows flexibility to annex parks and open space areas when Land Use Jurisdictions change their planning areas such as is the case with Seaside's Main Gate development.

In response to the comments received in 2011, and in order to to continue to move forward on the annexation process, on November 16, 2015, the MCWD Board provided guidance and direction to staff on boundary adjustments to the proposed jurisdictional annexation area and sphere of influence boundaries of the District to be used in the project description in an updated CEQA initial study. Specifically, this direction from the Board included extending the District's service boundary to add only the Ord Community parcels currently served and to extend the sphere of influence to add certain designated development parcels (Attachment 2).

Discussion/Analysis: DDA has submitted a scope of work and cost proposal as Attachment 3 to update the IS/MND and LAFCO application planning for the updated boundaries. Once the

IS/MND is updated and revised, the document will be recirculated for public review and comment prior to final consideration by the Board of Directors. Final IS/MND revisions and certification for CEQA and LAFCO application services are included in the DDA scope of services. Surveyed mapping is not included in DDA's scope.

Environmental Review Compliance: An Environmental Impact Report is not considered necessary for this project under CEQA. A Draft Initial Study/Negative Declaration will have to be prepared and circulated for public review.

Financial Impact:  Yes  No Funding Source/Recap: Engineering Professional Services.

Other Considerations: None.

Material Included for Information/Consideration:

1. Resolution No. 2017-30
2. Attachment 1 – Existing Jurisdictional Area, SOI and Service Areas
3. Attachment 2 – Proposed Annexation and SOI
4. Attachment 3 - Denise Duffy and Associates Professional Service Agreement

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

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Board Action

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

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

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

May 15, 2017

Resolution No. 2017-30  
Resolution of the Board of Directors  
Marina Coast Water District

Approving a Professional Services Agreement with Denise Duffy and Associates, Inc.  
for Annexation Process Services for the Ord Community into 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 May 15, 2017, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District currently provides water, wastewater and recycled water service to the former Fort Ord (Ord Community) under the Water/Wastewater Facilities Agreement with the Fort Ord Reuse Authority (FORA); and,

WHEREAS, FORA will cease to exist in 2020, unless extended by State legislation; and,

WHEREAS, the District holds title to all of the water, sewer and recycled water infrastructure within the Ord Community; and,

WHEREAS, the District has made significant investment in the Ord Community in the form of water, wastewater and recycled water infrastructure, addition of staff and equipment, adoption of redevelopment standards and procedures, and the preparation of master plans and water supply project studies; and,

WHEREAS, water service for Central Marina and the Ord Community is provided under a single water system permit; and,

WHEREAS, annexation of the part of the Ord Community that existing District facilities provide services related to sewer, municipal and industrial water, and fire protection would provide improved governance for customers; and,

WHEREAS, the Local Agency Formation Commission (LAFCO) of Monterey County has made the determination that the District may pursue annexation of the former Fort Ord portion of its service area upon LAFCO’s adoption of the 2006 Municipal Services Review; and,

WHEREAS, an Initial Study and Negative Declaration will be required under the California Environmental Quality Act (CEQA) for the annexation action; and,

WHEREAS, staff was directed to Initiate the CEQA Process and Prepare a Draft LAFCO Application for Future Consideration, Resolution No. 2011-68, September 13, 2011 for the annexation of the entire former Fort Ord; and,

WHEREAS, Denise Duffy & Associates prepared a Draft Initial Study and Negative Declaration circulated for public review in 2011 for the annexation of the entire former Fort Ord; and,

WHEREAS, consideration of the comment letters and the Draft IS/MND was given at the January 10, 2012 Board meeting and formation of an Ad Hoc Committee to direct revisions to the annexation areas; and,

WHEREAS, on August 3, 2015, Board direction was given to staff to resume effort on an annexation application; and,

WHEREAS, Denise Duffy & Associates is knowledgeable about the District and Ord Community and has experience with the preparation of a Draft Initial Study and Negative Declaration; and,

WHEREAS, Denise Duffy & Associates has proposed a scope for completion of the environmental services and LAFCO application for the annexation and staff agrees that the proposal is reasonable.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2017-30 authorizing the General Manager to execute a Professional Services Agreement with Denise Duffy & Associates for annexation process services for the Marina Coast Water District with the Local Agency Formation Commission at a cost not-to-exceed \$30,649.

PASSED AND ADOPTED on March 20, 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. 2017-30 adopted at the meeting of the Marina Coast Water District Board of Directors held on March 15, 2017.

\_\_\_\_\_  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: May 15, 2017

Submitted By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-31 to Award a Contract for Interim Financing of the Regional Urban Water Augmentation Project Pipeline to BBVA Compass Bank

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-31 to award a contract for interim financing of the Regional Urban Water Augmentation Project (RUWAP) pipeline to BBVA Compass Bank.

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

The District submitted a Financial Assistance Application for a State Revolving Fund (SRF) Loan to the State Water Resources Control Board (SWRCB) to finance the costs of constructing certain transmission and distribution pipelines and other infrastructure associated with the RUWAP Pipeline. This recycled pipeline is an advanced treated recycled water conveyance system intended to serve both the District and Monterey Regional Water Pollution Control Agency. Due to SRF loan draws being funded on a reimbursement basis, interim financing is required to cash flow anticipated costs in connection with the engineering, design and construction of the recycled water pipeline. The District's Financial Advisor, Fieldman Rolapp & Associates (FRA), was therefore called in to assist District staff in the preparation of a Request for Proposal (RFP) to Provide Bank Financing for a Revolving Line of Credit (RLOC) in the amount of \$13 million.

Discussion/Analysis: The bid terms requested by the RFP consisted of: a security pledge of revenue received from reimbursements from the SWRCB, 36-month term, tax-exempt variable one-month Libor and prepayment on any date. The RFP was distributed to fourteen different financial institutions. In connection with the \$13 million RLOC, the District received competitive bids from Bank of the West, California Bank & Trust (CB&T), CoBank and BBVA Compass (Bidders).

Bank of the West offered the least flexible bid by requiring draws in \$500,000 increments with a minimum of \$2.5 million per draw and fees of \$250 per draw with a cap at \$2,500 per annum. These requirements would significantly hinder the District during the three year period. All other Bidders were amenable to the District's anticipated draw down schedule. Bank of the West also required a net revenue pledge of the District's water revenues. Although the Bank's interest rate was competitive at 70% of 1-month Libor plus a spread of 0.75%, it required one of the highest unused fees at 0.75% for the unused portion of the RLOC.

California Bank & Trust offered two bids; a fixed rate of 1.93% over the 3 year term or a variable rate of 100% of 1-month Libor plus a spread of 0.78%. The fixed rate option does not take advantage of the currently low variable rate environment and is not a competitive tax-exempt

interest rate in the current market. The variable interest rate offered at 100% of 1-month Libor does not provide any tax-exempt benefit and CB&T also required a fee on any unused portion of the RLOC at 0.75% that would incur higher costs for the District.

CoBank provided a competitive bid by offering no fee on any unused portion of the RLOC and an interest rate of 100% of 1-month Libor plus a spread of 1.25%. The terms of the bid were standard; however, the District would not be taking advantage of the tax-exempt nature of the transaction by accepting 100% of 1-month Libor.

BBVA Compass provided two bid term sheets; one term sheet offered a RLOC of up to \$8 million and the second term sheet offered a RLOC of up to \$13 million. Each bid term sheet provided two options for variable interest rates and fees for the unused amounts drawn. Due to the expected draw amounts and the timing, it is recommended to continue with the initial loan amount of \$13 million to allow the District additional flexibility in connection with the anticipated monthly project costs. BBVA's \$13 million RLOC bid offered a variable rate of 65% of 1-month Libor plus a spread of 1.50% with no fees for the unused amounts drawn for Option 1, or a variable rate of 65% of 1-month Libor plus a spread of 0.85% with fees for the unused amounts drawn at 0.25% for Option 2. Option 1 provided overall lower costs to the District. BBVA's bid at 65% of 1-month Libor provides the District with the largest cushion against increases in that short term rate. For reference, Libor was at approximately 0.44% on May 13, 2016 and it is 0.992% on May 2, 2017.

Two out of the four bids assumed internal Bank Counsel would draft legal documentation while the other two (CB&T and CoBank) assumed Bond Counsel would draft documents. Bank Counsel capped their fees at \$25,000 and Bond Counsel estimates their fees would be not to exceed \$25,000. For comparative purposes, assuming no legal fees are incurred, the Option 1 bid provided by BBVA Compass produces the lowest overall cost to the District.

As stated above, BBVA Compass provided the most competitive bid with an interest rate at 65% of 1-month Libor plus a spread of 1.50% and combined with no additional fee on any unused portion of the RLOC produced the best option for the District to pursue.

Staff therefore recommends the Board accept the Option 1 bid from BBVA Compass and direct staff to move forward with negotiations on terms and conditions. To the extent necessary to acquire funding for the project costs sooner, staff also requests the Board authorize a possible increase in the proposed RLOC to \$16 million and a change in security pledge, if necessary, to include the District's water and wastewater system revenues up to and until the SWRCB executes the appropriate funding agreement and can provide reimbursements for the RLOC draws. Until such time, the reimbursements for the RLOC draws will be funded by contributions from the Fort Ord Reuse Authority (FORA) through the RUWAP financing agreement with FORA.

Environmental Review Compliance: None.

Financial Impact:  X  Yes   No Funding Source/Recap: Funded by contributions through the RUWAP financing agreement with FORA and loan draws from the impending SRF loan with the SWRCB.

Material Included for Information/Consideration: Resolution No. 2017-31; and, Summary Matrix of Proposals.



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

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Board Action

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

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

May 15, 2017

Resolution No. 2017-31  
Resolution of the Board of Directors  
Marina Coast Water District  
Awarding a Contract for Interim Financing of the  
Regional Urban Water Augmentation Pipeline Project to BBVA Compass Bank

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 15, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District submitted a Financial Assistance Application for a State Revolving Fund (SRF) Loan to the State Water Resources Control Board (SWRCB) to finance the costs of constructing certain transmission and distribution pipelines and other infrastructure associated with the Regional Urban Water Augmentation Project (RUWAP); and,

WHEREAS, because interim financing is required to cash flow anticipated costs in connection with the engineering, design and construction of the recycled water transmission pipeline due to SRF loan draws being funded on a reimbursement basis, the District’s Financial Advisor, Fieldman Rolapp & Associates (FRA), assisted District staff in the preparation of a Request for Proposal (RFP) to provide bank financing for a Revolving Line of Credit (RLOC) in the amount of \$13 million; and,

WHEREAS, the bid terms requested by the RFP consisted of: a security pledge of revenue received from reimbursements from the SWRCB, 36-month term, tax-exempt variable one-month Libor and prepayment on any date; and,

WHEREAS, the RFP was distributed to fourteen different financial institutions resulting four (4) competitive bids received by the District in connection with the \$13 million RLOC; and,

WHEREAS, BBVA Compass Bank provided the most competitive bid with an interest rate at 65% of 1-month Libor plus a spread of 1.50% combined with no additional fee on any unused portion of the RLOC.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2017-31, to approve a contract with BBVA Compass Bank to provide interim financing of the RUWAP pipeline to the District, and authorizes the General Manager to move forward with negotiations on terms and conditions and execute all documents as may be necessary or appropriate to give effect to this resolution.

BE IT FURTHER RESOLVED, to the extent necessary to acquire funding for the project costs sooner, the Board authorizes a possible increase in the proposed RLOC to \$16 million and a change in security pledge, if necessary, to include the District’s water and wastewater system revenues up to and until the SWRCB executes the appropriate funding agreement and can provide reimbursements for the RLOC draws. Until such time, the reimbursements for the RLOC draws will be funded by contributions from the Fort Ord Reuse Authority (FORA) through the RUWAP financing agreement with FORA.

PASSED AND ADOPTED on May 15, 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. 2017-31 adopted May 15, 2017.

\_\_\_\_\_  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-C

Meeting Date: May 15, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-32 to Approve a Reimbursement Agreement with the Monterey Regional Water Pollution Control Agency for EIR/EIS and NPDES Permitting Work on the Pure Water Advanced Water Treatment and Outfall Wastewater Disposal for the Regional Urban Water Augmentation Project

Staff Recommendation: The Board of Directors is requested to:

1. Approve the Reimbursement Agreement with the Monterey Regional Water Pollution Control Agency (“MRWPCA”) for EIR/EIS and NPDES Permitting Work on the Pure Water Monterey (PWM) Advanced Water Treatment (“AWT”) and Outfall Wastewater Disposal (“OWD”) for the Regional Urban Water Augmentation Project (“RUWAP”) substantially in the form provided herein; and,
2. Authorize the Marina Coast Water District (“District” or “MCWD”) Board President to execute and deliver, after consultation with the District’s Legal Counsel, the Agreement in the form presented at this meeting, with such changes, insertions and deletions as may be approved by the President before executing the Agreement, said execution being conclusive evidence of such approval; and,
3. Authorize the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution to reimburse MRWPCA.

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

The FORA Board identified the hybrid RUWAP as its preferred water augmentation solution in 2005 and it remains the water augmentation project of choice. Staff has worked closely with FORA to provide water augmentation on the former Fort Ord and Ord Community and the District Board has taken a number of actions over the last year to further this end.

In November 2015, the Board applied for a State Revolving Fund (SRF) loan to fund the RUWAP project. In December 2015, the Board partnered with Monterey Regional Water Pollution Control Agency (MRWPCA) on the Advanced Treated Water (ATW) Phases 1 and 2 as the potential water source for the recycled component of the approved RUWAP to deliver ATW to MCWD customers who would use it for irrigation and landscaping. The Board also authorized further CEQA review for a single product water conveyance pipeline. In April 2016, the Board entered into the Pure Water Delivery and Supply Project Facilities Agreement with MRWPCA to provide the conveyance pipeline for Pure Water Monterey (PWM).

Discussion/Analysis: MRWPCA obtained environmental clearance and an NPDES permit for PWM alone with a 4 million gallon per day (MGD) production facility. MRWPCA will be

updating their PWM environmental and regulatory documents to combine the PWM with RUWAP.

At the same time, the environmental and regulatory documents for AWT and OWD have to be updated to amend the NPDES permit for RUWAP with 1 MGD for a total of 5 MGD production and waste discharge. Therefore, the District will have to reimburse MRWPCA for technical activities associated with obtaining the NPDES permit amendment and other regulatory approvals needed for the AWT and OWD. The District has already updated the RUWAP pipeline and reservoir environmental documents to include PWM for NEPA and CEQA.

The Reimbursement Agreement outlines MRWPCA's responsibility to update environmental documents and amend the NPDES permit for a 5 MGD production AWT facility. MRWPCA went through the proposal process and selected Larry Walker and Associates, Inc. MRWPCA's Agenda Transmittal and Larry Walker's proposal including scope of work and fee schedule is attached for reference. The proposal estimates a total cost of \$263,319.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: FORA will provide up to \$500,000 to MCWD for startup and implementation costs for RUWAP, RW-156, in accordance with the agreement annual reimbursement schedule.

Other considerations: Refer back to staff with further direction.

Material Included for Information/Consideration: Resolution No. 2017-32; Reimbursement Agreement; and, Larry Walker and Associates, Inc. proposal.

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

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Board Action

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

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

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

May 15, 2017

Resolution No. 2017-32  
Resolution of the Board of Directors  
Marina Coast Water District

Approving a Reimbursement Agreement for the RUWAP Recycled Project  
with Monterey Regional Water Pollution Control Agency  
for Technical Activities Associated with Obtaining the NPDES Permit Amendment and Other  
Regulatory Approvals Needed for the Advanced Water Treatment and Outfall  
Wastewater Disposal for the RUWAP Recycled Project between MRWPCA and MCWD

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District” or “MCWD”), at a regular meeting duly called and held on May 15, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the 1997 Fort Ord Base Reuse Plan (the “BRP”) identifies the availability of water as a resource constraint, estimating that an additional 2,400 acre-feet per year (“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, under Section 3.2.2 of the 1998 Water/Wastewater Facilities Agreement (the “1998 Agreement”), the Fort Ord Reuse Authority (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. MCWD will recover all of its direct and indirect, short term and long term costs of furnishing the facilities to the service area. MCWD shall not be required to take any action in connection with furnishing the facilities to the service area unless and until a source of funds is secured from the service area to pay in full in a reasonable manner consistent with normal accounting practices all of MCWD’s direct and indirect, short term and long term costs of the action to be taken by MCWD, including costs of administration, operation, maintenance and capital improvements to provide adequate system capacity to meet existing and anticipated service demands, per Section 7.1.2 of the 1998 Agreement; and,

WHEREAS, on January 18, 2002, FORA’s Board of Directors adopted Resolution No. 02-1 establishing the Fort Ord Reuse Authority Basewide Community Facilities District (the “CFD”) to collect fees for, among other impacts caused by development, 2,400 AFY of water augmentation to support the BRP; and,

WHEREAS, in 2002, MCWD, in cooperation with FORA, initiated the Regional Urban Water Augmentation Project (the “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 (the “RUWAP Recycled Project”), and this in turn resulted in the FORA Board adopting in May 2007, Resolution 07-10, which allocated that 1,427 AFY of RUWAP recycled water to FORA’s member agencies having land use jurisdiction,

and constituted FORA's determination under Section 3.2.2 of the 1998 Agreement that MCWD was required to develop recycled facilities to provide the 1,427 AFY of RUWAP recycled water; and,

WHEREAS, MCWD has been and continues to work collaboratively with FORA and with the Monterey Peninsula Regional Water Pollution Control Agency ("MRWPCA") to carry out MCWD's obligation to provide the 1,427 AFY of recycled water for the Ord Community; and,

WHEREAS, on October 8, 2015, MRWPCA's Board of Directors unanimously voted to certify the environmental impact report ("EIR") for the Pure Water Monterey Project (PWM) and to approve the PWM. 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 PWM as an acceptable option as the recycled component of the RUWAP and, as part of the PWM implementation, the FORA Board will review and consider project component costs and scheduling through annual consideration of the FORA capital improvement program and Ord Community budgets; and,

WHEREAS, on December 2, 2015, MCWD and MRWPCA each applied for separate State Revolving Fund Loans to finance their RUWAP and PWMs respectively and allowing for the shared use of a single Product Water Conveyance Pipeline. MCWD commenced further CEQA review for shared use of a single Product Water Conveyance Pipeline for both MRWPCA's PWM and MCWD's RUWAP ; and,

WHEREAS, on April 8, 2016, MCWD and MRWPCA entered into the Pure Water Delivery and Supply Project Facilities Agreement ("2016 MRWPCA-MCWD Agreement") pursuant to which the Product Water Conveyance Facilities will be designed, constructed, owned, and operated by MCWD in accordance with the 1998 Agreement with a capacity sufficient to convey the 1,427 AFY of advance treated water for the Ord Community and pursuant to which MCWD will have the right to utilize up to and including a net 1,427 AFY of the Advance Water Treatment (AWT) facility's treatment capacity to implement FORA Board Resolution 07-10; and,

WHEREAS, AWT Phase 1 and 2 of the 2016 MRWPCA-MCWD Agreement would fully implement the RUWAP Recycled Project; and,

WHEREAS, MRWPCA must update their PWM environmental and regulatory documents to combine the PWM with RUWAP and to amend its NPDES permit for RUWAP; and,

WHEREAS, an agreement is required to establish the reimbursement of costs to MRWPCA from MCWD for Technical Activities associated with obtaining the NPDES permit amendment and other regulatory approvals needed for the AWT and Outfall Wastewater Disposal (OWD) for the RUWAP Recycled Project.

NOW, THEREFORE, BE IT RESOLVED, that Board of Directors hereby approves the Reimbursement Agreement for the RUWAP Recycled Project with Monterey Regional Water Pollution Control Agency for Technical Activities associated with obtaining the NPDES permit amendment and other regulatory approvals needed for the AWT and OWD for the RUWAP Recycled Project between MRWPCA and MCWD substantially in form provided herein; and,

FURTHER RESOLVED, that the Directors authorize the Board President to execute and deliver, after consultation with the District's Legal Counsel, the Agreement in the form presented at this meeting, with such changes, insertions and deletions as may be approved by the President before executing the Agreement, said execution being conclusive evidence of such approval; and,

FURTHER RESOLVED, that the Directors authorize the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on May 15, 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. 2017-32 adopted May 15, 2017.

\_\_\_\_\_  
Keith Van Der Maaten, Secretary



Marina Coast Water District  
Staff Report

Agenda Item: 11-A

Meeting Date: May 15, 2017

Prepared By: Brian True

Approved By: Keith Van Der Maaten

Agenda Title: Update on the Meter Requirement for Home Additions/Granny Units

Summary: The Board of Directors is requested to receive a Staff Report regarding MCWD's meter requirements for home additions, secondary dwelling units, and accessory dwelling units – sometimes referred to as “granny units” – in light of new State of California legislation potentially impacting the matter.

State Senate Bill No. 1069 (SB-1069) became effective on January 1, 2017. SB-1069 is a land use and zoning piece of legislation. The intent of SB-1069 is to encourage the construction of “accessory dwelling units” (ADUs – or, euphemistically, “granny units”). In passing the legislation, the State found that an increase in the construction of ADUs will provide additional rental housing stock, and that ADUs are an essential component of housing supply in California. By removing certain regulations the legislature seeks to make ADU's more affordable. For example, the legislation calls for prohibiting the common requirement to install a new or separate utility connection directly between the new ADU and the utility. Additionally, the legislation calls for prohibiting the imposition of connection fees or capacity charges on the new ADU.

MCWD's Water Code requires that every new dwelling unit be metered and have water service provided through its own service line. The District also routinely assesses water and sewer capacity charges, among other costs-to-connect, on projects entailing the installation of new dwelling units. These requirements were created as water conservation features and were incorporated into the MCWD Water Code roughly 10-years ago, with great impetus to do so provided by the State of California.

There has been some question as to whether SB-1069 prohibits MCWD's practices regarding separate meters for ADU's. While the intent of the bill certainly aims to make ADU's more affordable, it does not appear to apply to a special district such as MCWD, which exercises no land-use authority. While SB-1069 uses the term “local agency” throughout its text, it expressly defines “local agency” for purposes of the bill as “a city, county, or city and county, whether general law or chartered.” After careful and thorough review and consideration of SB-1069 by staff and District Counsel, it is recommended that MCWD continue to maintain its current water-conservation-driven practices.

Marina Coast Water District  
Staff Report

Agenda Item: 11-B

Meeting Date: May 15, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Update on Imjin Office Park Owners Association 2017 Approved Budget and Five-Year Assessment/Reserves Projections

Summary: The Board of Directors is requested to receive the Imjin Office Park Owners Association 2017 Approved Budget and Five-Year Assessment/Reserves Projections.

The Imjin Office Park Owners Association is a California Nonprofit Mutual Benefit Corporation that was formed in September 2010. The purpose of the corporation is to provide for the management, administration, maintenance, preservation and architectural control of the commercial units and common area within the office park.

There are four parcels within the office park – 910 Second Avenue owned by The Carpenter’s Local Union #605, 920 and 940 Second Avenue owned by the District, and 930 2<sup>nd</sup> Avenue owned by Encore Marina, LLC. The Board of Directors of the Association is comprised of a representative for each of the parcels.

Each year, the Association’s Board approves a budget for the Association which includes Owner Assessments as the source of revenue and operating expenses such as insurance, landscape maintenance and utilities. Under Article X Section 2 of the Association’s Bylaws, the revenue collected in excess of expenses is to be set aside as reserves and used to defray future financial needs of the Association such as repair of, replacement of, or additions to the major components of the common use areas.

The 2017 Association Budget is based on projected expenses of the Association as well as funding the reserves to a minimum balance of \$15,000. A Five-Year Assessment/Reserve Projection was used in compiling the annual budget and has been included in this report.

Attachments:

Approved 2017 Budget  
Assessment/Reserve Projections