



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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DIRECTORS

JAN SHRINER
President

HERBERT CORTEZ
Vice President

BRAD IMAMURA
THOMAS P. MOORE
GAIL MORTON

Agenda

Regular Board Meeting, Board of Directors
Marina Coast Water District
and

Regular Board Meeting, Board of Directors
Marina Coast Water District Groundwater Sustainability Agency
Hybrid Meeting

920 2nd Avenue, Suite A, Marina, California
and

Zoom Teleconference

Monday, November 13, 2023, 6:00 p.m. PST

Staff and Board members will be attending the November 13, 2023 meeting in person. Members of the public may attend the Board meeting in person or can continue to attend remotely via Zoom conference.

Persons who are participating via telephone will need to press *9 to be acknowledged for comments. Members of the public participating by Zoom will be placed on mute during the proceedings and will be acknowledged only when public comment is allowed, after requesting and receiving recognition from the Board President. Public comment on the action item can also be submitted in writing to Paula Riso at priso@mcwd.org by 9:00 am on Monday, November 13, 2023; such comments will be distributed to the MCWD Board before the meeting.

This meeting may be accessed remotely using the following Zoom link:

<https://us02web.zoom.us/j/86294076139?pwd=UEN6cFVLZXd5bnpHdUYwR1hTbnU0dz09>

Passcode: 667445

To participate via phone: 1-669-900-9128; Meeting ID: 862 9407 6139 Passcode: 667445

Our Mission: We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.

1. Call to Order

2. Roll Call

3. Presentation

A. [Adopt Resolution No. 2023-47 in Recognition of Jose Rodriguez, System Operator II, for 20 Years of Service with the Marina Coast Water District](#)

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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 District offices at 11 Reservation Road, and 920 2nd Avenue, Suite A, Marina. A complete Board packet containing all enclosures and staff materials will be available for public review on the District website, Wednesday, November 8, 2023. 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: 831-883-5931.

4. Public Comment on Closed Session Items *Anyone wishing to address the Board on matters appearing on Closed Session may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board. Disruptive behavior may result in removal of the individual responsible.*

5. Closed Session

- A. Conference with Legal Counsel – Existing Litigation
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)
Bay View Community DE, LLC; Bryan Taylor; Greg Carter; and Brooke Bilyeu vs Marina Coast Water District; Board of Directors of Marina Coast Water District; County of Monterey and Does 1-25, inclusive, Monterey County Superior Court Case No. 18CV000765 (Petition for Writ of Mandate or Administrative Mandate, and Complaint for Declaratory and Injunctive Relief and Breach of Contract)
- B. Pursuant to Government Code 54956.9(d)(2)
Conference with Legal Counsel – Threat of Potential Litigation
One Potential Case
- C. Pursuant to Government Code section 54956.9(d)(4)
Conference with Legal Counsel – Initiation of Litigation
One Potential Case
City of Camden, et al., v. E.I. DuPont de Nemours and Company, et al.,
No. 2:23-cv-03230-RMG

Reconvene to Open Session Estimated to be at 7:45 p.m.

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

7. Pledge of Allegiance

8. 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. Disruptive behavior may result in removal of the individual responsible.*

9. Consent Calendar

- A. [Receive and File the Check Register for the Month of October 2023](#)
(Page 6)
- B. [Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of October 16, 2023](#)
(Page 14)
- C. [Approve the Draft Minutes of the Special Joint Board/GSA Meeting of October 31, 2023](#)
(Page 21)

D. Receive the 3rd Quarter Investment Report for Calendar Year 2023

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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. Receive a Presentation on the District's Cost Center Separation and the Proposition 218 Process

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11. 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. Committee and Board Liaison Reports

1. Budget and Engineering Committee
2. Executive Committee
3. Community Outreach Committee
4. M1W Board Member Liaison

12. Board Member Requests for Future Agenda Items

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

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

Regular Meeting: Monday, December 18, 2023, 6:00 p.m.

Marina Coast Water District
Agenda Transmittal

Agenda Item: 3-A

Meeting Date: November 13, 2023

Prepared By: Derek Cray

Approved By: Remleh Scherzinger, PE

Agenda Title: Adoption of Resolution No. 2023-47 in Recognition of Jose Rodriguez, System Operator II, for 20 Years of Service with the Marina Coast Water District

Staff Recommendation: Staff recommends the Board of Directors adopt Resolution No. 2023-47 in recognition of Jose Rodriguez for 20 years of service with the Marina Coast Water District and present him with a plaque and gift certificate.

Background: *Strategic Plan— Our objective is to recruit and retain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service. Our strategy is to utilize sound policies and personnel practices, offer competitive compensation and benefits, and provide opportunities for training, development, and professional growth while ensuring a safe and secure workplace.*

Discussion/Analysis: Jose Rodriguez started with the Marina Coast Water District (District) as a Collections System Operator on November 17, 2003. During his time as a Collections System Operator, Jose's responsibilities were maintaining the District's sewer gravity mains and sewer pump stations. In 2006, Jose became the District's Fats, Oil, and Grease (FOG) compliance inspector to ensure businesses that manufacture or sell food products comply with the District's ordinance regarding proper handling and disposal of FOG within their establishment. Jose still takes on this role today and takes great pride in keeping FOG out of the District's sewer collection systems.

In 2012, the District combined the water and collections departments, and at that time, Jose was reclassified to a System Operator II. In addition to Jose's regular duties, Jose performs quarterly inspections on all of the District's potable water tanks by climbing each tank and visually inspecting the top. He also ensures that the preventative maintenance of the District's heavy fleet and equipment is performed as part of his special duties.

Currently, Jose holds the following professional certifications:

- State Water Resources Control Board (SWRCB) Water Distribution Operator Grade III
- SWRCB Water Treatment Operator Grade II
- California Water Environmental Association (CWEA) Collection System Maintenance Grade II
- CCTV certification through the National Association of Sewer Service Companies (NASSCO)

Jose has an upbeat personality and is always in a good mood that resonates with his coworkers. Jose is the go-to person when there is an issue locating those hard-to-find sewer lines and manholes, and he is always willing to help his coworkers out. Jose is currently the most senior Operations and Maintenance staff member with his twenty years with the District, and that institutional knowledge is often leaned upon to assist the department with its operational needs.

It is with great pleasure that we recognize and congratulate Jose on his twenty years of dedication to the District, and we look forward to working with him for many more years in the future.

Environmental Review Compliance: None required.

Climate Adaptation: Not applicable.

Financial Impact: X Yes No Funding Source/Recap: Expenditures for a plaque and gift card are allocated across four cost centers: 01-Marina Water, 02-Marina Sewer, 03-Fort Ord Water, and 04-Fort Ord Sewer, in account number 01-035-009.

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2023-47.

Action Required: X Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

November 13, 2023

Resolution No. 2023-47
Resolution of the Board of Directors
Marina Coast Water District
Recognizing Jose Rodriguez, System Operator II,
For 20 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 November 13, 2023, at 920 Second Avenue, Suite A, Marina, California.

WHEREAS, Jose Rodriguez joined the District as a Collections System Operator on November 17, 2003; and,

WHEREAS, in 2006, Jose became the District's Fats, Oil, and Grease (FOG) inspector and continues that role today; and,

WHEREAS, in 2012, Jose became a System Operator II with the District and currently performs water distribution, recycled water, and sewer collections duties; and,

WHEREAS, on top of Jose's normal operator duties, he performs special duties, which include inspection of all the District's potable water storage tanks and ensuring all the District's heavy fleet and equipment are maintained; and,

WHEREAS, Jose has actively sought out State certifications and currently holds a California Environmental Water Association (CWEA) Collections System Maintenance grade II, State Water Resources Control Board (SWRCB) Water Distribution Operator grade III, SWRCB Water Treatment Plant Operator grade II, and a certification through the National Association of Sewer Service Companies (NASSCO) for sewer mainline inspection; and,

WHEREAS, Jose is currently the most senior Operations and Maintenance staff member with his twenty years of tenure with the District; and,

WHEREAS, Jose has an upbeat personality that resonates through the department and is always willing to help out his fellow coworkers; and,

WHEREAS, Jose's long-standing dedication to the District has helped ensure safe potable water and uninterrupted sewer flows to the District's customers.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby recognize and appreciate Jose Rodriguez for twenty years of service to the Marina Coast Water District, hereby presenting him with a plaque and gift certificate and wishes him continued success and many more years with the District.

PASSED AND ADOPTED on November 13, 2023, 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 _____

Jan Shriner, President

ATTEST:

Remleh Scherzinger, 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. 2023-47 adopted November 13, 2023.

Remleh Scherzinger, Secretary

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9

Meeting Date: November 13, 2023

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Consent Calendar

Staff Recommendation: Approve the Consent Calendar as presented.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, 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 October 2023
- B) Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of October 16, 2023
- C) Approve the Draft Minutes of the Special Joint Board/GSA Meeting of October 31, 2023
- D) Receive the 3rd Quarter Investment Report for Calendar Year 2023

Discussion/Analysis: See individual transmittals.

Environmental Review Compliance: None required.

Legal Counsel Review: See individual transmittals.

Climate Action: Not applicable.

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 October 2023; draft minutes of October 16, 2023; draft minutes of October 31, 2023; and, 3rd Quarter Investment 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: 9-A

Meeting Date: November 13, 2023

Prepared By: Mary Lagasca, CPA

Approved By: Remleh Scherzinger, PE

Agenda Title: Receive and File the Check Register for the Month of October 2023

Staff Recommendation: Receive and file the October 2023 expenditures totaling \$1,896,422.69.

Background: *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 October 2023 and the Board is requested to receive and file the check register.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: ____ Yes X 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: October 2023 Summary Check Register.

Action Required: ____ Resolution X Motion ____ Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

OCTOBER 2023 SUMMARY CHECK REGISTER

DATE	CHECK #	CHECK DESCRIPTION	AMOUNT
10/03/2023	74319 - 74332	Check Register	503,767.30
10/10/2023	74333 - 74365	Check Register	126,266.30
10/16/2023	74366 - 74386	Check Register	199,713.74
10/23/2023	74387 - 74437	Check Register	115,331.76
10/30/2023	74438 - 74470	Check Register	376,016.58
10/13/2023	ACH	Payroll Direct Deposit	126,751.65
10/13/2023	ACH	CalPERS	32,958.99
10/13/2023	ACH	Empower Retirement	15,421.64
10/13/2023	ACH	Internal Revenue Service	51,625.33
10/13/2023	ACH	State of California - EDD	11,182.56
10/13/2023	ACH	WageWorks, Inc.	910.33
10/13/2023	501572	Check Register	599.00
10/16/2023	501573 - 501580	Check Register	98,414.02
10/19/2023	501581 - 501582	Board Compensation Checks and Direct Deposit	600.26
10/19/2023	ACH	Internal Revenue Service	99.48
10/27/2023	ACH	Payroll Direct Deposit	126,415.83
10/27/2023	ACH	CalPERS	32,972.59
10/27/2023	ACH	Empower Retirement	15,119.14
10/27/2023	ACH	Internal Revenue Service	50,586.32
10/27/2023	ACH	State of California - EDD	10,759.54
10/27/2023	ACH	WageWorks, Inc.	910.33
TOTAL DISBURSEMENTS			<u>1,896,422.69</u>

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74319	09/06/2023	10/03/2023	Denise Duffy & Associates, Inc.	Water Distribution Laterals Construction Compliance - RUWAP	7,973.00
74320	09/06/2023	10/03/2023	Monterey One Water	Ground Water Replenishment - Billing for Usage 08/2023	150,190.31
74321	09/07/2023	10/03/2023	Harris & Associates	Inspection Services, Closeout - RUWAP Distribution; Developers (Dunes 2 West, Abdy Way Subdivision, Dunes 1B Promenade, Enclave Phase 3)	39,575.85
74322	09/12/2023	10/03/2023	Forensic Analytical Consulting Services, Inc.	Post-Abatement Air Monitoring - Ord Office	4,612.30
74323	08/22/2023	10/03/2023	Central Coast Sign & Design	MCWD Metal Site Sign - Armstrong Ranch Well	136.43
74324	09/27/2023	10/03/2023	Government Finance Officers Association	Annual Governmental GAAP Update Webinar - (2) Accounting	300.00
74325	09/11/2023	10/03/2023	Richards, Watson & Gershon	Legal Services 08/2023	108,545.56
74326	09/25/2023	10/03/2023	U.S. Bank National Association	IOP Office Copier Lease 09/20 - 10/19	287.34
74327	09/12/2023	10/03/2023	Remy Moose Manley, LLP	Legal Services 08/2023	62,431.76
74328	08/29/2023	10/03/2023	United Rentals, Inc.	Wanco Tow Behind Arrow Board	6,855.44
74329	08/10/2023	10/03/2023	Psomas	Construction Management - A1/A2 Tanks B/C Booster; Construction Management/ Inspection - Gigling/ Ord Village LS	28,965.63
74330	09/12/2023	10/03/2023	Zanjero, Inc.	Water Supply Investigations Phase 2 08/2023	15,525.00
74331	09/15/2023	10/03/2023	SBRK Finance Holdings, Inc.	Springbrook Cloud Subscription 08/22/23 - 07/31/24; Cloud Migration; HR Data Fix	51,468.68
74332	07/01/2023	10/03/2023	ClearGov, Inc.	ClearGov Budget/ Transparency Suite 07/2023 - 06/2024	26,900.00
74333	09/20/2023	10/10/2023	Quinn Company	Maintenance Service, Replacement Lights - Forklift #9802	823.91
74334	09/20/2023	10/10/2023	Becks Shoe Store, Inc. - Salinas	Boot Benefit - (4) O&M	1,010.06
74335	08/28/2023	10/10/2023	Home Depot Credit Services	(6) Storage Racks; General Operations/ Maintenance, Meter Reader Tools and Supplies	4,695.53
74336	09/13/2023	10/10/2023	Grainger	Recirculation Pump - Beach Office; General Operations/ Maintenance Supplies	3,171.19
74337	09/07/2023	10/10/2023	Monterey Bay Analytical Services	Laboratory Testing	150.00
74338	09/18/2023	10/10/2023	Rauch Communication Consultants, Inc.	Public Relations 07/2023	10,912.00
74339	09/18/2023	10/10/2023	Verizon Wireless	Cell Phone Service 09/2023	3,830.69
74340	09/07/2023	10/10/2023	Harris & Associates	Inspection Services, Closeout - RUWAP Distribution; Developers (Abdy Way Subdivision, Dunes 1B Promenade, Enclave Phase 3, VTC Lightfighter Village)	18,781.95
74341	09/07/2023	10/10/2023	HD Supply, Inc.	General Operations/ Maintenance Supplies	285.38
74342	08/31/2023	10/10/2023	Fastenal Industrial & Construction Supplies	General Operations/ Maintenance Supplies	704.82
74343	08/31/2023	10/10/2023	Pacific Ag Rentals LLC	Mobile Restroom Rental - Beach Office	94.31
74344	09/24/2023	10/10/2023	AT&T	SCADA Internet 10/2023	107.00
74345	09/27/2023	10/10/2023	Daiohs USA	Coffee Supplies	613.22
74346	09/12/2023	10/10/2023	Central Welding and Fabrication LLC	D-Ring Installation - Mini Excavator; (2) Vault Lids - Dual Language Academy, Marina Vista Elementary School	1,740.20
74347	09/29/2023	10/10/2023	Employnet, Inc.	Temporary Customer Service Representatives 08/28 - 08/31, 09/05 - 09/08, 09/11 - 09/14, 09/18 - 09/22	8,814.63
74348	09/11/2023	10/10/2023	Green Rubber-Kennedy AG, LP	General Operations/ Maintenance Supplies	227.68
74349	09/26/2023	10/10/2023	Marina Tire & Auto Repair	(2) Tires - Vehicle #0505; Oil Change - Vehicle #2201	357.54

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74350	08/15/2023	10/10/2023	Monterey Bay Technologies, Inc.	(3) Surface Pro 9 Tablets, Accessories - Engineering	8,192.06
74351	09/25/2023	10/10/2023	ICONIX Waterworks (US), Inc.	(4) Mega Lug Kits - Well 12; Gate Valve, Ball Valve, Supplies - Hoffman Tank; (660) ft Pipe, (1,000) ft Wire, Supplies - Fort Ord Monument Service Line	8,474.94
74352	09/30/2023	10/10/2023	Peninsula Messenger LLC	Courier Service 10/2023	249.00
74353	09/22/2023	10/10/2023	Tope's Sustainable Garden Center	Trailer Rental, Concrete - D Booster Generator Pad	323.24
74354	09/25/2023	10/10/2023	WEX Bank	Fleet Gasoline 09/2023	6,884.57
74355	08/31/2023	10/10/2023	AutoZone Parts, Inc.	General Operations/ Maintenance Supplies	44.77
74356	09/19/2023	10/10/2023	Golden State Truck and Trailer Repair, Inc.	90-Day Inspection - Vehicles #2001, 2101	742.69
74357	09/20/2023	10/10/2023	HPS West, Inc.	(3) 2" MS Multi-Jet Meters with Allegro Register	2,879.89
74358	09/13/2023	10/10/2023	Nearmap US, Inc.	ArcGIS Map Subscription 07/11/23 - 07/10/24	7,000.00
74359	09/13/2023	10/10/2023	Interstate Battery of San Jose	General Operations/ Maintenance Supplies	221.54
74360	09/07/2023	10/10/2023	Alameda Electrical Distributors, Inc.	General Operations/ Maintenance Supplies	68.83
74361	09/15/2023	10/10/2023	Premo Roofing Company	Roof Repair - IOP Office	9,240.00
74362	09/25/2023	10/10/2023	PJ Trucking Academy, LLC	ELDT Program/ Class A Driving Course - (2) O&M	10,000.00
74363	08/22/2023	10/10/2023	T-Mobile	(21) iPhones, (18) iPads, (2) Jetpacks - O&M, Meter Readers; Cell Phone Service 08/2023	13,658.01
74364	09/01/2023	10/10/2023	Greenwaste Recovery, Inc.	Trash Disposal - O&M Yard	1,113.25
74365	10/05/2023	10/10/2023	Customer Service Refund	Refund Check - 306 Reservation Rd	853.40
74366	09/27/2023	10/16/2023	Carlons Fire Extinguisher	First Aid Supplies	542.10
74367	10/04/2023	10/16/2023	PG&E	Gas and Electric Service 09/2023	109,491.73
74368	09/20/2023	10/16/2023	Monterey Bay Analytical Services	Laboratory Testing	724.00
74369	09/30/2023	10/16/2023	Monterey One Water	Sewer Treatment Charge 09/2023 - 10/2023	388.50
74370	10/09/2023	10/16/2023	Special District Association	SDA Quarterly Meeting	160.00
74371	09/21/2023	10/16/2023	Collins Electrical Company, Inc.	Wall Plug Relocation - IOP Office	1,251.81
74372	09/12/2023	10/16/2023	American Supply Company	Janitorial Supplies	273.23
74373	07/20/2023	10/16/2023	Don Chapin Co., Inc	Developer (Dunes 2 East)	19,955.81
74374	10/04/2023	10/16/2023	CCOI Gate & Fence	Gate Repair - BLM	450.00
74375	09/06/2023	10/16/2023	U.S. Bank Corporate Payment Systems	2023 CSDA Conference/ Exhibitor Showcase - Board Member; ArcGIS Online Creator Subscription 08/2023 - 07/2024; Backflow Assembly Tester Exam Fee - O&M; Cubicle Cleaning - IOP Office; Funding Water and Wastewater Utilities Webinar - Director of Administrative Services; LinkedIn Learning Subscription - Director of Administrative Services, Customer Service; Surface Pro 9 Tablet Pen, Keyboard, (2) Cases - Engineering; Cloud Hosted Server - CityWorks/ ESRI; SCADA Internet Service; General Supplies	9,539.91
74376	09/07/2023	10/16/2023	Edges Electrical Group, LLC	General Operations/ Maintenance Supplies	178.73
74377	09/19/2023	10/16/2023	Western Exterminator Company	Pest Control - Beach Office 09/2023	119.60
74378	10/05/2023	10/16/2023	Everbank, N.A.	Ord Office Copier Lease 10/2023	251.28
74379	09/22/2023	10/16/2023	AT&T	Phone and Alarm Line Service 09/2023	135.08
74380	09/28/2023	10/16/2023	Marina Coast Water District (BLM)	BLM Water, Sewer, Fire Service 09/2023	405.85

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74381	10/01/2023	10/16/2023	Pure Janitorial, LLC	Janitorial Service - MCWD, BLM Offices 09/2023	6,670.00
74382	09/15/2023	10/16/2023	EKI Environment & Water, Inc.	Monterey Subbasin Groundwater Sustainability Plan Implementation 08/2023	1,453.00
74383	09/30/2023	10/16/2023	Cintas Corporation No. 630	Uniforms, Towels, Rugs 09/2023	1,073.64
74384	10/03/2023	10/16/2023	HPS West, Inc.	(68) 1" BLMJ Meters with Allegro Register, (6) Allegro Pit Units and Octave Encoder Modules	31,957.34
74385	08/20/2023	10/16/2023	T-Mobile	SCADA Internet 07/2023 - 08/2023	720.00
74386	09/27/2023	10/16/2023	Quinones Landscaping, Inc.	Garden/ Landscaping - IOP Office	13,972.13
74387	09/30/2023	10/23/2023	Ace Hardware of Watsonville, Inc.	General Operations/ Maintenance, Meter Reader Supplies	287.00
74388	06/26/2023	10/23/2023	Monterey County EHB	(8) Haz Mat Facility Permits (Check Re-Issue)	6,864.00
74389	09/18/2023	10/23/2023	Monterey County Tax Collector	Property Fees	2,172.08
74390	09/18/2023	10/23/2023	Monterey County Tax Collector	Property Fees	2,174.56
74391	10/10/2023	10/23/2023	Pitney Bowes Global Financial Services LLC	Postage Machine Lease 08/09 - 11/08	1,089.75
74392	10/11/2023	10/23/2023	PG&E	Gas and Electric Service 09/2023	1,975.77
74393	09/01/2023	10/23/2023	Grainger	General Operations/ Maintenance Supplies	681.58
74394	09/30/2023	10/23/2023	Peninsula Welding & Medical Supply, Inc.	(3) Gas Cylinder Tank Rental Fees	38.70
74395	10/10/2023	10/23/2023	Monterey Bay Analytical Services	Laboratory Testing	1,812.00
74396	10/16/2023	10/23/2023	CWEA - Monterey Bay Section	Membership Renewal - (3) O&M; Grade I Electrical/ Instrumentation, Mechanical Tech Renewal; Grade II Collection System Certification Renewal; Grade IV Collection System Certification Renewal	1,075.00
74397	09/12/2023	10/23/2023	Monterey Tire Service	Tire Replacement - Vehicle #2002	383.50
74398	10/18/2023	10/23/2023	Orkin Franchise 925	BLM Pest Control 09/2023 - 10/2023	220.00
74399	10/01/2023	10/23/2023	Maynard Group	Network Support 10/2023	5,364.36
74400	09/30/2023	10/23/2023	DataProse, LLC	Customer Billing Statements 09/2023	7,804.23
74401	10/05/2023	10/23/2023	Fastenal Industrial & Construction Supplies	General Operations/ Maintenance Supplies	1,468.25
74402	09/28/2023	10/23/2023	O'Reilly Automotive Stores, Inc.	Auto/ General Supplies	390.49
74403	10/10/2023	10/23/2023	Calcon Systems, Inc.	MCC/ PLC Termination, Testing - Hodges LS, Wittenmyer LS; SCADA/ WIN-911 Troubleshooting; Sea Haven Cellular - Intertie 08/2023 - 09/2023	5,408.50
74404	09/22/2023	10/23/2023	Univar Solutions USA, Inc.	(675) gals Chlorine - Intermediate Reservoir	2,275.50
74405	09/30/2023	10/23/2023	Pacific Ag Rentals LLC	Mobile Restroom Rental - Beach Office	94.31
74406	09/30/2023	10/23/2023	ECAM Secure	Monthly Security Fees - Ord Wastewater Treatment Facility	1,218.50
74407	10/03/2023	10/23/2023	Green Rubber-Kennedy AG, LP	General Operations/ Maintenance Supplies	319.43
74408	10/04/2023	10/23/2023	Marina Tire & Auto Repair	Rear Brake Pads, Rotors, Oil Change - Vehicle #1306	561.51
74409	09/27/2023	10/23/2023	Edges Electrical Group, LLC	General Operations/ Maintenance Supplies	342.21
74410	10/02/2023	10/23/2023	Conservation Rebate Program	3006 Parson Cir - Washer Rebate	100.00
74411	10/16/2023	10/23/2023	U.S. Bank National Association	Beach Office Copier Lease 10/10 - 11/09	275.32
74412	09/28/2023	10/23/2023	Eurofins Eaton Analytical, LLC	Laboratory Testing	4,780.00
74413	10/03/2023	10/23/2023	The Pun Group, LLP	2023 Audit - 2nd Progress Billing	15,000.00
74414	09/13/2023	10/23/2023	Griffith, Masuda & Hobbs	Legal Services 08/2023	16,922.38
74415	09/30/2023	10/23/2023	Evoqua Water Technologies, LLC	Chemical Pump Maintenance - East Garrison LS	1,752.39

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74416	10/03/2023	10/23/2023	Aleshire & Wynder, LLP	Legal Services 09/2023	55.00
74417	09/30/2023	10/23/2023	Iron Mountain, Inc.	Shredding Service 09/2023	735.51
74418	09/19/2023	10/23/2023	Security Shoring & Steel Plates, Inc.	Shoring Equipment Rental	530.00
74419	09/25/2023	10/23/2023	Conservation Rebate Program	3198 Tallmon St - Toilet Rebate	75.00
74420	10/01/2023	10/23/2023	Verizon Connect NWF, Inc.	GPS Service - (31) Fleet Vehicles 08/2023 - 09/2023	1,178.00
74421	09/28/2023	10/23/2023	The Pape' Group, Inc.	John Deere Bucket - Mini Excavator	1,346.17
74422	09/30/2023	10/23/2023	AutoZone Parts, Inc.	Auto/ General Supplies	52.95
74423	09/12/2023	10/23/2023	Zanjero, Inc.	Communication/ Internet Infrastructure Investigations 08/2023; M1W Outfall/ PWM Agreements, Options Analysis 08/2023; Power Generation/ Delivery Investigations 08/2023	9,027.50
74424	10/05/2023	10/23/2023	Handyman 831	Restroom Fan Installation - Beach Office	605.46
74425	09/06/2023	10/23/2023	Alameda Electrical Distributors, Inc.	General Operations/ Maintenance Supplies	823.67
74426	09/30/2023	10/23/2023	Regional Government Services Authority	Grant Management/ Accounting Services 08/2023 - 09/2023	3,816.96
74427	07/20/2023	10/23/2023	BSK Associates	Laboratory Testing (Check Re-Issue)	132.00
74428	09/18/2023	10/23/2023	American Floors	Flooring Installation - Ord Office; Carpet Installation - IOP Office	12,181.34
74429	09/25/2023	10/23/2023	Conservation Rebate Program	377 Ardennes Cir - Washer Rebate	150.00
74430	09/25/2023	10/23/2023	Conservation Rebate Program	244 Grant St - (2) Toilet Rebates	150.00
74431	09/25/2023	10/23/2023	Conservation Rebate Program	293 Quebrada Del Mar Rd - (2) Toilet Rebates	100.00
74432	09/25/2023	10/23/2023	Conservation Rebate Program	5062 Sunset Vista Dr - Washer Rebate	100.00
74433	10/02/2023	10/23/2023	Conservation Rebate Program	149 Luzon Rd - Washer Rebate	150.00
74434	10/02/2023	10/23/2023	Conservation Rebate Program	3169 Monterey Rd - Washer Rebate	150.00
74435	10/06/2023	10/23/2023	Conservation Rebate Program	423 Exeter Pl - Toilet Rebate	75.00
74436	10/16/2023	10/23/2023	Conservation Rebate Program	150 Katerina Ln - (3) Toilet Rebates	225.00
74437	10/01/2023	10/23/2023	Greenwaste Recovery, Inc.	Garbage Collection & Recycling Services 10/2023	820.88
74438	10/01/2023	10/30/2023	Insight Planners	Web Development/ Maintenance and Hosting 09/2023	1,809.00
74439	09/28/2023	10/30/2023	Home Depot Credit Services	General Operations/ Maintenance Tools and Supplies	1,964.45
74440	10/18/2023	10/30/2023	Area Communications	Answering Service 09/20 - 10/17	302.70
74441	08/31/2023	10/30/2023	Schaaf & Wheeler	Developer (Seaside B&B Resort)	5,145.00
74442	10/16/2023	10/30/2023	ACWA Joint Power Ins Authority	Liability Insurance 10/2023 - 09/2024	232,765.00
74443	10/04/2023	10/30/2023	Monterey One Water	Ground Water Replenishment - Billing for Usage 09/2023	87,452.59
74444	10/06/2023	10/30/2023	Orkin Franchise 925	IOP Pest Control 10/2023	109.00
74445	10/13/2023	10/30/2023	Federal Express	Shipping Charges	48.86
74446	09/28/2023	10/30/2023	M&M Backflow & Meter Maintenance	Backflow General Tester Update Course	300.00
74447	10/10/2023	10/30/2023	Calcon Systems, Inc.	PLC Programming - Gigling LS; Radio Communication Troubleshooting - B Reservoir; SCADA/ WIN-911 Alarm Troubleshooting	2,860.00
74448	09/06/2023	10/30/2023	Monterey Bay Technologies, Inc.	IT Support Services 09/2023	3,600.00
74449	09/29/2023	10/30/2023	Brigantino & Company	Appraisal Report	4,750.00
74450	09/28/2023	10/30/2023	AT&T	Phone and Alarm Line Service 09/2023	121.55
74451	10/01/2023	10/30/2023	Simpler Systems, Inc.	UB/ Finance Datapp Maintenance 10/2023	500.00
74452	08/24/2023	10/30/2023	Federico Embroidery	(2) Navy Sun Hats - Meter Readers	62.66

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
74453	09/26/2023	10/30/2023	Psomas	Construction Management/ Inspection - Gigling LS	840.00
74454	10/17/2023	10/30/2023	Ferguson Enterprises, Inc.	Brass Waterworks Supplies	19,014.97
74455	10/06/2023	10/30/2023	SBRK Finance Holdings, Inc.	CivicPay/ CivicPay IVR Transaction Fees 09/2023	1,773.50
74456	08/22/2023	10/30/2023	American Water Works Association	Utility Membership 12/2023 - 11/2024	2,517.00
74457	09/21/2023	10/30/2023	T-Mobile	(16) iPad Cases, (21) iPhone Cases - O&M, Meter Readers; Cell Phone Service 09/2023	2,721.17
74458	09/22/2023	10/30/2023	Engineering Refund	Refund Check - Meter Installation Fee	400.00
74459	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - Hydrant Meter	2,396.44
74460	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 336 Reindollar Ave	40.00
74461	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 3103 Crescent Ave	346.48
74462	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 19307 Stonehenge Ln	89.99
74463	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 3093 Crescent Ave	60.64
74464	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 3098 Bayer St	10.78
74465	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 1526 Devers Ct	39.25
74466	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 3020 Bayer Dr	19.93
74467	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 226 9th St	4.00
74468	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - Hydrant Meter	1,969.87
74469	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - Hydrant Meter	1,971.40
74470	10/20/2023	10/30/2023	Customer Service Refund	Refund Check - 453 Carmel Ave	10.35
ACH	10/13/2023	10/13/2023	Payroll Direct Deposit	Payroll Ending 10/06/23	126,751.65
ACH	10/13/2023	10/13/2023	CalPERS	Payroll Ending 10/06/23	32,958.99
ACH	10/13/2023	10/13/2023	Empower Retirement	Payroll Ending 10/06/23	15,421.64
ACH	10/13/2023	10/13/2023	Internal Revenue Service	Payroll Ending 10/06/23	51,625.33
ACH	10/13/2023	10/13/2023	State of California - EDD	Payroll Ending 10/06/23	11,182.56
ACH	10/13/2023	10/13/2023	WageWorks, Inc.	Payroll Ending 10/06/23	910.33
501572	10/13/2023	10/13/2023	General Teamsters Union	Payroll Ending 10/06/23	599.00
501573	10/03/2023	10/16/2023	ACWA/ JPIA	Medical, Dental, Vision, EAP Insurance 11/2023	85,653.67
501574	09/25/2023	10/16/2023	AFLAC	Employee Paid Benefits 08/2023 - 09/2023	4,453.05
501575	09/17/2023	10/16/2023	Principal Life	Employee Paid Benefits 09/2023 - 10/2023	659.00
501576	08/31/2023	10/16/2023	Justifacts Credential Verification, Inc.	Background Check - (2) New Hires	306.94
501577	09/09/2023	10/16/2023	Lincoln National Life Insurance Company	Life, Disability, AD&D Insurance 09/2023 - 10/2023	5,798.06
501578	09/25/2023	10/16/2023	WageWorks, Inc.	FSA Admin Fees 08/2023 - 09/2023	340.00
501579	09/18/2023	10/16/2023	Transamerica Life Insurance Company	Employee Paid Benefits 08/2023 - 09/2023	1,068.30
501580	08/29/2023	10/16/2023	Agile Occupational Medicine, PC	Drug Test (DOT) - O&M	135.00
501581 - 501582	10/19/2023	10/19/2023	Board Compensation Checks and Direct Deposit	Board Compensation 09/2023	600.26
ACH	10/19/2023	10/19/2023	Internal Revenue Service	Board Compensation 09/2023	99.48
ACH	10/27/2023	10/27/2023	Payroll Direct Deposit	Payroll Ending 10/20/23	126,415.83
ACH	10/27/2023	10/27/2023	CalPERS	Payroll Ending 10/20/23	32,972.59
ACH	10/27/2023	10/27/2023	Empower Retirement	Payroll Ending 10/20/23	15,119.14
ACH	10/27/2023	10/27/2023	Internal Revenue Service	Payroll Ending 10/20/23	50,586.32

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
ACH	10/27/2023	10/27/2023	State of California - EDD	Payroll Ending 10/20/23	10,759.54
ACH	10/27/2023	10/27/2023	WageWorks, Inc.	Payroll Ending 10/20/23	910.33
Total Disbursements for October 2023					1,896,422.69

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9-B

Meeting Date: November 13, 2023

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of October 16, 2023

Staff Recommendation: Approve the draft minutes of the October 16, 2023 regular joint Board/GSA meeting.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of October 16, 2023 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

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 October 16, 2023.

Action Required: ____ Resolution X Motion ____ Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____



Marina Coast Water District

Marina Coast Water District

Regular Board Meeting/Groundwater Sustainability Agency Board Meeting
October 16, 2023

Draft Minutes

1. Call to Order:

President Shriner called the meeting to order at 6:01 p.m. on October 16, 2023 both in-person at 920 2nd Avenue, Suite A, Marina, California; and, via Zoom teleconference. President Shriner then proceeded with a land acknowledgement. “As Marina Coast Water District celebrates its 63rd year providing publicly owned water service to its customers in Marina and the Ord Community, we acknowledge that our service area is located on the traditional lands of the Esselen people. They are known today as the Ohlone/Constanoan-Esselen Nation. We respect their elders, past, present, and emerging, for they hold the memories, traditions, culture, and hopes of the Esselen people. We also acknowledge the government of the Ohlone/Coastanoan-Esselen Nation and appreciate the spiritual role it plays today in preserving the cultural, historical and heritage beliefs of the Esselen people. We are grateful that they share their traditional lands with us.”

2. Roll Call:

Board Members Present:

Jan Shriner – President
Herbert Cortez – Vice President
Thomas P. Moore
Gail Morton

Board Members Absent:

Brad Imamura

Staff Members Present:

Remleh Scherzinger, General Manager
David Hobbs, Assistant District Counsel
Derek Cray, Operations and Maintenance Manager
Mary Lagasca, Director of Administrative Services
Garret Haertel, District Engineer
Patrick Breen, Water Resources Manager
Teo Espero, IT Administrator
Barbara Montanti, Customer Service Billing Supervisor
Paula Riso, Executive Assistant/Clerk to the Board

Item 2 (continued):

Audience Members:

Ken Pun, The Pun Group, LLC
Andy Sterbenz, Schaaf & Wheeler
Phil Clark, Seaside Resident
Fagan Lopez, MCWD
Tobias Osborne, MCWD
Troy Lawson, Denise Duffy & Associates

3. Presentation:

- A. Adopt Resolution No. 2023-45 in Recognition of Fagan Lopez, Meter Reader, for 5 Years of Service to the Marina Coast Water District:

Ms. Barbara Montanti, Customer Service Billing Supervisor, introduced this item and recognized Mr. Lopez for his 5 years of service.

Director Morton made a motion to adopt Resolution No. 2023-45 recognizing Fagan Lopez for 5 years of service to MCWD and present him with a plaque and gift certificate. Director Moore seconded the motion. Mr. Lopez voiced his appreciation and thanked the Board for the opportunity to work for the District. The motion was passed by the following vote:

Director Imamura	-	Absent	Vice President Cortez	-	Yes
Director Moore	-	Yes	President Shriner	-	Yes
Director Morton	-	Yes			

President Shriner read the narration of the Resolution and presented the gift certificate to Mr. Lopez.

4. Public Comment on Closed Session Items:

There were no comments made.

The Board entered into closed session at 6:09 p.m. to discuss the following items:

5. Closed Session:

- A. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation
Marina Coast Water District, and Does 1-100 v, County of Monterey, Monterey County Board of Supervisors, and Does 101-110 (California-American Water Company, Real Party in Interest), Monterey County Superior Court Case No. 19CV003305 (Petition for Writ of Mandate and Complaint for Injunctive Relief); Sixth District Court of Appeals Case Nos. H049146 and H049170

Agenda Item 5 (continued):

- B. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation
Marina Coast Water District, and Does 1-100 v, County of Monterey, Monterey County Board of Supervisors, and Does 101-110 (California-American Water Company, Real Party in Interest), Monterey County Superior Court Case No. 19CV003305 (Petition for Writ of Mandate and Complaint for Injunctive Relief); Sixth District Court of Appeals Case Nos. H049146 and H049170

The Board ended closed session at 7:21 p.m. President Shriner reconvened the meeting to open session at 7:25 p.m.

6. Reportable Actions Taken During Closed Session:

Mr. David Hobbs, Assistant District Counsel, stated that with regards to agenda item 5-B, Marina Coast Water District, and Does 1-100 v, County of Monterey, Monterey County Board of Supervisors, and Does 101-110 (California-American Water Company, Real Party in Interest), Monterey County Superior Court Case No. 19CV003305 (Petition for Writ of Mandate and Complaint for Injunctive Relief); Sixth District Court of Appeals Case Nos. H049146 and H049170, the Board approved filing a petition to the Supreme Court of California for review in that case by the following vote:

Director Imamura	-	Absent	Vice President Cortez	-	Yes
Director Moore	-	Yes	President Shriner	-	Yes
Director Morton	-	Yes			

7. Pledge of Allegiance:

Director Moore led everyone present in the pledge of allegiance.

8. Oral Communications:

There were no public comments.

9. Consent Calendar:

Director Morton requested to pull item 9-F from the Consent Calendar.

Director Moore made a motion to approve the Consent Calendar consisting of: A) Receive and File the Check Register for the Month of September 2023; B) Approve the Draft Minutes of the Special Joint Board/GSA Meeting of September 13, 2023; C) Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of September 18, 2023; D) Receive the 3rd Quarter 2023 MCWD Water Consumption Report; and, E) Receive the 3rd Quarter 2023 Sewer Flow Report. Vice President Cortez seconded the motion.

Agenda Item 9 (continued):

The motion was passed by the following vote:

Director Imamura	-	Absent	Vice President Cortez	-	Yes
Director Moore	-	Yes	President Shriner	-	Yes
Director Morton	-	Yes			

F. Receive a Status Report Update on Current Capital Improvement Projects:

Director Morton questioned what other development projects staff was working on as was depicted in the staff report. Mr. Garrett Haertel, District Engineer, gave examples of the major development projects being different phases of the Dunes and Sea Haven projects; and, examples of the smaller development projects, such as Additional Dwelling Unit applications, splitting one property into three separate units, etc.

Director Moore made a motion to receive the status report update on current Capital Improvement Projects. Director Morton seconded the motion. The motion was passed by the following vote:

Director Imamura	-	Absent	Vice President Cortez	-	Yes
Director Moore	-	Yes	President Shriner	-	Yes
Director Morton	-	Yes			

10. Action Items:

A. Consider Accepting the Annual Comprehensive Financial Report and the Independent Auditor's Report for the Fiscal Year ended June 30, 2023:

Ms. Mary Lagasca, Director of Administrative Services, introduced this item and introduced Mr. Ken Pun, The Pun Group, LLC. The Board commented on the District's incredible efforts by the Director of Administrative Services to quadruple the interest earned to that over the last several years.

Director Moore made a motion to accept the Annual Comprehensive Financial Report and the Independent Auditor's Report for the Fiscal Year ended June 30, 2023. Director Morton seconded the motion. The motion was passed by the following vote:

Director Imamura	-	Absent	Vice President Cortez	-	Yes
Director Moore	-	Yes	President Shriner	-	Yes
Director Morton	-	Yes			

B. Adopt Resolution No. 2023-46 to Approve a Professional Services Agreement with Denise Duffy and Associates for Annexation Consulting Services for California State Park and Bureau of Land Management Parcels:

Mr. Patrick Breen, Water Resources Manager, introduced this item and described the areas that are to be annexed. He noted that the contingency amount was not reflected on the Resolution in the packet, but an amended Resolution was distributed on the dais.

Agenda Item 10-B (continued):

Director Moore made a motion to adopt Resolution No. 2023-46 to approve a Professional Services Agreement with Denise Duffy and Associates for Annexation Consulting Services for California State Park and Bureau of Land Management Parcels, as amended. Director Morton seconded the motion. The motion was passed by the following vote:

Director Imamura	-	Absent	Vice President Cortez	-	Yes
Director Moore	-	Yes	President Shriner	-	Yes
Director Morton	-	Yes			

11. Informational Items:

A. General Manager's Report:

Mr. Scherzinger gave the following updates:

- He noted that the District responded to the City of Seaside answering their questions.
- Met with the City of Marina to discuss several issues.
- Held a Project Teams meeting with MCWD and City of Monterey to find out their needs.
- Met with Del Rey Oaks to discuss the alignment of South Boundary Road and water needs.
- Met with Glen Nelson of CSUMB to discuss Tanks A1/A2 and the easement issue with PG&E.
- Finalizing the development of a Seaside Inter Tie Agreement to help with any future water issues.
- Crafting the LandWatch letter.
- Met with the executives of Monterey One Water and the SVBGS to discuss how the two GSA's can work collaboratively on the Corral de Tierra area.

B. Committee and Board Liaison Reports:

1. Budget and Engineering Committee:

Director Morton gave a brief update.

2. Executive Committee:

Vice President Cortez gave a brief update.

3. Community Outreach Committee:

Director Moore gave a brief update.

4. M1W Board Member Liaison:

Director Moore gave a brief update.

5. MCWD/SVBGSA Steering Committee:

Director Morton gave a brief update.

12. Board Member Requests for Future Agenda Items:

Director Morton commented there was the voting structure for Monterey One Water; and the Social Media Policy.

13. Director's Comments:

Director Moore, Director Morton, Vice President Cortez, and President Shriner made comments.

14. Adjournment:

The meeting was adjourned at 8:28 p.m.

APPROVED:

Jan Shriner, President

ATTEST:

Paula Riso, Deputy Secretary

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9-C

Meeting Date: November 13, 2023

Prepared By: Paula Riso

Approved By: Remleh Scherzinger, PE

Agenda Title: Approve the Draft Minutes of the Special Joint Board/GSA Meeting of October 31, 2023

Staff Recommendation: Approve the draft minutes of the October 31, 2023 special joint Board/GSA meeting.

Background: *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

Discussion/Analysis: The draft minutes of October 31, 2023 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

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 October 31, 2023.

Action Required: ___Resolution ___X___Motion ___Review

Board Action

Motion By_____ Seconded By_____ No Action Taken_____

Ayes_____

Abstained_____

Noes_____

Absent_____



Marina Coast Water District

Marina Coast Water District

Special Board Meeting/Groundwater Sustainability Agency Board Meeting

October 31, 2023

Draft Minutes

1. Call to Order:

President Shriner called the meeting to order at 10:02 a.m. on October 31, 2023, at 920 2nd Avenue, Suite A, Marina, California.

2. Roll Call:

Board Members Present:

Jan Shriner – President
Herbert Cortez – Vice President
Brad Imamura – arrived at 10:05 a.m.
Thomas P. Moore
Gail Morton – arrived at 10:03 a.m.

Board Members Absent:

None.

Staff Members Present:

Remleh Scherzinger, General Manager
Roger Masuda, District Counsel
Derek Cray, Operations and Maintenance Manager
Mary Lagasca, Director of Administrative Services
Garret Haertel, District Engineer
Patrick Breen, Water Resources Manager
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

None.

3. Closed Session:

A. Pursuant to Government Code 54957(a)

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: Security Operations Manager, Derek Cray, and District counsel Roger Masuda, on potential threats to the District's essential facilities and control systems, and how the District is addressing those threats. Board members will take a tour of District facilities.

Reportable Actions on Closed Session Items:

Mr. Roger Masuda, District Counsel, stated that there were no reportable actions taken during closed session.

4. Adjournment:

The meeting was adjourned at 2:20 p.m.

APPROVED:

Jan Shriner, President

ATTEST:

Paula Riso, Deputy Secretary

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 9-D

Meeting Date: November 13, 2023

Prepared By: Mary Lagasca, CPA

Approved By: Remleh Scherzinger, PE

Agenda Title: Receive the 3rd Quarter Investment Report for Calendar Year 2023

Staff Recommendation: Receive the Marina Coast Water District Quarterly Investment Report for 2023.

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

The California Government Code Section 53646 and the District’s Investment Policy requires that a Quarterly Investment Report be submitted to the Board for review. This investment report allows the Board and the public to verify that the District’s funds are invested in a safe and prudent manner, and that such investments comply with the District’s Investment Policy and State Law.

Discussion/Analysis: The District’s combined portfolio as of September 30, 2023 has a book value of \$36,177,563 and has earned a total of \$751,629 in interest earnings for the first nine months of the year. 28% of the District’s portfolio is invested with the State’s Local Agency Investment Fund (LAIF) earning an interest of 3.59%. The other 28% of the portfolio are invested in Certificates of Deposit (CD’s) with various banks with interest rates ranging from 4.35% to 4.75%. The remaining 44% of the portfolio is invested in the District’s general checking account and several money market accounts earning 3.76% in interest.

Per California Government Code Section 53646, the District can only invest thirty percent (30%) of its combined portfolio in Negotiable Certificates of Deposit. As of September 30, 2023 the District is close to reaching that cap and is unable to add more investment in CD’s.

Overall, the District’s investments continue to perform well as can be seen with the historical investment summary provided. In the calendar year 2022, the District saw an increase of \$6.4 million in total investments and a 328% increase in interest earnings from prior year. Nine months into calendar year 2023, the District has already increased its investments by \$7.5 million and has earned 222% more than the interest earnings from prior year.

Environmental Review Compliance: None required.

Legal Counsel Review: None required.

Climate Adaptation: Not applicable.

Financial Impact: _____Yes ___X___No

Funding Source/Recap: None

Material Included for Information/Consideration: Historical Investment Summary for 3rd Quarter 2023.

Action Required: _____Resolution _____Motion ___X___Review

Board Action

Motion By_____ Seconded By_____ No Action Taken_____

Ayes_____ Abstained_____

Noes_____ Absent_____

MARINA COAST WATER DISTRICT

HISTORICAL INVESTMENT SUMMARY

DEPOSITORY	BALANCE AS OF 12/31/21	YTD INTEREST 12/31/21	RATE	BALANCE AS OF 12/31/22	YTD INTEREST 12/31/22	RATE	BALANCE AS OF 09/30/23	YTD INTEREST 09/30/23	MATURITY DATE	RATE
Mechanics Bank										
General Checking	2,201,599	-		1,499,758	-		2,189,499	-		
Checking - RUWAP LOC Proceeds	4,380	-		4,117	-		-	-		
Savings/MMK	1,075,214	272	0.04%	8,107,297	32,084	2.78%	8,540,151	198,245		3.76%
Restricted Money Market (MMK)	1,081,402	1,621	0.15%	1,087,431	6,029	2.78%	1,118,998	31,566		3.76%
Savings - Bldg. Removal Fund	978,060	293	0.03%	981,667	3,608	2.78%	1,007,086	25,418		3.76%
Certificate of Deposit	-	-		-	-		-	8,822	6/14/23	3.50%
Certificate of Deposit	-	-		-	-		-	17,644	9/14/23	3.50%
Certificate of Deposit	-	-		-	-		5,000,000	90,575	1/26/24	4.35%
Certificate of Deposit	-	-		-	-		3,000,000	23,425	2/2/24	4.75%
PNC Bank										
General Checking	-	-		-	-		2,648	-		
Certificate of Deposit	-	-		-	-		-	34,032	7/21/23	4.55%
Certificate of Deposit	-	-		-	-		2,000,000	40,192	10/21/23	4.50%
Chase Bank										
Savings	-	-		-	-		3,030,008	8		0.05%
State Local Agency Investment Fund (LAIF)	16,898,967	52,269	0.23%	17,011,388	191,560	2.07%	10,289,173	281,702		3.59%
Total Investment	22,239,622	54,455	0.11%	28,691,658	233,281	2.60%	36,177,563	751,629		3.64%
YTD Change in Ending Balance				6,452,036	328%		7,485,905	222%		

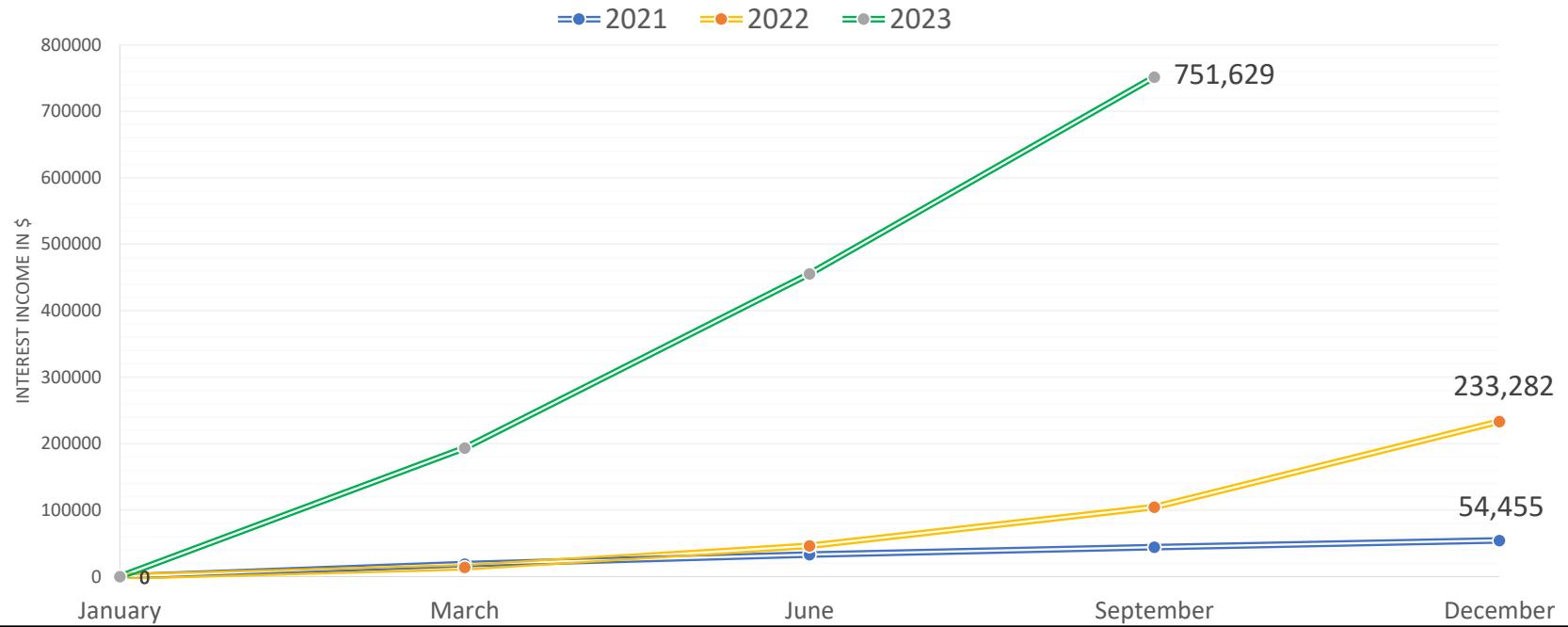
* Report is based on calendar year

** LAIF interest is posted the month following the quarter end

*** CD interests are posted on the maturity date

**** For all other investments, interest earned is already included in YTD balances

YTD INTEREST INCOME BY QUARTER



Interest Income	2021	2022	2023
Q1	18,977	13,903	193,290
Q2	14,283	32,268	262,412
Q3	10,875	58,380	295,927
Q4	10,320	128,731	
Total Interest	54,455	233,282	751,629

**Marina Coast Water District
Agenda Transmittal**

Agenda Item: 10-A

Meeting Date: November 13, 2023

Prepared By: Paula Riso

Approved By: Remleh Scherzinger P.E.

Agenda Title: Receive a Presentation on the District's Cost Center Separation and the Proposition 218 Process

Staff Recommendation: Receive a presentation from Assistant District Counsel, David Hobbs on the District's Cost Center separation and the Prop. 218 processes.

Background: *Strategic Plan Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

As provided by the 1998 Water/Wastewater Facilities Agreement between the Fort Ord Reuse Authority (FORA) and Marina Coast Water District (MCWD), MCWD was required to maintain separate cost centers for its Ord and Marina water and sewer service areas. Later, in 2006, MCWD approved Ordinance No. 43 which amended Section 6.04 of the District Code by adding *Section 6.04.050 – Cost Center Separation*. The separate Ord and Marina cost centers were created in part to adhere to the proportionality requirements of Proposition 218.

The 2018 Cost Allocation Plan and 2018 Cost of Service and Rate Study prepared by Carollo Engineers continued to incorporate the separate cost centers in accordance with District requirements and general rate setting principles required by Prop. 218.

Discussion/Analysis: As the District is preparing for the next Rate Study and Prop. 218 process to take place in early 2024, Mr. David Hobbs, Assistant District Counsel, will give a presentation on the history and rationale behind cost center separation, as well as the legal requirements of Prop. 218 regarding proportionality and cost of service.

Environmental Review Compliance: None required.

Legal Counsel Review: Legal Counsel prepared the presentation.

Climate Action: Not applicable.

Financial Impact: ☐ Yes ☒ No **Funding Source/Recap:** None

Other Consideration: None.

Material Included for Information/Consideration: Attachment 1 - Water/Wastewater Facilities Agreement; Attachment 2 - Ordinance No. 43; Attachment 3 - 2018 Cost Allocation Plan; and, Attachment 4 - 2018 Cost of Service and Rate Study.

Board Action

Motion By_____ Seconded By_____ No Action Taken_____

Ayes_____

Abstained_____

Noes_____

Absent_____

WATER/WASTEWATER FACILITIES AGREEMENT

The parties to this Water/Wastewater Facilities Agreement ("Agreement") are the FORT ORD REUSE AUTHORITY and the MARINA COAST WATER DISTRICT, which agree as follows:

ARTICLE 1. AGREED FACTS

1.1. CAPACITY OF THE PARTIES. FORA is a local governmental entity and is defined as a public corporation of the State of California established by the FORA Act. MCWD is a County Water District and political subdivision of the State of California, organized under Division 12, sections 30000 and following, of the California Water Code.

1.2. AUTHORITY. FORA has authority under the FORA Act, and particularly under Government Code section 67679(a)(1), to plan for and arrange the provision of those base wide public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, sewage and water conveyance and treatment facilities to assure a reasonable transition from military ownership and operation to civilian ownership and operation, and to further the integrated future use of Fort Ord. MCWD has authority, under Water Code sections 30000 and following, and under Article 11, Section 9 of the California Constitution, to acquire, construct, operate, and furnish water and sewer facilities outside its boundaries and within the jurisdictional boundaries of a local governmental entity by agreement with the local governmental entity.

1.3. PURPOSE. The parties intend by this Agreement to establish the terms and conditions for FORA to plan and arrange for the provision of the facilities, and for MCWD to acquire, construct, operate, and furnish the facilities, to benefit mutually the service area and the area within MCWD's jurisdictional boundaries. This Agreement will govern MCWD's ownership and operation of the facilities.

1.4. EXISTING FACILITIES. The USA presently owns all existing facilities. The USA has determined to divest itself of the existing facilities. Federal law authorizes such divestiture by a "public benefit conveyance" to a local governmental entity satisfying certain criteria, which criteria are satisfied by MCWD. FORA and MCWD have formally determined that MCWD's acquisition of the existing facilities for the service area by a public benefit conveyance will benefit mutually the service area and the area within MCWD's jurisdictional boundaries.

1.5. CONTEXT. The public health, safety and welfare of the present population of the Ft. Ord reuse area and all future population require continued operation of a water distribution system and a wastewater collection system. The

U.S. Army has agreed to convey the systems pursuant to federal law and regulations. Following organization of FORA, discussions commenced with the USA regarding transfer of ownership and operation of the facilities, and FORA evolved a process to assure continuity of management and operation. FORA has been given a limited statutory life and must find reliable utility providers to assume the responsibility for system operation. The FORA Board appointed a select committee from technical staff of its members to design a set of minimum requirements for water system operators and invited statements of qualifications from those interested. Three statements were received and referred to the same select committee for evaluation, analysis, and recommendation. After receiving the select committee's analysis and recommendation, and after providing opportunity for public input, at its meeting of October 11, 1996, the FORA Board authorized staff to commence negotiations with MCWD for the purpose of negotiating an agreement with MCWD whereby MCWD would assume the responsibility of the operation, maintenance, and ownership of the existing water (and wastewater collection) systems on the former Fort Ord. The same select committee was authorized to oversee the negotiations that were undertaken by FORA staff. Negotiations included detailed financial analyses by FORA staff/consultants and by Stone & Youngberg LLC. These analyses are very comprehensive and demonstrate MCWD's fiscal capacity. The Stone & Youngberg Financial Analysis includes provision for possible payments to FORA and various land use agencies in accordance with law. On May 9, 1997, the FORA Board authorized the staff to work with MCWD to develop an agreement regarding the systems and to prepare an application for Public Benefit Conveyance (PBC) to be filed after the FORA/MCWD agreement is authorized for execution by the FORA Board. Effective June 2, 1997, MCWD has been selected by the USA to be the interim operator of the facilities pending a full transfer. The parties anticipate that such full transfer will be by public benefit conveyance pursuant to this Agreement.

1.6. WATER SUPPLY CAPACITY RIGHTS. The FORA Board has previously adopted a comprehensive plan for the administration of groundwater extraction rights consistent with the Agreement between the USA and the Monterey County Water Resources Agency dated September 1993. It is anticipated this plan may be amended from time to time at the sole discretion of the FORA Board. The total volume of groundwater available for this plan is 6,600 acre feet per year.

1.7. LEAD AGENCY. FORA is the lead agency for the adoption of this Agreement.

ARTICLE 2. DEFINITIONS AND ATTACHMENTS

2.1. "Committee" means the Water/Wastewater Oversight Committee appointed by the FORA Board to oversee the provision of water and wastewater collection services by MCWD under this Agreement.

- 2.2. **"Facilities"** means the public capital facilities used to provide water and wastewater collection services on the service area, including appurtenances and incidental rights of access, extraction, discharge, and use. Sewage (herein also called "sewer" and "wastewater") and water public capital facilities existing as of the date of this Agreement are generally shown on Exhibits A and B to this Agreement. Public capital facilities are those on MCWD's side of the service connection, including the meter for water service. For sewer facilities, the service connection is at the tap into the main collection system, wherever located, as determined by MCWD.
- 2.3. **"FORA"** means Fort Ord Reuse Authority.
- 2.4. **"FORA Act"** means the Fort Ord Reuse Authority Act codified in Title 7.85, sections 67650 and following, of the California Government Code, as may be amended from time to time.
- 2.5. **"MCWD"** means Marina Coast Water District.
- 2.6. **"Service Area"** means the former Fort Ord Army base in northwestern Monterey County, California. The service area is shown generally on the diagram attached to this Agreement as Exhibit A.
- 2.7. **"USA"** means the United States of America represented by the Department of the Army.
- 2.8. **Attachments to this Agreement:**
- | | |
|--------------|-----------------------------------------------------------------------------|
| EXHIBIT "A": | Diagram of Fort Ord Water System/Service Area, Schaaf & Wheeler, April 1994 |
| EXHIBIT "B": | Diagram of Fort Ord Wastewater System/Service Area, FORIS, undated |
| EXHIBIT "C": | Mediators |
| EXHIBIT "D": | Gov. Code §§ 54980-54983, 67679(a)(1) |
| EXHIBIT "E": | Pub. Util. Code §§ 10101, 10102, 10103, 10104 and 10105 |

ARTICLE 3. FACILITIES ACQUISITION AND OWNERSHIP

3.1. APPLICATION FOR PUBLIC BENEFIT CONVEYANCE; PERMITS TO OPERATE.

3.1.1. MCWD Responsibilities. MCWD, as lead agency, will diligently prosecute an application to the USA for a public benefit conveyance to MCWD of all of the USA's existing sewer and water facilities and appurtenances and incidental rights of access, extraction, discharge, and use for the service area. MCWD will also act diligently to obtain and maintain in good standing all permits needed to operate all such facilities.

3.1.2. FORA Responsibilities. FORA will forego and forebear its rights to acquire the facilities through negotiated sale, economic development conveyance, or any other procedure permitted under law, and FORA hereby nominates and designates MCWD as the appropriate local governmental entity to acquire the facilities for the benefit of FORA, its member agencies, and the general public. FORA will support MCWD's application for a public benefit conveyance.

3.1.3. Joint Responsibilities. MCWD and FORA will diligently take such actions and execute such documents as either considers necessary for MCWD to obtain and confirm all rights in and to the existing wastewater and water facilities and appurtenances and incidental rights of access, extraction, discharge, and use.

3.2. ADDITIONAL FACILITIES.

3.2.1. MCWD Responsibilities. MCWD will cause to be planned, designed and constructed such additional water and sewer facilities as FORA, in consultation with MCWD, reasonably determines are necessary for the service area. MCWD may cause to be planned, designed and constructed any other facilities as MCWD reasonably determines will carry out the purpose of this agreement as expressed in section 1.3 of this Agreement.

3.2.2. FORA Responsibilities. FORA will determine in consultation with MCWD, based on recommendations from the Committee, what additional facilities are necessary for the service area.

3.3. TRANSFER, OBLIGATION, AND ENCUMBRANCE OF FACILITIES. Any transfer, obligation, or encumbrance of any interest in the facilities shall require the prior written approval of both parties.

3.4. ESTABLISHMENT OF WATER AND SEWER CAPACITY RIGHTS.

3.4.1. MCWD Responsibilities. MCWD shall have no responsibility for establishment and administration of water extraction capacity rights and

wastewater discharge and treatment capacity rights, except to compensate FORA for such administration.

3.4.2. FORA Responsibilities. The FORA Board will administer all extraction and discharge rights which may be obtained from the USA, pursuant to the comprehensive plan previously adopted by FORA and such changes as may be made to the plan from time to time by the FORA Board.

3.5. GRANT LOCAL SHARE. MCWD shall assume and pay the local share of any federal or state grant made to improve, maintain or add to the facilities. Any such obligation shall be a reimbursable cost under section 7.1.2 of this Agreement.

ARTICLE 4. OVERSIGHT

4.1. MCWD RESPONSIBILITIES. MCWD shall own and operate the facilities under the oversight and with the approvals and authorizations of FORA and the Committee as provided in this Agreement. MCWD shall cooperate with FORA and the Committee, and shall provide such information to the Committee as reasonably requested by the Committee, including but not limited to the reports enumerated in section 4.2.3 of this Agreement.

4.2. FORA RESPONSIBILITIES.

4.2.1. Committee Appointment. A Water/Wastewater Oversight Committee will be appointed by the FORA Board from appropriate agency staff members who will serve at the pleasure of the Board. The Committee will include representatives from the future land use jurisdictions and the two Universities (Cities of Marina, Seaside, Monterey, Del Rey Oaks, the County of Monterey, CSUMB and UCMBEST), for a total of seven members (see attachment).

4.2.2. Committee Role. The Committee shall be advisory to the FORA Board and shall have the following functions:

- 4.2.2.1. Receive recommendations regarding operation of the facilities.
- 4.2.2.2. Advise the FORA Board and staff on appropriate action regarding such recommendations.
- 4.2.2.3. Review and recommend on operating and capital improvement budgets.
- 4.2.2.4. Periodically review and recommend a master plan of public sewer and water facilities.

- 4.2.2.5. Make recommendations pursuant to Article 7 of this Agreement, including recommendations regarding allocation of costs over benefitted properties.
- 4.2.2.6. Confirm adequacy of services provided.
- 4.2.2.7. Review the annual financial statement and MCWD audit to affirm that results achieved comport with expectations of FORA.
- 4.2.2.8. Evaluate annually the performance of MCWD in accordance with this Agreement.
- 4.2.2.9. Advise on short and long term financial planning and fiscal management.
- 4.2.2.10. Assure that the facilities are complimenting implementation of the reuse plan.

4.2.3. Evaluation Criteria. The Committee will use the following criteria in evaluating MCWD's performance under this Agreement:

- 4.2.3.1. Timely development annually of operation and capital budgets.
- 4.2.3.2. Timely and accurate quarterly and annual financial reports.
- 4.2.3.3. Timely and accurate quarterly and annual operational reports.
- 4.2.3.4. Customer service orientation and MCWD's responsiveness to customer concerns, as shown in quarterly and annual reports of customer communications and responses.

ARTICLE 5. FACILITIES OPERATION

5.1. MCWD RESPONSIBILITIES.

5.1.1. Operation. MCWD will operate the facilities in accordance with applicable laws, rules and regulations, and policies established by the MCWD Board and the FORA Board, and procedures adopted by MCWD staff after

consultation with the Committee. Unless this Agreement or any policy or procedure established pursuant to this Agreement provides otherwise, MCWD will operate the facilities in the same manner as MCWD operates similar facilities for other areas served by MCWD.

5.1.2. Communication and Reports. MCWD will communicate regularly with the Committee about the operation of the facilities, and will respond promptly to communications from FORA and the Committee. MCWD will deliver quarterly and annual operational reports to the Committee.

5.1.3. Complaints. Complaints about MCWD's operation of the facilities will be dealt with in the first instance by MCWD's General Manager or designee. Decisions of the General Manager or designee may be appealed to the FORA Board in the same manner that decisions within the boundaries of MCWD are appealed to MCWD's Board. The decision of the FORA Board on complaints will be final and will exhaust all administrative remedies.

5.1.4. Interconnection With MCWD Facilities. Interconnections currently exist between the facilities and MCWD's facilities. MCWD may improve interconnections between MCWD's facilities and the facilities, to provide for enhanced, conjunctive and concurrent use of all system facilities to serve the service area and other areas served by MCWD.

5.2. FORA RESPONSIBILITIES. FORA will cooperate with MCWD to establish policies for the operation and administration of the facilities and to facilitate operation and administration of the facilities to achieve the purpose of this Agreement as stated in section 2.3 of this Agreement. FORA will respond promptly to communications from MCWD about operation of the facilities. The FORA Board will deal promptly with appeals of complaints about MCWD's operation of the facilities.

5.3. JOINT RESPONSIBILITIES.

5.3.1. Groundwater Use. The parties will cooperate on MCWD's increased withdrawal of potable groundwater from MCWD's existing wells in the 900-foot aquifer by up to 1,400 acre-feet per year (afy), in compliance with law, to enable the increased withdrawals from 5,200 afy to 6,600 afy for use in the service area, as stipulated in paragraph 4.c. of the September 1993 Agreement between The United States of America and the Monterey County Water Resources Agency, and in paragraph 5.1.1.1 of the "Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands," recorded August 7, 1996, in Reel 3404 Page 749, in the Office of the Monterey County Recorder.

5.3.2. Groundwater Management. The parties will cooperate to further the conservation, management and protection of groundwater underlying the service area and groundwater used on the service area.

5.3.3. Recycled Water. The parties will cooperate to further the use of recycled, reused and reclaimed water and stormwater.

5.4. AGREEMENT ADMINISTRATION. The following persons or their designated representatives shall be the contact persons for the parties and shall administer this Agreement:

Executive Officer of FORA
FORA
100 12th Street, Bldg 2880
Marina, CA 93933

General Manager of MCWD
MCWD
200 12th Street, Bldg. 2788
Marina, CA 93933

ARTICLE 6. EX OFFICIO MEMBERSHIP

6.1. MCWD Responsibilities. Close cooperation and communication between FORA and MCWD being vital to the successful implementation of this Agreement, upon execution of this Agreement and payment of the membership fees described in Article 7 of this Agreement, MCWD will become an ex officio member of FORA under applicable provisions of the FORA Act, with all of the rights and obligations of an ex officio member.

6.2. FORA Responsibilities. Upon execution of this Agreement and payment of the membership fees described in Article 7 of this Agreement, FORA will enroll MCWD as an ex officio member of FORA pursuant to the FORA Act, with all of the rights and obligations of an ex officio member.

ARTICLE 7. FINANCIAL PROVISIONS

7.1. MCWD RESPONSIBILITIES

7.1.1. Separate Fund Accounting. MCWD will account for its operations for the service area as a separate fund within the general MCWD operation. The service area fund will have its own line items and account numbers, and will give MCWD the ability to report on revenues and expenses for the service area. Rules for allocating overhead between the service area fund and other MCWD operations will be determined based on the principles set forth in Circular A-87, Cost Principles for State and Local Governments, of the federal Office of Management and Budget.

7.1.2. MCWD Will Recover Costs. 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.

7.1.3. Budgets and Compensation Plans.

7.1.3.1. Proposed Budgets. MCWD's General Manager shall submit a proposed budget to the Committee within four months after conveyance of the existing facilities from the USA to MCWD, and shall submit subsequent proposed budgets by March 30 of each year. Each budget shall contain an action budget for one year, from July 1 through June 30, and an operational planning budget for an additional year, and a five-year capital improvement planning budget, updated annually. Each budget shall provide for sufficient revenues to pay MCWD's direct and indirect, short-term and long-term costs to furnish the facilities to the service area for the two years covered by the action budget and the planning budget.

7.1.3.2. Request for Change. MCWD may at any time submit a written request to FORA for recommended changes in compensation. The request shall state in detail the reasons for the request and the amount of change requested.

7.1.3.3. MCWD Board Action. Not less than two weeks nor more than four weeks after receiving FORA's response pursuant to section 7.2, MCWD's governing Board shall act on the response. MCWD's Board may adopt the proposal with FORA's recommended changes, or may refer the matter to mediation as provided in section 10.1 of this Agreement.

7.1.3.4. Term of Adopted Plan. Each adopted compensation plan shall remain in effect until a new plan is adopted.

7.1.4. Payments to FORA. Upon the effective date of a public benefit conveyance of the facilities to MCWD, when MCWD has the ability to levy and collect rates for service through the facilities within the Service Area, MCWD will commence to pay to FORA monies determined to be due as provided in this section. The amount of MCWD's payments to FORA under this section will be included in each budget and request for change presented to FORA under section 7.1.3.

7.1.4.1. MCWD will pay for FORA's administrative and liaison services incurred by FORA in the management and operation of the facilities and the administration of this Agreement.

7.1.4.2. MCWD will pay to FORA an amount equal to five percent (5%) of all revenues derived, earned, or paid to MCWD for any purpose from customers of MCWD or users of water, within the Service Area, to partially compensate FORA for its forbearance pursuant to section 3.1.2 of this Agreement.

7.1.4.3. MCWD will pay any sum due to FORA under any agreement with FORA which may be required under the provisions of sections 10101 and following of the California Public Utilities Code, and sections 54980 and following of the California Government Code.

7.1.4.4. MCWD will pay the fair market value of any interest in property purchased from FORA.

7.1.4.5. MCWD will pay an annual fee for membership on the FORA Board of Directors as an ex-officio member in an amount as the FORA Board may establish by resolution. MCWD acknowledges that MCWD's annual fee for such ex-officio membership may exceed the amount paid by other ex-officio members. The annual fee to be paid by MCWD will not exceed one percent (1%) of all revenues, derived, earned, or paid to MCWD for any purpose from customers of MCWD or users of water within the service area.

7.1.4.6. In the event FORA enters into an agreement with Monterey County or any city which has jurisdiction over a portion of the service area, for the division of revenues derived from the sales of water by MCWD within the jurisdiction of the County or city, the amounts specified in Section 7.1.4.2 of this Agreement shall be reduced by the amount FORA receives pursuant to such agreements for the division of revenues.

7.1.5. MCWD's Financial Authority. MCWD may exercise any authority available to MCWD under law and this Agreement to finance MCWD's operations for the service area.

7.1.6. Defense of Financial Plans. MCWD, at MCWD's cost, shall defend all financial plans adopted and financial actions taken by MCWD and FORA by or pursuant to this Agreement. MCWD may file and prosecute a validating action if authorized by law for any such plan.

7.2. FORA RESPONSIBILITIES.

7.2.1. FORA shall respond to MCWD within three months after receiving a proposed budget or a written request or a referral for further response pursuant to section 7.1.3. FORA's response shall state whether FORA agrees with the proposed budget or written request. If FORA does not agree, FORA's response shall identify each disputed element, shall state detailed reasons for the dispute, and shall specify a resolution acceptable to FORA. If FORA does not respond within three

months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted.

7.2.2. Nothing in this Agreement shall limit or impair FORA's ability to contract or arrange financing for construction of capital facilities.

7.3. JOINT RESPONSIBILITIES.

7.3.1. MCWD's Board shall adopt by resolution and FORA's Board shall adopt by ordinance, as a supplement to this Agreement, each compensation plan for MCWD determined pursuant to sections 7.1.3 and 7.2.1 of this Agreement.

7.3.2. MCWD and FORA will cooperate in reviewing and working with communications and proposals from other municipal corporations pursuant to sections 10100 and following of the Public Utilities Code and any other provisions of law dealing with water and sewer utility franchises, with the use of the public streets, ways, alleys, and places within the other municipal corporations for the provision of water and sewer services, or with compensation to a municipal corporation for services performed for another municipal or public corporation.

7.3.3. If MCWD makes any payments to another municipal corporation the amount of such payments shall reduce any sums which such municipal corporation would otherwise receive from sales pursuant to Title 7.85 of the Government Code.

ARTICLE 8. RISK MANAGEMENT

8.1. RISK OF LOSS. Except as otherwise provided in this Agreement, MCWD shall bear the risk of loss from its provision of services to the service area, to the same extent and in the same manner and subject to the same limitations as with MCWD's activities within the area from which MCWD's Directors are elected. This Agreement is not intended and shall not be construed to remove any protection from liability or any procedures for claiming liability under state and federal law. Allocation of the risk from defective or inadequate facilities shall be determined in the conveyance of the facilities from the USA. To the fullest extent permitted by law, MCWD's facilities and other assets for providing water and sewer services within its jurisdictional boundaries shall not be at risk from claims based on MCWD's owning, operating, and furnishing the facilities within the service area. MCWD's risk and liability for MCWD's activities for the service area shall be limited to the value of any facilities within or for the service area, the assets in any service area accounts, and the value of insurance carried by MCWD for providing services within the service area. MCWD, with FORA's assistance, shall diligently apply for and attempt to obtain any all state and federal assistance that is available in the event of catastrophic losses to the facilities.

8.2. INSURANCE. Throughout the term of this Agreement MCWD shall maintain insurance with coverage and limits equivalent to that maintained for MCWD's operations within its jurisdictional boundaries. The insurance shall cover the members of the Committee and shall name FORA as an additional insured.

8.3. COST OF RISK. Each compensation plan adopted for MCWD pursuant to Article 7 of this Agreement shall be adequate to pay MCWD's cost of insurance for acquiring, constructing, operating and furnishing the facilities for the service area, and to establish a prudent risk reserve for uninsured risks.

ARTICLE 9. EFFECTIVE DATE AND TERM

9.1. EFFECTIVE DATE. This Agreement shall become effective when FORA and MCWD have each executed this Agreement.

9.2. FORMAL ADOPTION. FORA will adopt this Agreement by ordinance. MCWD will adopt this Agreement by resolution.

9.3. TERM. This Agreement shall have a term coincident with the legal existence of FORA, unless the USA denies MCWD's application for a public benefit conveyance. If the USA denies MCWD's application for a public benefit conveyance, the parties shall meet and confer in good faith during the 120 days immediately following the final denial to discuss possible change in terms for MCWD to acquire, construct, operate and/or furnish the facilities. If FORA and MCWD cannot agree on new terms within the 120 days, or such other additional time as may be agreed by FORA and MCWD, this Agreement shall terminate and have no further effect, and the parties thereafter shall have no further rights or obligations under this Agreement.

9.4. EFFECT OF TERMINATION. Upon termination of this Agreement, unless otherwise provided by this Agreement or by law or by further agreement of FORA and MCWD or their successors, MCWD shall own the facilities free and clear of the terms and conditions of this Agreement.

ARTICLE 10. GENERAL PROVISIONS

10.1. DISPUTE RESOLUTION PROCEDURE

10.1.1. Meet and Confer; Mediation. This section shall apply to all disputes arising under this Agreement. The Agreement Administrators designated under section 5.4 of this Agreement shall first meet and confer to resolve any dispute. Each party shall make all reasonable efforts to provide to the other party all information relevant to the dispute. If the Agreement Administrators cannot resolve the dispute within ten working days from the date of the dispute, they shall meet and

confer together with the Committee. If the dispute is not resolved within another ten working days from the date of the dispute, the Agreement Administrators shall meet and confer together with a voting member of the FORA Board and a member of the MCWD Board. If the dispute is not resolved within another ten days from the date of the dispute, the parties shall mediate the dispute at the earliest possible date, with one of the persons named on Exhibit "C" to this Agreement serving as mediator. If the dispute is still not resolved, the parties may pursue any and all remedies available to them at law and equity, including declaratory relief which shall be binding on the parties.

10.1.2. Provisional Relief Available. The requirement to use the procedure specified in section 10.1.1 of this Agreement shall not prevent a party from seeking provisional relief from a court if necessary to protect the public health or safety.

10.1.3. Mediator List. Exhibit "C" to this Agreement is a list of persons both parties will accept as mediators for any dispute arising under this Agreement. If a dispute requires mediation, the parties will choose a mediator from the list by some random method, and will continue to do so until a mediator is selected who can mediate the particular dispute without delay. As a last resort, if no person named on Exhibit "C" can mediate a particular dispute without delay, the parties will ask the Presiding Judge of the Monterey County Superior Court to appoint a mediator.

10.2. WAIVER OF RIGHTS. None of the covenants or agreements herein contained can be waived except by the written consent of the waiving party.

10.3. SEVERABILITY. If any one or more of the covenants or agreements set forth in this Agreement on the part of the parties, or either of them, to be performed should be contrary to any provision of law or contrary to the policy of law to such extent as to be unenforceable in any court of competent jurisdiction, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements and shall in no way affect the validity of this Agreement.

10.4. EXHIBITS. All exhibits referred to in this Agreement and attached to this agreement are incorporated in this Agreement by reference.

10.5. COUNTERPARTS. This Agreement may be executed in counterparts, and each fully executed counterpart shall be deemed an original document.

10.6. NOTICES. All notices, requests, consents, approvals, authorizations, agreements, or appointments hereunder shall be given in writing and addressed to the principal office of each party.

10.7. AMENDMENTS. This Agreement integrates and supersedes all prior and contemporaneous agreements and understandings about MCWD's provision of the services to the Service Areas. This Agreement may not be amended without consent of the governing Boards of both parties.

10.8. SUCCESSORS. This Agreement shall bind and benefit the successors of the parties hereto.

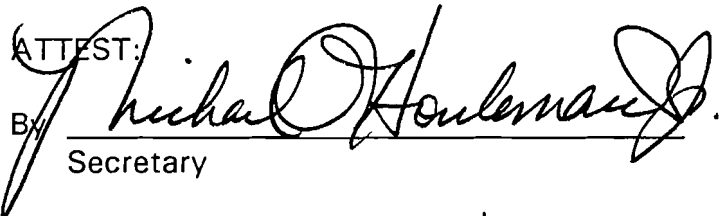
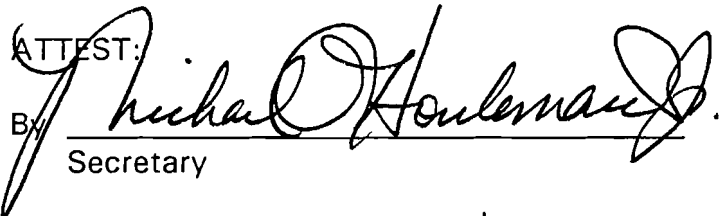
10.9. ADDITIONAL DOCUMENTS. The parties hereto agree, upon request, to execute, acknowledge, and deliver all additional documents necessary to carry out the intent of this Agreement.

10.10. CAPTIONS. Captions of the Articles, Sections, and Paragraphs of this Agreement are for convenience and reference only and are not intended to define or limit the scope of any provision contained herein.

IN WITNESS WHEREOF, the parties hereto, by and through their respective, duly authorized representatives, have executed this Agreement on the dates indicated.


FORT ORD REUSE AUTHORITY

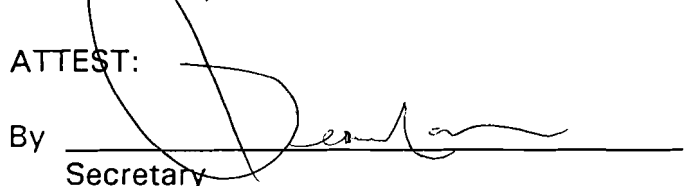
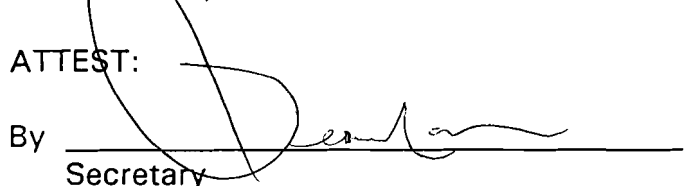
By 
Chairperson, Board of Directors

ATTEST: 
By 
Secretary

Dated: 3/13/98

MARINA COAST WATER DISTRICT

By 
President, Board of Directors

ATTEST: 
By 
Secretary

Dated: 3/13/98

ORDINANCE NO. 98-01

**AN ORDINANCE OF BOARD OF DIRECTORS OF THE FORT ORD REUSE
AUTHORITY APPROVING AN AGREEMENT BETWEEN MARINA COAST
WATER DISTRICT AND THE FORT ORD REUSE AUTHORITY**

The Board of Directors of the Fort Ord Reuse Authority ordains as follows:

SECTION 1. The Board of Directors of the Fort Ord Reuse Authority approves an Agreement between Marina Coast Water District and the Fort Ord Reuse Authority for the operation of water and wastewater collection systems on the former Fort Ord military reservation.

SECTION 2. This ordinance shall become effective on its adoption.

PASSED AND ADOPTED this 13th day of February, 19998 by the following vote:

AYES: Barlich, Albert, Vocolka, Potter, Perkins, Johnsen,
Jordan, Mancini, Pendergrass, Styles, Koffman, White

NOES: Perrine

ABSENT: None



Chair of the Board of Directors

ATTEST:

Michael Houlemard
Clerk of the Board

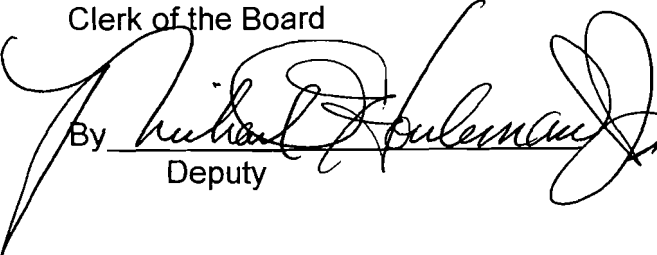
By 
Deputy

EXHIBIT A
DIAGRAM OF SERVICE AREA

EXHIBIT A

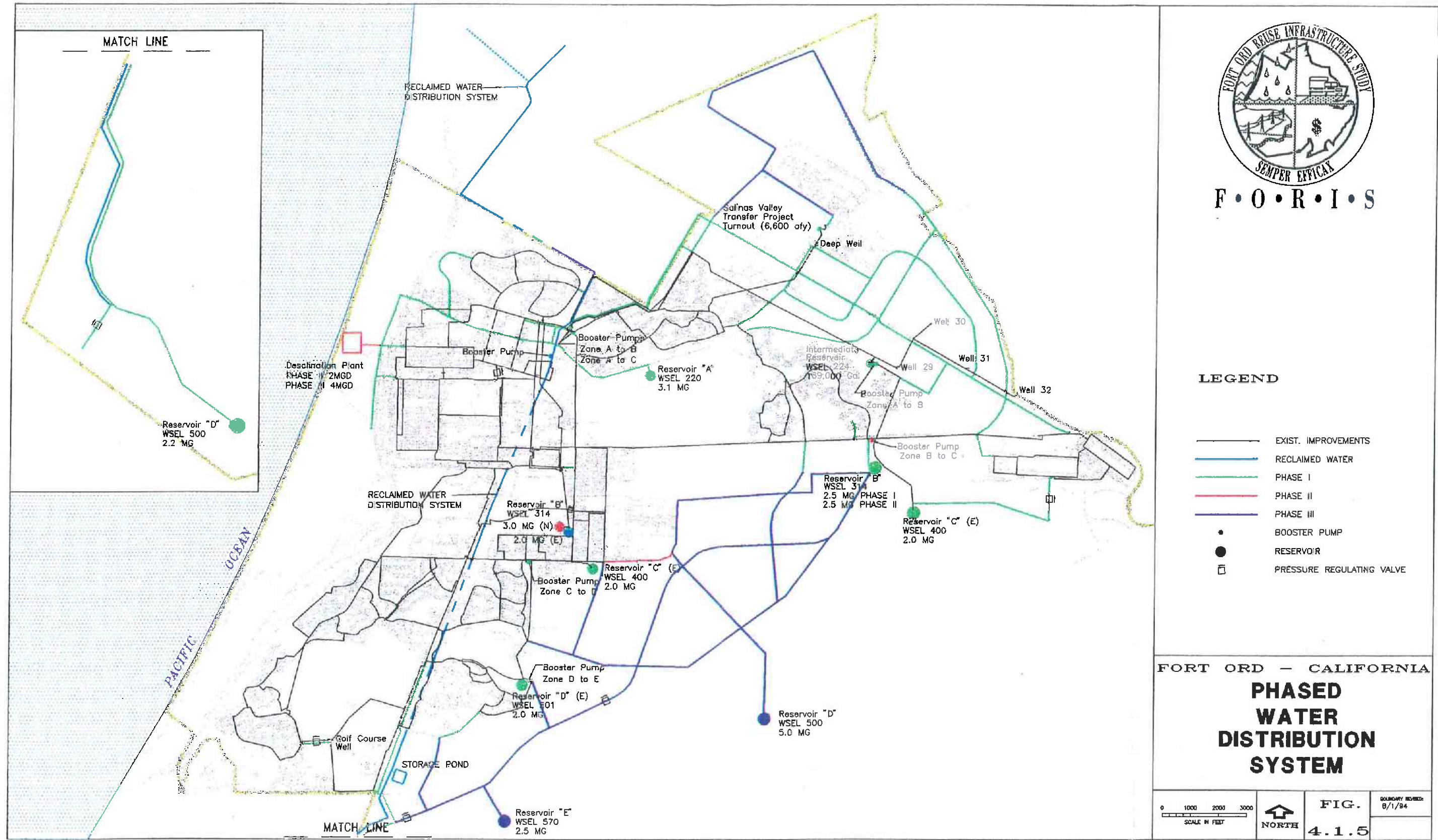
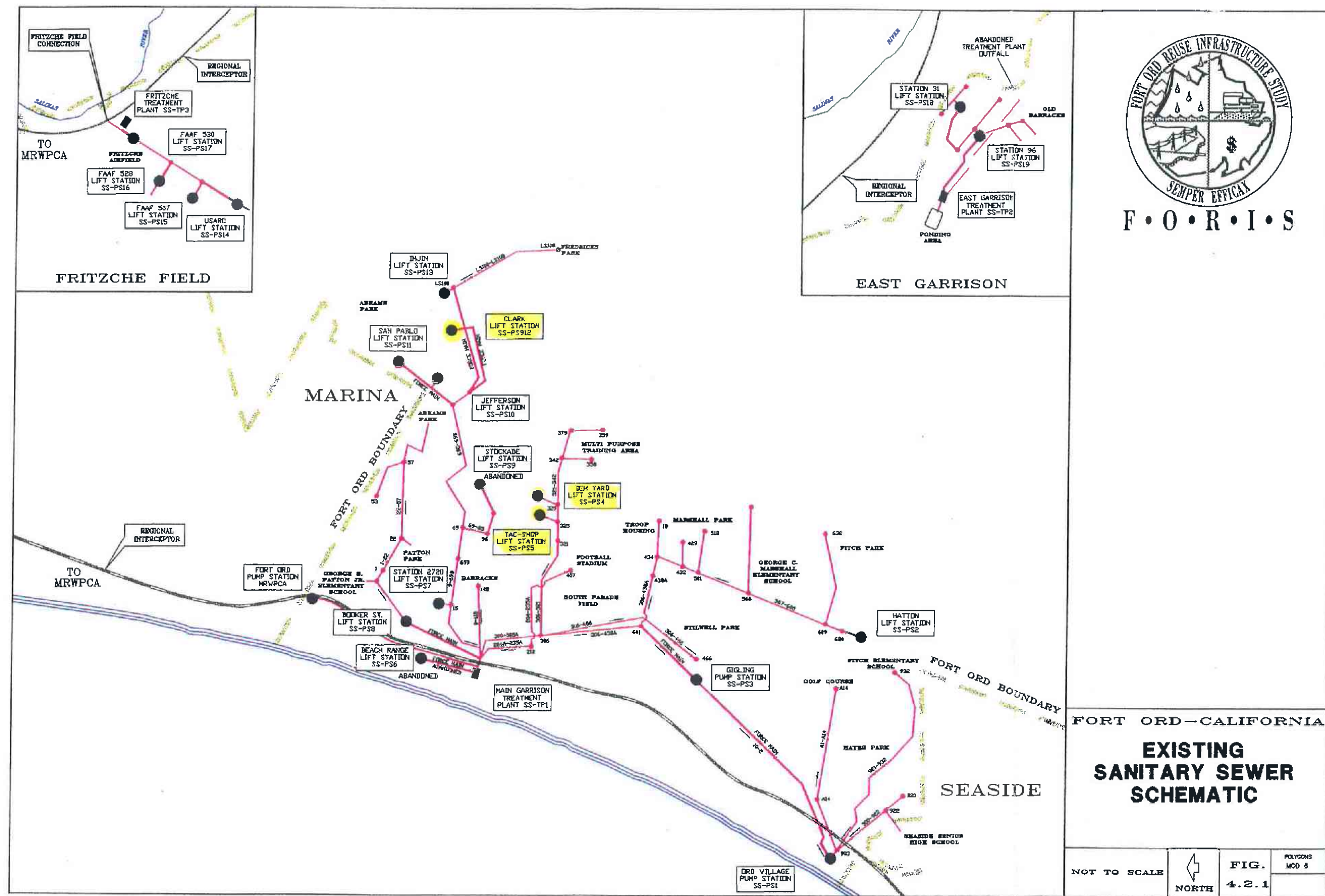


EXHIBIT B
DESCRIPTION AND DIAGRAM OF WATER AND SEWER SERVICE FACILITIES

EXHIBIT B



**EXHIBIT C
MEDIATORS**

Dick Milbrodt
Leon Panetta
Lt. Gen. Ret. James Moore
Don Owen
Frank Dimick
John Gregg
Anne Schneider

CITIES, COUNTIES, & OTHER AGENCIES Title 5

Chapter 12, added as Chapter 11, Municipal Services and Functions, by Stats.1978, c. 960, p. 2961, § 1, was renumbered Chapter 12 and amended by Stats.1980, c. 676, § 131.

§ 54980. Definitions

As used in this chapter:

(a) "Legislative body" means the board of supervisors in the case of a county or a city and county, the city council or board of trustees in the case of a city, and the board of directors or other governing body in the case of a district.

(b) "Local agency" means any county, city, city and county, or public district which provides or has authority to provide or perform municipal services or functions.

(c) "Municipal services or functions" includes, but is not limited to, firefighting, police, ambulance, utility services, and the improvement, maintenance, repair, and operation of streets and highways.

(Added by Stats.1978, c. 960, p. 2121, § 1.)

Historical and Statutory Notes

Former § 54980, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et seq. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c. 2043, p.

Forms

See West's California Code Forms, Government.

Law Review and Journal Commentaries

Decline of emergency medical services coordination in California: Why cities are at war with counties over illusory ambulance monopolies. Byron K. Toma, 23 Sw.U.L.Rev. 285 (1994).

Library References

Municipal Corporations ¶226.
WESTLAW Topic No. 268.
C.J.S. Municipal Corporations § 976 et seq.

Notes of Decisions

Paramedics I

1. Paramedics

For purposes of determining whether county's program of certifying paramedics for ambulance services was immune from antitrust liability under the state action doctrine, provision of emergency service is a traditional municipal function. *Mercy-Peninsula Ambulance, Inc. v. San Mateo County*, N.D.Cal.1984, 592 F.Supp. 956, affirmed 791 F.2d 755.

§ 54981. Contracts for municipal services

The legislative body of any local agency may contract with any other local agency for the performance by the latter of municipal services or functions within the territory of the former.

(Added by Stats.1978, c. 960, p. 2121, § 1.)

MUNICIPAL SERVICES AND Div. 2

Historical

Former § 54981, added by Stats. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c.

§ 54981.7. Indian tribes; fire protection services

A city or county may enter into a contract with a county to provide fire protection services for the Indian tribe on lands and territory adjacent to the county to be construed to alter or affect jurisdiction in Indian lands.

(Added by Stats.1996, c. 1085 (A.I.))

§ 54982. Consideration

Any agreement entered into for consideration.

(Added by Stats.1978, c. 960, p. 2)

Historical

Former § 54982, added by Stats. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c.

§ 54983. Construction of

Authority for entering into a contract shall be construed as supplementing the powers of local agencies to enter into agreements and shall not be construed to prevent a local agency to enter into agreements or functions which it is prohibited by account limit applicable to.

The amendments to this section shall not apply to any agreement entered into prior to that date.

(Added by Stats.1978, c. 960, p. 2)

Historical

Former § 54983, added by Stats. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c.

ES, & OTHER AGENCIES
Title 5

Services and Functions,
numbered Chapter 12 and

sors in the case of a county
stees in the case of a city,
y in the case of a district.
d county, or public district
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is not limited to, firefight-
improvement, maintenance,

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Toma, 23 Sw.U.L.Rev. 285

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Peninsula Ambulance, Inc. v.
N.D.Cal.1984, 592 F.Supp.
2d 755.

t with any other local
services or functions

MUNICIPAL SERVICES AND FUNCTIONS
Div. 2

§ 54983

Historical and Statutory Notes

Former § 54981, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et
1382, p. 2716, § 1, relating to district bound- seq.
aries, was repealed by Stats.1965, c. 2043, p.

§ 54981.7. Indian tribes; fire protection services; police or sheriff protec-
tion services

A city or county may enter into a contract with an Indian tribe for the city or
county to provide fire protection services and police or sheriff protection
services for the Indian tribe either solely on Indian lands, or on the Indian
lands and territory adjacent to those Indian lands. Nothing in this section shall
be construed to alter or affect federal Public Law 280, relating to state
jurisdiction in Indian lands.

(Added by Stats.1996, c. 1085 (A.B.1762), § 1.)

§ 54982. Consideration

Any agreement entered into pursuant to this chapter shall be for valuable
consideration.

(Added by Stats.1978, c. 960, p. 2121, § 1.)

Historical and Statutory Notes

Former § 54982, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et
1382, p. 2716, § 1, relating to district bound- seq.
aries, was repealed by Stats.1965, c. 2043, p.

§ 54983. Construction of authority granted

Authority for entering into agreements pursuant to this chapter shall be
construed as supplementing existing authority for legislative bodies of local
agencies to enter into agreements for the providing of municipal services and
functions and shall not be construed as authorizing the legislative body of any
local agency to enter into an agreement for the providing of municipal services
or functions which it is prohibited to provide by law or which exceeds the force
account limit applicable to the local agency contracting to receive services.

The amendments to this section which become effective January 1, 1981,
shall not apply to any agreement which was made prior to that date nor to the
current term of any self-renewing or renewable agreement which had been
entered into prior to that date.

(Added by Stats.1978, c. 960, p. 2121, § 1. Amended by Stats.1980, c. 398, p. 781, § 1.)

Historical and Statutory Notes

Former § 54983, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et
1382, p. 2716, § 1, relating to district bound- seq.
aries, was repealed by Stats.1965, c. 2043, p.

GOVERNMENT CODE

§ 67679

of the proceeds shall be retained by the board to help finance its responsibilities for the reuse of Fort Ord, unless otherwise agreed upon by the city or county with jurisdiction over the property and the board.

(3) The board shall transfer or lease all real or personal property received pursuant to this section and which is intended for public utility use within a reasonable period of time, consistent with the orderly and economical provision of utility services to the area of Fort Ord, under terms and conditions the board may determine.

(4) Notwithstanding any other paragraph of this subdivision, the board may retain real or personal property received pursuant to this section as long as both of the following occur:

(i) The board determines that retention of the property is necessary or convenient to carrying out the authority's responsibilities pursuant to law.

(ii) The board determines that its retention of the property will not cause significant financial hardship to the city or county with jurisdiction over the property.

(c) The board may mediate and resolve conflicts between local agencies concerning the uses of federal land to be transferred for public benefit purposes or other uses.

(d) The provisions of this title shall not preclude negotiations between the federal government and any local telecommunication, water, gas, electric, or cable provider for the transfer to any * * * utility or provider of federally owned distribution systems and related facilities serving Fort Ord.

* * *(e) This title shall not be construed to limit the rights of the California State University or the University of California to acquire, hold, and use real property at Fort Ord, including locating or developing educationally related or research oriented facilities on this property.

(f) Except for property transferred to the California State University, or to the University of California, and that is used for educational or research purposes, and except for property transferred to the California Department of Parks and Recreation, all property transferred from the federal government to any user or purchaser, whether public or private, shall be used only in a manner consistent with the plan adopted or revised pursuant to Section 67675.

(Added by Stats.1994, c. 64 (S.B.899), § 1, eff. May 9, 1994. Amended by Stats.1994, c. 1169 (S.B.1600), § 2.)

Historical and Statutory Notes

1994 Legislation

The 1994 amendment of this section by c. 1169 (S.B. 1600) explicitly amended the 1994 addition of this section by c. 64 (S.B.899).

§ 67679. Basewide public capital facilities; identification; financing and construction; identification of significant local public capital facilities; construction or improvement; exceptions; assessments; financing districts; development fees

(a)(1) The board shall identify those basewide public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeway ramps, air transportation facilities, and freight hauling and handling facilities; sewage and water conveyance and treatment facilities; school, library, and other educational facilities; and recreational facilities, that serve residents or will serve future residents of the base territory and could most efficiently or conveniently be planned, negotiated, financed, * * * constructed, or repaired, remodeled, or replaced by the board to further the integrated future use of the base. The board shall undertake to plan for and arrange the provision of those facilities, including arranging for their financing and construction or repair, remodeling, or replacement. The board may plan, design, construct, repair, remodel, or replace and finance these public capital facilities, or delegate any of those powers to one or more member agencies. Notwithstanding any other provision of law, no permit or permission of any kind from any city or county shall be required for any project undertaken by the board pursuant to this section.

(2) The board shall identify significant local public capital facilities, as distinguished from the basewide public capital facilities identified in the paragraph (1) which are described in the Fort Ord Reuse Plan. Local public capital facilities shall be the responsibility of the city or county with land use jurisdiction or the redevelopment agency if the facilities are located within an established project area and the board of the redevelopment agency determines that it will assume responsibility.

(3) The board may construct or otherwise act to improve a local public capital facility only with the consent of the city or county with land use authority over the area where the facility is or will be located.

Additions or changes indicated by underline; deletions by asterisks * * *

A city or county or a local redevelopment agency may construct or otherwise act to improve a basewide public capital facility only with the consent of the board.

(b) If all or any portion of the Fritzsche Army Air Field is transferred to the City of Marina, the board shall not consider those portions of the air field that continue to be used as an airport to be basewide capital facilities, except with the consent of the legislative body of the city. If all or any portion of the two Army golf courses within the territory of Seaside are transferred to the City of Seaside, the board shall not consider those portions of the golf courses that continue in use as golf courses to be basewide capital facilities, except with the consent of the legislative body of the city.

(c) The board may seek state and federal grants and loans or other assistance to help fund public facilities.

(d) The board may, in any year, levy assessments, reassessments, or special taxes and issue bonds to finance these basewide public facilities in accordance with, and pursuant to, any of the following:

(1) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(2) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(3) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(4) The Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703)).

(5) The Landscape and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

(6) The Integrated Financing District Act (Chapter 1.5 (commencing with Section 53175) of Division 2 of Title 5).

(7) The Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

(8) The Infrastructure Financing District Act (Chapter 2.8 (commencing with Section 53395) of Division 2 of Title 5).

(9) The Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1).

(10) The Revenue Bond Act of 1941 (Chapter 6 (commencing with Section 54300) of Division 2 of Title 5).

(11) Fire suppression assessments levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5.

(12) The Habitat Maintenance Funding Act (Chapter 11 (commencing with Section 2900) of Division 3 of the Fish and Game Code).

Notwithstanding any other provision of law, the board may create any of these financing districts within the area of Fort Ord to finance basewide public facilities without the consent of any city or county. In addition, until January 1, 2000, the board may, but is not obligated to create, within the area of Fort Ord, any of these financing districts which authorize financing for public services and may levy authorized assessments or special taxes in order to pass through funding for these services to the local agencies. Notwithstanding any other provision of law, no city or county with jurisdiction over any area of the base, whether now or in the future, shall create any land-based financing district or levy any assessment or tax secured by a lien on real property within the area of the base without the consent of the board, except that the city or county may create these financing districts for the purposes and subject to any financing limitations that may be specified in the capital improvement program prepared pursuant to Section 67675.

(e) The board may levy development fees on development projects within the area of the base. Any development fees shall comply with the requirements of Chapter 5 (commencing with Section 66000) of Division 1 of Title 5. No local agency shall issue any building permit for any development within the area of Fort Ord until the board has certified that all development fees that it has levied with respect to the development project have been paid or otherwise satisfied.

(Added by Stats.1994, c. 64 (S.B.899), § 1, eff. May 9, 1994. Amended by Stats.1994, c. 1169 (S.B.1600), § 3.)

EXHIBIT "E"

CALIFORNIA PUBLIC UTILITIES CODE SELECTED SECTIONS

§ 10101. Powers of municipality

There is granted to every municipal corporation of the State the right to construct, operate, and maintain water and gas pipes, mains and conduits, electric light and power lines, telephone and telegraph lines, sewers and sewer mains, all with the necessary appurtenances, across, along, in, under, over, or upon any road, street, alley, avenue or highway, and across, under, or over any railway, canal, ditch, or flume which the route of such works intersects, crosses, or runs along, in such manner as to afford security for life and property.

§ 10102. Restoration

A municipal corporation exercising its rights under this article shall restore the road, street, alley, avenue, highway, canal, ditch, or flume so used to its former state of usefulness as nearly as may be, and shall locate its use so as to interfere as little as possible, with other existing uses of a road, street, alley, avenue, highway, canal, ditch, or flume.

§ 10103. Agreement of other municipality

Before any municipal corporation uses any street, alley, avenue, or highway within any other municipal corporation, it shall request the municipal corporation in which the street, alley, avenue, or highway is situated to agree with it upon the location of the use and the terms and conditions to which the use shall be subject.

§ 10104. Action to establish terms and conditions of use

If the two municipal corporations are unable to agree on the terms and conditions and location of a use within three months after a proposal to do so, the municipal corporation proposing to use a street, alley, avenue, or highway may bring an action in the superior court of the county in which the street, alley, avenue, or highway is situated against the other municipal corporation to have the terms and conditions and location determined. The superior court may determine and adjudicate the terms and conditions to which the use of the street, avenue, alley, or highway shall be subject, and the location thereof, and upon the making of the final judgment the municipal corporation desiring to do so may enter and use

the street, alley, avenue, or highway upon the terms and conditions and at the location specified in the judgment.

§ 10105. Unincorporated territory

A grant of authority from or agreement with another municipality is not necessary in any case where the street, alley, avenue, or highway, or portion thereof, proposed to be used is a necessary or convenient part of the route of the proposed works and at the time construction was commenced or the plans adopted was located in unincorporated territory. This section is not applicable if the street, alley, avenue, or highway, or portion thereof, was located in incorporated territory prior to May 5, 1933.

AMENDMENT TO WATER/WASTEWATER FACILITIES AGREEMENT

The parties to this Amendment to Water/Wastewater Facilities Agreement ("Amendment") are the FORT ORD REUSE AUTHORITY ("FORA") and the MARINA COAST WATER DISTRICT ("MCWD"), which agree as follows:

1. Agreed Facts. The parties entered into an agreement dated March 13, 1998 and entitled "Water/Wastewater Facilities Agreement" ("Agreement"). Subsequent changes in applicable law and circumstances make it mutually beneficial for the parties to amend the Agreement to add the option of effecting the conveyance of the subject water and wastewater facilities to MCWD either through a no-cost economic development conveyance through FORA or through a public benefit conveyance through the US Department of Health and Human Services. Such an amendment will benefit both parties by potentially expediting the conveyance and providing greater flexibility in operating the facilities with greater public and economic benefit to the communities served by the parties.

2. Amendment Procedure. Paragraph 10.7 of the Agreement requires consent of the governing Boards of both parties to amend the Agreement. As with the Agreement, FORA will adopt this Amendment by ordinance and MCWD will adopt this Agreement by resolution. FORA is the lead agency for adoption of this Amendment.

3. Definitions. The definitions of words and terms in the Agreement shall control the meaning of the same words and terms used in this Amendment.

4. Amendments. The Agreement is amended as follows:

4.1 Paragraph 1.4 is amended as follows:

"EXISTING FACILITIES. The USA presently owns all existing facilities. The USA has determined to divest itself of the existing facilities. Federal law authorizes such divestiture by either a "public benefit conveyance" or a "no-cost economic development conveyance" to a local governmental entity satisfying certain criteria, which criteria are satisfied by MCWD. FORA and MCWD have formally determined that MCWD's acquisition of the existing facilities for the service area by either a public benefit conveyance or a no-cost economic development conveyance will benefit mutually the service area and the area within MCWD's jurisdictional boundaries."

4.2 Paragraph 1.5 is amended as follows:

"CONTEXT. The public health, safety and welfare of the present population of the Ft. Ord reuse area and all future population require continued operation of a water distribution system and a wastewater collection system. The U.S. Army has agreed to convey the systems pursuant to federal law and regulations. Following organization of FORA, discussions commenced with the USA regarding transfer of ownership and operation of the facilities, and FORA evolved a process to assure continuity of management and operation. FORA has been given a limited statutory life and must find reliable utility providers to assume the responsibility for system operation. The FORA

Board appointed a select committee from technical staff of its members to design a set of minimum requirements for water system operators and invited statements of qualifications from those interested. Three statements were received and referred to the same select committee for evaluation, analysis, and recommendation. After receiving the select committee's analysis and recommendation, and after providing opportunity for public input, at its meeting of October 11, 1996, the FORA Board authorized staff to commence negotiations with MCWD for the purpose of negotiating an agreement with MCWD whereby MCWD would assume the responsibility of the operation, maintenance, and ownership of the existing water (and wastewater collection) systems on the former Fort Ord. The same select committee was authorized to oversee the negotiations that were undertaken by FORA staff. Negotiations included detailed financial analyses by FORA staff/consultants and by Stone & Youngberg LLC. These analyses are very comprehensive and demonstrate MCWD's fiscal capacity. The Stone & Youngberg Financial Analysis includes provision for possible payments to FORA and various land use agencies in accordance with law. On May 9, 1997, the FORA Board authorized the staff to work with MCWD to develop an agreement regarding the systems and to prepare an application for Public Benefit Conveyance (PBC) to be filed after the FORA/MCWD agreement is authorized for execution by the FORA Board. Effective June 2, 1997, MCWD has been selected by the USA to be the interim operator of the facilities pending a full transfer. The parties anticipate that such full transfer will be by either a public benefit conveyance or a no-cost economic development conveyance pursuant to this Agreement."

4.3 The heading of Paragraph 3.1 is amended as follows:

"APPLICATION FOR PUBLIC BENEFIT CONVEYANCE OR NO-COST ECONOMIC DEVELOPMENT CONVEYANCE; PERMITS TO OPERATE."

4.4 Paragraph 3.1.1 is amended as follows:

"MCWD Responsibilities. MCWD, as lead agency, will diligently either prosecute an application to the USA for a public benefit conveyance to MCWD, or through FORA prosecute a no-cost economic development conveyance to MCWD of all of the USA's existing sewer and water facilities and appurtenances and incidental rights of access, extraction, discharge, and use for the service area. MCWD will also act diligently to obtain and maintain in good standing all permits needed to operate all such facilities."

4.5 Paragraph 3.1.2 is amended as follows:

“FORA Responsibilities. FORA will forego and forebear its rights to acquire the facilities through negotiated sale, economic development conveyance, or any other procedure permitted under law, and FORA hereby nominates and designates MCWD as the appropriate local governmental entity to acquire the facilities for the benefit of FORA, its member agencies, and the general public. FORA will support MCWD's application for conveyance of the facilities and incidental rights to MCWD through either a public benefit conveyance or a no-cost economic development conveyance.

4.6 Paragraph 7.1.4 is amended as follows:

“Payments to FORA. Upon the effective date of either a public benefit conveyance or a no-cost economic development conveyance of the facilities to MCWD, when MCWD has the ability to levy and collect rates for service through the facilities within the Service Area, MCWD will commence to pay to FORA monies determined to be due as provided in this section. The amount of MCWD's payments to FORA under this section will be included in each budget and request for change presented to FORA under section 7.1.3.”

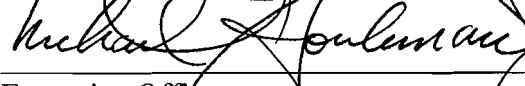
4.7 Paragraph 9.3 is amended as follows:

“TERM. This Agreement shall have a term coincident with the legal existence of FORA, unless the USA denies MCWD's application for a public benefit conveyance or MCWD's application through FORA for a no-cost economic development conveyance. If the USA denies MCWD's application for a public benefit conveyance or for a no-cost economic development conveyance, the parties shall meet and confer in good faith during the 120 days immediately following the final denial to discuss possible change in terms for MCWD to acquire, construct, operate and/or furnish the facilities. If FORA and MCWD cannot agree on new terms within the 120 days, or such other additional time as may be agreed by FORA and MCWD, this Agreement shall terminate and have no further effect, and the parties thereafter shall have no further rights or obligations under this Agreement.”


5. Incorporation of Terms. This Amendment is incorporated into the Agreement by this reference, and all the provisions of the Agreement as specifically amended by this Amendment, including but not limited to execution in counterparts are incorporated in and apply to this Amendment.

IN WITNESS WHEREOF, the parties hereto, by and through their respective, duly authorized representatives, have executed this Agreement on the dates indicated.

FORT ORD REUSE AUTHORITY

By 
Executive Officer

MARINA COAST WATER DISTRICT

By 
President, Board of Directors

Dated: 3-7-01

ATTEST:

By 
Secretary

MARINA COAST WATER DISTRICT

ORDINANCE NO. 43

AN ORDINANCE AMENDING GENERAL SECTION 6.04
OF THE DISTRICT CODE

Be it ordained by the Board of Directors of
Marina Coast Water District
as follows:

Section 1. Authority. This ordinance is enacted pursuant to Sections 30000 and following of the California Water Code.

Section 2. Findings.

A. This ordinance is considered for action by the Board of Directors at a regularly scheduled and noticed meeting. The agenda was posted in accordance with County Water District law with opportunity for public review in advance of the meeting and public comment during consideration of the ordinance by the Board. The District has followed the procedures for notice, public participation and adoption set forth in Section 31027 of the California Water Code.

B. The District has duly mailed notice of the meeting to consider adoption of this ordinance to any person or entity requesting such notice in writing. Any such written requests are on file with the District.

C. The District currently maintains separate cost centers for accounting purposes within the jurisdictional boundaries of the District and within the Ord Community service area, pursuant to a court-validated agreement with the Fort Ord Reuse Authority and agreements with the U.S. Army. Administrative, engineering, financial, legal and service considerations presently support maintaining the separate cost centers. The District's General Manager, Financial Services Manager and Legal Counsel advise that they cannot presently determine if or when the administrative, engineering, financial and legal justification for separate cost centers may change. The agreement with FORA will expire by its own terms when FORA ceases to exist, February 2014 under current law. The Army contracts are administered in coordination with the FORA agreement. The Board finds that the continued maintenance of separate cost centers is in the interest of the District for so long as such maintenance is supported by substantial administrative, engineering, financial or legal considerations, notwithstanding expiration of the FORA agreement.

Section 3. Purpose of Ordinance. The purpose of this ordinance is to add Section 6.04.050 to the District Code on maintaining separate cost centers after Fort Ord Reuse Authority sunset date or as a result of changes to the Water and Wastewater Agreement between the District and Fort Ord Reuse Authority.

Section 4. General Provisions. Sections 6.04.050 of the District Code is hereby added as follows:

6.04.050 *Cost Center Separation*

For so long as justified by objective administrative, engineering, financial or legal considerations, and notwithstanding the termination of *the District's Water and Wastewater Agreement with the Fort Ord Reuse Authority*, the MCWD will account for its operations for the Ord Community Service Area as a separate fund within the general MCWD operation. The Ord Community Service Area fund will have its own line items and account numbers, and will give the District the ability to report on revenues, operating and capital expenses for the Ord Community Service Area.

Section 5. Effective Date. This Ordinance shall take effect upon adoption.

Section 6. Publication and Posting. Within 15 days after adoption, the district shall publish, in a newspaper published in Monterey County and circulated within the district, a summary of this ordinance with the names of those directors voting for and against adoption, and shall post in the district office a certified copy of the full text of this ordinance as adopted along with the names of those directors voting for and against adoption.

Section 7. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this ordinance. The Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this ordinance which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 8. Interpretation. Words and Phrases used in this ordinance shall be read conjunctively with and shall have the same meaning as in prior district ordinances and the district Code, unless specifically changed by this ordinance or unless the context requires some other construction. If there is any inconsistency between this ordinance and prior provisions, this ordinance shall control.

On motion of Vice President Gustafson, seconded by President Brown; the foregoing Ordinance is enacted and shall take effect upon adoption by the following roll call of the Board:

Ayes: Nishi, Moore, Scholl, Gustafson, Brown

Nays: None

Absent: None

Abstained: None

By David W. Brown
David W. Brown, President

ATTEST:

Marc A. Lucca
Marc A. Lucca, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was approved by the Board of Directors at their regular meeting on October 25, 2006.

Marc A. Lucca
Marc A. Lucca, Secretary



COST ALLOCATION PLAN

Marina Coast Water District

February 2018



1 Introduction

Carollo was engaged by Marina Coast Water District (“District”) to update and review the District’s existing Cost Allocation Plan methodology. The purpose of this report is to document a methodology so that the District can periodically review existing practices and cost allocations, and determine if significant changes need to be administered, and the scale of those changes.

A cost allocation plan is a method by which an agency allocates expenses that are not directly identifiable to a particular activity, or to allocate expenses that benefit more than one cost center on a consistent, fair, and equitable basis. Based on this definition, the cost allocation is focusing on shared administrative expenses. A Cost Allocation Plan (CAP) is used for determining how these indirect or general benefit costs are allocated to the appropriate cost pool.

In developing this CAP, work was completed to identify, confirm, and update the indirect cost pools by choosing allocation factors that serve as the best basis for achieving an equitable and explainable distribution of costs. The goal of this CAP is to achieve continued equity for ratepayers and to thoroughly document the process for future efforts.

The CAP is achieved through the following steps:

- Determine the most relevant level of functional detail with which to allocate departmental costs, working from a top-down approach.
- Identify the appropriate costs to include in the cost pools.
- Recommend workload measures that can be implemented over time, and provide a reasonable and equitable means for distributing costs.

Overhead costs analyses are a crucial part of the District’s allocation process to accurately reflect the true level of service in each cost center.

2 Overhead Cost Analysis

The District’s budget reflects costs incurred in support of its four cost centers (water and sewer services for both the Marina and Ord communities). Recouping these costs is essential to funding all aspects of water and sewer services throughout the District’s service area.

Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily associated with a single cost center. Furthermore, a full investigation of the allocation of those costs would require a level of effort disproportionate with the benefit gained. For that reason, it is appropriate to develop a single allocation measure for these indirect costs that represents a typical allocation of benefits. An example of indirect costs includes administrative operations, which provide an indication of the variety of activities needed to operate a large organization.

2.1 Direct Costs Allocations

Much of the District’s costs are directly allocated to each of the four cost center, such as water laboratory expenses or water conservation program funding. These directly allocated expenses are not a part of this review. These are directly allocated based on the cost center benefiting from the cost incurred. These directly allocated costs encompass approximately 77 percent of the District’s annual operating budget, or approximately \$8.5 million.

2.2 Indirect Cost Allocations

The remaining 23 percent of the District's budget is allocated based on a variety of metrics. The District uses several allocations to allocate administrative costs among the four cost centers:

- **Customer Billing** costs are allocated on the number of customer bills to each cost center, which can change from month to month. As in a majority of cases a customer has both a water and sewer bill, the billing costs for Central Marina are allocated 50/50 between Marina Water and Marina Sewer. Ord is addressed in the same manner. This allocation excludes staff labor associated with customer billing. Account numbers are not necessarily correlated with effort or services provided by staff.
- **Groundwater Sustainability Agency (GSA)** activities are allocated based on the amount each water cost center is allowed to draw from Salinas Valley Groundwater (8,023 AFY total) as well as water agreements (2,977 AFY total) the District has to provide water and requires the draw from the sub-basin.
 - Marina Water: 3,020 AFY + 1,400 AFY = 4,420 AFY (40%)
 - Ord Water: 5,023 AFY + 1,577 AFY = 6,600 AFY (60%)
- **Ord Annexation** related costs are allocated 50/50 between Ord Water and Ord Sewer
- **Master Plan** related costs and system studies are based on miles of pipeline:

Cost Center	Total Miles	%	Water Miles	%	Sewer Miles	%
01 - Marina Water	47.70	14%	47.70	25%		
02 - Marina Sewer	43.38	12%			43.38	28%
03 - Ord Water	146.80	42%	146.80	75%		
04 - Ord Sewer	110.40	32%			110.40	72%
Totals	348.28	100%	194.50	100%	153.78	100%

- **All other administrative** costs, or roughly 15% (or \$1.6 million) of the District's total costs are allocated based on audited Operating Expenses net of Depreciation. This approach is also referred to by "as all others" – essentially that general benefit functions mirror how the first 85% of the District's costs. These costs include Admin salaries and benefit costs, Board related costs, information technology related costs, accounting services, rate study costs etc. These functions serve the District as a whole and cannot be reasonably allocated on a direct basis or one of the above metrics.

For FYE 2018 the allocation is Marina Water – 25%, Marina Sewer – 7%, Ord Water– 54%, Ord Sewer – 14%. The tables can be found on page 4 of the District's annual budget. FYE 2016 audited operating costs can be found on page 8 of the FYE 2016 CAFR.

Carollo finds these results and allocation bases reasonable and well-founded based on the cost drivers demonstrated in the District's Annual Budget. It is recommended, however, that the District regularly review these factors and modify as expenses vary or services provided change.

3 Additional Considerations

3.1 Review or High Cost Items

Concerns have been raised that a few high dollar expenses for the Ord Community such as franchise fees and developer fees artificially inflate or skew Ord's share of allocated administrative costs and thus expenditures are not a reasonable proxy to allocate the remaining portion of the District's administrative costs. As such, Carollo worked with staff to identify whether these were "empty costs" or whether these costs scaled with administrative effort (benefit).

Based on discussions with staff, these expenses do require additional administration in reporting and management, such as the tracking of developer accounts, additional processing of payments to vendors that work on the developer projects, billings and cash receipt processing of developer payments, compiling and providing reports to the Board and the FORA WWOC. Additionally, as franchise fees are paid based on what is actually collected rather than what is billed, additional report creation and verification are necessary to calculate and process the payments to the various jurisdictions. As such, a reasonable nexus is observed between costs incurred and the administrative effort required to provide the service.

As the District is seeking to annex the Ord Service Area, the FORA franchise fees and administrative fees will be eliminated, which will greatly reduce the Ord cost centers' expenses. As such, the Ord allocation would reduce as would staff effort and focus on providing these additional services.

3.2 Administrative Time Survey

An alternative to using the "as all others" methodology, the idea of a time-study was introduced to the Board from an engaged ratepayer, with the proposal advocating that a time-survey would better reflect administrative effort and eliminate the need to allocate administrative overhead costs based on direct actual expenses.

Based on the recommendation, the District performed a limited time-survey between December 2017 and January 2018. Given this limited time-frame, there is limited applicability of the results and it may not be indicative of each cost center's share of the cost burden. The results of the Senior Management Time Survey were as follows:

Position	MW	MS	OW	OS
General Manager	19%	1%	73%	7%
District Engineer	12%	3%	78%	7%
Director of Admin Services	14%	4%	67%	15%

Based on the results of the limited survey, the Ord cost centers would bear a greater percentage of administrative costs. However, given the narrow time frame it is not recommended that the District modify the existing methodology at this time.

While the District could begin tracking 100% of administrative hours for future changes to the methodology, time surveys often demonstrate high variability (significant annual changes that may have major budgeting and rate impacts) and challenges in consistent application of allocations. For example, one employee may allocate a Board meeting equally to each cost center, while another employee may charge that same meeting based on the actual time to prepare and discuss individual items. Furthermore, allocating time is less clearly defined for management staff due to the overlapping nature of some issues across cost centers.

Time surveys are well utilized in other circumstances however. For instance, it is straightforward for field staff to allocate time spent in each cost center, simply based on where the work is taking place.

In addition to the likely month-to-month or year-to-year volatility, the additional burden on staff is not reasonable. Attempts to parse out every activity performed by staff on a daily basis are not reasonable. Administrative overhead is truly an indirect service and these costs are best allocated based on expenditures – as there is a clear and appropriate nexus between the service provided and the cost incurred.

4 Federal Compliance

As federal awards are performed within the individual operating cost centers, there needs to be a process whereby these central service (Administrative) costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The CAP methodology provides that process.

While the methodology is the same as the normal CAP, a separate CAP is usually necessary to claim indirect costs under Federal awards. Indirect costs include: (1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and (2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

In order for the District to develop a compliant cost allocation, certain costs would have to be excluded from the allocation methodology. While not a complete list, excluded costs included those for public relations, bad debts, bonding costs, collections of improper payments, alcoholic beverages, advisory councils, and legal fees. Once these costs are excluded, the CAP would be in compliance with CRF, Title 2, Part 200, Subpart E – Cost Principles, Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards.



COST OF SERVICE AND RATE STUDY

Marina Coast Water District

January 2018



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Glossary

Term	Description
AF	Acre foot / Acre feet, 1 AF = 435.6 CCF, 326,000 gallons
AWWA	American Water Works Association
Carollo	Carollo Engineers, Inc.
hcf	hundred cubic feet, 1 CCF = 748 gallons
CIP	Capital Improvement Projects
CY	Calendar Year
District	Marina Coast Water District
EDU	Equivalent Dwelling Unit
FY (FYE)	Fiscal Year Ending. The District's fiscal year runs from July 1 to June 30. FYE is the calendar year in which the fiscal year ends (i.e. FYE 2016 covers the fiscal year ending June 30, 2016).
GPCD	Gallons per capita per day
GPD	Gallons per day
M1 Manual	"Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1", published by AWWA
MCWD	Marina Coast Water District
MEU	Meter Equivalency Unit
O&M	Operations and Maintenance
Potable Water	Water suitable to be consumed for drinking and other uses.
Recycled Water	Sewage that is treated to remove solids and impurities, and used for non-potable irrigation and commercial and industrial water needs
RUWAP	Regional Urban Water Augmentation Project

1. Introduction and Background

1.1 Introduction

The Marina Coast Water District (MCWD) retained Carollo Engineers, Inc. (Carollo) to conduct a water and sewer rate and fee study (study). This Study includes the development of a five-year financial plan and cost-based water and wastewater user charges through a comprehensive cost of service and rate design analysis.

MCWD operates public water and sewer utilities that are responsible for providing service to the approximately 38,000 residents within the District's service area, as well as many public and commercial institutions. Customers of the water and sewer utilities are located in two service areas, Central Marina (Marina) and the Ord Community (Ord). The operations of the District are further split between water and sewer, resulting in four cost centers, Marina Water, Marina Sewer, Ord Water, and Ord Sewer. The cost centers are maintained as separate enterprises; having distinct budgets, user rates and fees, capacity fees, capital improvement plans, and operating, capital, and bond reserves.

In order to develop updated customer rates, an in-depth analysis of each cost center's revenue requirements, customer usage, capital improvement program (CIP), and additional future drivers of service costs and revenue was conducted. This report documents the methodology and assumptions used to develop the financial plan, the policy decisions reached, the proposed water and wastewater rates, and the customer bill impacts.

1.2 Marina Coast Water District Background

The Central Marina service area has a forecasted population of approximately 18,000 residents. Marina Water's current deliveries for Fiscal Year Ending (FYE) total approximately 590,000 hundred cubic feet (hcf) per year to its 4,500 customer accounts. Marina Sewer currently serves approximately 3,800 accounts totaling 7,500 equivalent dwelling units (EDUs).

In August 2005, the Central Marina and Ord Community water systems were connected; integrated operations allow water to flow between the two systems to meet peak demands and improve overall services. The amount of water exchanged between the systems is automatically monitored and recorded. In July 2007, the California Department of Public Health approved the consolidation of the water systems as Marina Coast Water District Water System.

Supply wells in Central Marina consist of three deep groundwater wells located in the 900-foot aquifer of the Salinas Valley Groundwater Basin. Water is treated at each well site for disinfection and to remove the naturally occurring hydrogen sulfide that can sometimes cause odor problems.

The Ord Community service area has a current population of approximately 20,500 residents. Ord Water's current deliveries for FYE 2017 total approximately 500,000 hundred cubic feet (hcf) per year to its 4,900 customer accounts. Ord Sewer currently serves approximately 3,900 accounts totaling 6,800 (EDUs).

Supply wells in the Ord Community are from three groundwater wells located in the lower 180-foot and 400-foot aquifers of the Salinas Valley Groundwater Basin. Groundwater from these wells is also disinfected to provide the community with healthy and safe drinking water.

1.3 Current Rates and Fees

The District last performed a cost of service water and sewer rate analysis in 2013. The 2013 report proposed five years of increases to fund capital improvements for all cost centers. The District implemented each of the recommended annual increases. Capacity fees for both water and sewer service were also last updated in 2013.

Table 1.1 and Table 1.2 summarize the existing Marina and Ord Community water and wastewater rate and fee structure, respectively. The rates consist of two parts: a fixed monthly service charge assessed on the size of the meter, and a tiered water commodity charge for all water delivered. In addition, those connected to the Ord Community Systems from July 1, 2005 through July 5, 2013, also pay a \$20.00 monthly water capital surcharge per EDU and a \$5.00 monthly sewer capital surcharge per EDU to help fund capital due to necessary system expansion.

Table 1.1 **Marina Rates Effective January 1, 2018**

Marina Water Consumption Rates (per hcf)		
Tier 1	0 to 8 hcf	\$2.78
Tier 2	9 to 16 hcf	\$3.19
Tier 3	17+ hcf	\$5.63
Marina Water Service Charges by Meter Size		
5/8" or 3/4"		\$22.36
1"		\$36.07
1 1/2"		\$58.94
2"		\$86.36
3"		\$150.41
4"		\$241.82
6"		\$470.42
8"		\$927.88
Marina Sewer Service Charges		
Sewer Charge (per EDU)		\$14.78
Marina Capacity Fees		
Water Capacity Fee (per EDU)		\$4,526.00
Sewer Capacity Fee (per EDU)		\$2,333.00

Table 1.2 Ord Rates Effective January 1, 2018

Ord Water Consumption Rates (per hcf)		
Tier 1	0 to 8 hcf	\$3.68
Tier 2	9 to 16 hcf	\$5.65
Tier 3	17+ hcf	\$7.62
Ord Water Service Charges by Meter Size		
	5/8" or 3/4"	\$38.79
	1"	\$60.51
	1 1/2"	\$96.71
	2"	\$140.14
	3"	\$241.57
	4"	\$386.31
	6"	\$748.31
	8"	\$1,472.72
Ord Sewer Service Charges		
	Sewer Charge (per EDU)	\$32.18
Ord Capacity Fees		
	Water Capacity Fee (per EDU)	\$8,010.00
	Sewer Capacity Fee (per EDU)	\$3,322.00

1.4 Forward-Looking Statement

The projections and forecasts of this analysis are based on reasonable expectation of future events. Additionally, Carollo did not audit nor verify the accuracy of the District's customer billing or financial records used as the foundation of this analysis. Should cost escalation, operating expenditures, or capital needs vary from projected levels prior to FYE 2023, the District may require an additional Proposition 218 process to increase rates above those adopted pursuant to the current process. The District may similarly be required to begin a new Proposition 218 process should revenues not materialize as projected. The rates adopted pursuant to the Proposition 218 process are the maximum rates that the District may charge. Once the maximum rates are adopted, the District's Board of Directors has the authority to reduce rates if the Board determines that the financial condition of the District at that point in time would permit such a reduction. The Board may then later determine to increase rates to the maximum rates adopted pursuant to the current Proposition 218 process without beginning a new Proposition 218 process.

1.5 Overview of the Rate-Setting Process

Rate analyses are performed periodically such that revenues from rates adequately fund utility operations, maintenance, and necessary capital investments and upgrades. Rates must also fairly and appropriately allocate the costs of providing water and sewer services to customers.

In California, water rates must adhere to the cost of service requirements imposed by Proposition 218 and the State Constitution. Article XIII D, section 6 of the California Constitution (commonly referred to as Proposition 218) requires that property related fees and charges, including water and sewer rates, do not exceed the reasonable and proportional cost of providing the service.

The District also has obligations to safeguard and preserve the State's limited water resources. Article X, § 2, of the State Constitution establishes the need to preserve the State's water supplies and discourage the wasteful or unreasonable use of water by encouraging conservation.

To achieve these multi-faceted requirements - rates that must simultaneously be equitable and reasonable, as well as provide a conservation message - Carollo's cost of service approach tests the adequacy of existing revenues, recommends additional revenues where needed, and develops rates built on comprehensive cost allocation and customer data analyses.

The process presented below are advocated by the American Water Works Association (AWWA) and the Water Environment Federation (WEF) for water and sewer rate setting. Carollo has adapted this reference material and combined it with specific California rate setting requirements to reflect the District's specific water infrastructure and demands.

1.5.1 Step-By-Step Approach

When conducting the cost of service analysis, Carollo used a five-step approach, taking into consideration the relevant legal standards and industry guidelines summarized above. Each step in this process shapes the subsequent step, ultimately resulting in a fair, equitable, and well-documented rate calculation.



Water Demand Analysis

Forecasts water sales based on historical billings, modifications to the rate structure, and any regulatory restrictions.

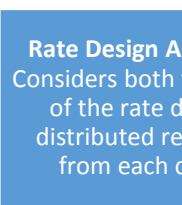
Revenue Requirement Analysis

Compares existing utility revenues to its operating, capital reserves, and policy driven costs to establish the adequacy of existing cost recovery levels.



Functional Cost Analysis

Identifies and apportions annual revenue requirements to functional rate components based on its application of the utility system.



Rate Design Analysis & Calculation

Considers both the level and structure of the rate design to collect the distributed revenue requirements from each class of customers.



Rate Adoption

Compliant with the Proposition 218 requirements, the Study presents the rationale and justification behind the changes.

1.5.1.1 Growth and Demand Analysis

Forecasting water sales and sewer usage is a critical component in the rate setting process. As part of the budget process, the District forecasts the expected water usage based on historical demand, proposed changes to rates, regulatory impacts, weather, and other variables. These forecasted water demands are then compared against forecasted revenue requirements and rates are developed in order to recover costs. Future demands are based on historic sales and escalated for projected growth and per capita demand changes.

1.5.1.2 Revenue Requirement Analysis

The methodology applied to establish annual rate revenue requirements is consistent with industry standards established by the "Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1" (M1 Manual), which is published by American Water Works Association (AWWA), a national industry trade group that makes recommendations on generally accepted practices in the water industry. The revenue requirements analysis compares the forecasted revenues of the utility to its forecasted operating and capital reserve costs to determine the adequacy of the existing rates to recover the utility's costs. If any shortfalls exist, rates may need to increase.

1.5.1.3 Functional Cost Analysis

After determining the revenue requirement, the next step in the analysis is to outline the cost drivers for both water and sewer service. This process takes each item in the water system's budget and allocates the items based on what function is served. For example, some cost items support the ability to deliver additional, expensive water, while other costs are incurred to provide customer service or to fund capital replacement. Organizing the budget in terms of end function allows creation of a direct nexus between the budget item and the rate, bridging the cost incurred by the District and the unique and varied benefits delivered to each customer.

1.5.1.4 Rate Design & Calculation

The rate design involves developing a rate structure that proportionately recovers costs from customers from each of the District's four cost centers. The rate structure must be tailored to the customer demand and the rates that customers are charged on a parcel basis, resilient enough to handle changing cost and demand scenarios, and flexible enough to meet multiple other unique criteria. For example, in the potable water system, water supply costs are recovered based on the units of water sold (demand), while service costs are recovered based on the size of a customer's meter and, therefore, allocated based on the total number of meter equivalents, which accounts for the number and hydraulic capacity of the meters served.

The rate design allows the District to develop unit costs that can then be layered based on requirements to meet customer needs. This is a critical process for establishing tiered rates, as increasing usage incurs additional costs making higher water usage more expensive to maintain and provide.

The final part of the rate design analysis is the rate calculation. This provides the nexus between the revenue requirements, the functional cost allocation, and the final rates that customers are charged. This process connects planned expenditures to the designed rates by establishing rates to match the estimated revenue generation with expenditures.

1.5.1.5 Rate Adoption

To comply with the requirements of Proposition 218, the results of the revenue requirement analysis, functional costs analysis, water demand analysis, and rate design analysis are documented in this Study to, provide the rationale and justifications behind the proposed rate changes and the anticipated financial impacts. While the document should be accessible to a layperson's understanding, it must still provide sufficient detail to fully support and document the rate setting process.

In order to adjust rates, the District must provide a written notice to the affected parcels at least 45 days prior to a public hearing, at which the Board of Directors may consider adoption of the rates. During this 45 day notice period, any property owner or tenant directly responsible for the payment of water service fees may submit a written protest to the proposed rate increases. If written protests against the proposed rate increases are not presented by a majority of affected property owners or customers, the District's Board will be authorized to adopt the rate increases.¹

As the following sections of this Study will demonstrate, this step-by-step approach creates a fair and equitable foundation for each charge and rate that the District levies to proportionally recover system costs from the District's customers.

¹ Majority is 50 percent of the District's customers (parcel owners within the service area), plus one customer.

2. Growth and Demand Analysis

2.1 Introduction

Water sales are the primary source of revenues; thus, it is critical to examine and validate potential shifts in short and long-term water demands. For the purposes of understanding potential usage reductions, Carollo prepared a water demand analysis consisting of the previous forty-four months of billing data. This data along with the growth projections of the 2010 and 2015 Marina Coast Water District Urban Water Management Plan (UWMP) was reviewed to examine historical patterns and potential developing trends.

2.2 Growth and Demand Projections

Upon analysis of historical consumption and billing data, it was found that the growth predictions of the District's previous 2010 UWMP and the 2015 update might have been overly aggressive given the continued consequence of the economic downturn which slowed population growth. Also, the District's customers responded exceptionally to the recent drought state of emergency, leading to significant conservation awareness and decreases in consumption. In the practice of financial planning and rate setting for water and wastewater utilities, aggressive growth assumptions are often cause for concern. Rates and fees are developed based on the predicted number of accounts and on predicted levels of consumption, therefore, growth not materializing as expected leads to insufficient collection of revenues. These concerns were discussed with District staff, and it was agreed that the growth figures of the UWMP would not be used for the purposes of this study. Instead more conservative growth assumptions were used in order to help improve revenue stability.

The 2015 UWMP estimated an annualized growth rate of approximately 5 percent per year for the District. The growth was expected to occur primarily in the Ord Community as it is in a redevelopment stage. However, in accordance with conservative estimates, Carollo estimates 1 and 2 percent annualized growth will be used for Central Marina and Ord, respectively. As for individual customer demand, this analysis assumes that there will be no growth. This is due to the fact that the District recently experienced historical low consumption during the end years of the drought. While some bounce back has already occurred it is expected that demand will flatten out and not reach previous levels as the conservation awareness and installation of high efficiency fixtures will remain.

In FYE 2017, the District sold approximately 584,000 and 513,000 units of water to Central Marina and the Ord Community respectively. While demand is assumed to remain stagnant the account growth assumption results in estimated consumption of 622,000 hcf for Central Marina, and 578,000 hcf for Ord. Should demands or other major assumptions, significantly vary from forecasted levels, the District may need to update its financial plan and rates to adequately fund operations.

As the District charges sewer service on a per EDU basis, a similar growth rate of 1 and 2 percent will be assumed for sewer growth for Marina and Ord respectively. The results of these projections for each community can be seen in Table 2.1 and Table 2.2.

Table 2.1 Central Marina Sales Forecast

	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Water Accounts	4,587	4,632	4,678	4,725	4,772	4,820	4,868
Meter Equivalents	5,686	5,743	5,801	5,859	5,917	5,976	6,036
Consumption (hcf)	584,009	591,959	597,879	603,857	609,896	615,995	622,155
EDUs	7,456	7,530	7,605	7,681	7,758	7,836	7,914

Table 2.2 Ord Community Sales Forecast

	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Water Accounts	4,919	5,017	5,118	5,220	5,324	5,431	5,540
Meter Equivalents	8,060	8,221	8,385	8,553	8,724	8,898	9,076
Consumption (hcf)	512,888	523,146	533,609	544,281	555,167	566,270	577,596
EDUs	6,764	6,899	7,037	7,178	7,322	7,468	7,617

3. Revenue Requirement Analysis

3.1 Introduction

The next step in a rate analysis is to prepare the revenue requirements for both the Ord and Marina water and sewer cost centers. This analysis has two main purposes – it serves as a means of evaluating each cost center’s fiscal health and adequacy of current rate levels, and it sets the basis for near- and long-term rate planning.

The revenue requirement is derived of five components: Operations and Maintenance (O&M), Capital Improvement Expenditures; Debt Service; Policy Requirements & Bond Coverage.

There are three tests utilized to define the annual revenues necessary to provide sufficient (1) cash flow, (2) debt coverage, and (3) reserves. These sufficiency tests are commonly used to determine the amount of annual revenue that must be generated from an agency’s rates.

- **Cash Flow Sufficiency Test** – The cash flow test defines the amount of annual revenues that must be generated in order to meet annual expenditure obligations of the utility as well as maintain sufficient reserves.
- **Bond Coverage Sufficiency Test** – Bond coverage refers to the collection in revenues to meet all operating expenses and debt service obligations plus an additional multiple of that debt service. MCWD has a legally required minimum bond coverage ratio of 1.25x on senior debt (2006 series bonds) and 1.10x on junior debt (2010 series bonds); however, for the purpose of prudent financial planning the bond coverage test was set to meet a 1.35x coverage ratio senior debt service and a 1.20x coverage ratio for junior debt service.
- **Reserves Test** – The reserve test ensures that each cost center has enough money in reserves in order to continue operations and CIP during unexpected revenue shortfalls according to the Districts reserve targets. This test is not legally binding and reserve targets can be reduced in some cases in order to mitigate rate payer impacts.

Revenues must be sufficient to satisfy both tests. If revenues are found to be deficient through one or both of the tests, then the greater deficiency (shortfall) drives the revenue increase.

The cash flow test identifies projected cash requirements in each given year. Cash requirements include O&M expenses, debt service payments, policy-driven additions to working capital, miscellaneous capital outlays, replacement funding, and rate-funded capital expenditures. These expenses are compared to the total annual projected revenues. Shortfalls are then used to estimate needed revenue increases.

The bond-coverage test measures the ability of a utility to meet legal and policy-driven revenue obligations. Given the District’s existing debt obligations, it is required to collect sufficient funds through rates to meet all ongoing O&M expenses, as well as 1.25 times (1.35x as tested) the total senior debt-service requirements, and additionally 1.10 times (1.20x as tested) the total junior debt-service requirements due in a year.

The reserve test checks to see that the District is maintaining their reserves up to their target. Marina Coast Water District has a reserve target equal to 180 days of operating expenses plus 25% of the yearly CIP budget for each cost center.

Currently, the District is legally required to meet its debt service coverage requirements through a combined coverage test in which total debt service (allocated amongst all four cost centers) is tested against the total

revenues generated by all cost centers. Carollo recommends that each cost center be responsible for generating its own proportionate share of the coverage-required revenues to improve equity amongst cost centers. Under this recommendation, each cost center's revenue requirements will be set to individually recover its apportioned debt service and coverage obligations. Simply, if debt is incurred by one of the cost centers, that same cost center is burdened with the repayment of the debt and debt coverage obligations, while the District would continue to use a combined coverage test to meet its debt service coverage requirements.

3.2 Operation & Maintenance Expenditures

For sound financial operations of the District's water and sewer systems, the revenues generated by each cost center must be sufficient to meet the expenditures or cash obligations of each cost center. The revenue needs are defined as the amount of revenues that must be recovered through water and sewer rates in order to cover annual expenditures, less any offsetting revenues. Offsetting revenues can include interest earnings and other non-operating revenues.

3.2.1 Operating Needs

Operating needs are expenditures that each cost center incurs in the day-to-day operations of its systems – e.g., employee salaries and benefits, system maintenance, fuel, and chemicals.

The District's FYE 2018 operating budget served as the basis for forecasting future operating expenses for each of the utilities. The budget was compared to prior year actual financial information to identify any anomalies or one-time expenditures not appropriate for forecasting in future years. District staff also reviewed the budget to identify costs that may need to be adjusted due to future operational changes. Unless manually calculated, future years were forecasted using escalation factors provided by District staff. These factors were assigned on a line-item basis using one of the following factors:

Table 3.1 Cost Escalation Factors

Cost Escalator	Description
Operations	Operations include all department expenses, power, and equipment. It is assumed that these costs will increase on pace with the Engineering News Record ENR long-term average inflation of 3.2%
Labor	Labor rates are assumed to increase on pace with the Engineering News Record ENR long-term average inflation of 3.2%
Construction/Capital	Capital and Construction costs are assumed to increase on pace with the ENR long-term average inflation of 3.2%

The GSA Implementation Cost Center is to fund the costs of the District's groundwater sustainability program to protect the District's vital groundwater resources. Those costs include, but are not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration.

The results of the O&M forecast for each cost center can be seen in Table 3.2 through Table 3.5.

Table 3.2 Marina Water O&M Costs

Cost Center	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Administration	\$930	\$959	\$990	\$1,022	\$1,055	\$1,088
O&M	1,036	1,069	1,103	1,139	1,175	1,213
Laboratory	106	110	113	117	121	124
Conservation	200	207	214	220	227	235
Engineering	448	462	477	492	508	524
GSA Implementation	-	359	688	625	1,088	1,103
Total	\$2,720	\$3,167	\$3,586	\$3,615	\$4,174	\$4,287

(1) All values in thousands of dollars.

Table 3.3 Marina Sewer O&M Costs

Cost Center	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Administration	\$255	\$264	\$272	\$281	\$290	\$299
O&M	232	240	247	255	263	272
Engineering	295	305	315	325	335	346
Total	\$783	\$808	\$834	\$860	\$888	\$916

(1) All values in thousands of dollars.

Table 3.4 Ord Water O&M Costs

Cost Center	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Administration	\$2,494	\$2,574	\$2,656	\$2,741	\$2,829	\$2,341
O&M	1,745	1,800	1,858	1,918	1,979	2,042
Laboratory	232	239	247	255	263	271
Conservation	279	288	297	307	316	327
Engineering	1,346	1,389	1,433	1,479	1,527	1,575
GSA Implementation	0	586	883	710	1,136	1,149
Total	\$6,095	\$6,876	\$7,374	\$7,409	\$8,049	\$7,705

(1) All values in thousands of dollars.

Table 3.5 Ord Sewer O&M Costs

Cost Center	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Administration	\$682	\$704	\$727	\$750	\$774	\$799
O&M	622	642	663	684	706	728
Engineering	252	260	269	277	286	295
Total	\$1,557	\$1,607	\$1,658	\$1,711	\$1,766	\$1,822

(1) All values in thousands of dollars.

3.3 Capital Improvement Plan

The District's capital improvement plan (CIP) includes a variety of capital projects that involve repairing (or replacing) existing assets and/or expanding system capacity to accommodate growth. However, this report only includes the Existing User Funded projects as the expansion projects are funded directly through capacity fees and are outside the scope of this report. Carollo worked with the District to identify and prioritize projects over the course of the study in order to mitigate the effects on rate payers as much as possible while still ensuring an appropriate and efficient capital improvement plan. A summary of each cost center's CIP budget is shown in Table 3.6.

A large portion of the District's CIP includes the investment in a district wide Recycled Water Program. In order to fund the significant expense brought on by the Recycled Water Program, a State Revolving Fund (SRF) loan will be taken out. For the purpose of this analysis it is assumed that this loan will be paid back by both water cost centers in proportion to their consumption. The total Recycled Water amount in Table 3.6 takes into account a SRF grant and a Fort Ord Reuse Authority capital contribution. Should the District receive any additional funding sources, this could mitigate the need for additional future revenue increases.

Table 3.6 Capital Improvement Budget by Cost Center

Cost Center	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Marina Water	\$652	\$758	\$505	\$702	\$317
Marina Sewer	27	835	474	1,248	293
Ord Water	2,449	1,776	699	1,868	854
Ord Sewer	2,210	2,952	1,117	393	558
Recycled Water	16,752	7,078	-	-	-
Total	\$22,091	\$13,399	\$2,795	\$4,212	\$2,022

(1) All values in thousands of dollars, escalated.

3.4 Debt Service

For simpler administration and ability to meet legal requirements the District holds all debt and then allocates repayment to the cost centers proportional to use of the debt. The District's existing debt service payments are established in the District's debt repayment schedule and allocated equitably. In addition to the existing debt, the District has plans to take out two more loans. The first loan is necessary to fund CIP projects for Ord Water and Ord Sewer. The second loan is for the payment of Regional Urban Water

Augmentation Project (RUWAP). It is expected that this loan will be paid back through both water cost centers. The expected future debt payments for each cost center can be seen in Table 3.7

Table 3.7 Debt Service Schedule

Cost Center	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Marina Water	\$632	\$630	\$616	\$439	\$439	\$439
Marina Sewer	162	162	158	112	113	112
Ord Water	1,556	1,712	1,794	1,357	1,482	1,480
Ord Sewer	519	662	812	707	707	707
Total	\$2,868	\$3,166	\$3,381	\$2,615	\$2,741	\$2,738

(1) All values in thousands of dollars.

3.5 Reserve Policy

In addition to the operating and capital expenses, discussed above, there are also expenses resulting from policy decisions. Under current policy, the District has established an operating and capital reserves fund for each cost center. Although the District does have other debt service-related reserves, Carollo's analysis focuses on the District's "unrestricted" reserves because these other reserves are not available to support day-to-day operations.

The revenue requirements analysis targets a minimum operating reserve fund balance equivalent to 180 days of operating expenses for each cost center as required by District policy.

In addition to the operating reserve, the District also targets to maintain a minimum CIP reserve target of 25 percent of the forecasted 5-year annual CIP average. This reserve would support the day-to-day expenses related to capital projects and provides that CIP won't be hindered or impacted by lulls in cash flows. These targets are in-line with industry standards and Carollo does not recommend a change at this time.

As existing Ord Water and Ord Sewer are below the minimum operating reserve target, it is recommended that the District continue to closely monitor revenues and reserve levels. Currently the District's reserves are being supported solely by the Marina Water and Sewer Cost Centers. During the analysis, Carollo explored and presented multiple financial scenarios exploring the effects of various capital funding and rates scenarios and the impacts on reserves. Based on input, the Board recommended that each cost center's reserve target should ultimately be fully funded.

3.6 Recommended Revenue Requirements

Over the course of developing the proposed revenue requirements, multiple rate revenue forecasts were developed to explore the feasibility of funding options for future capital needs to mitigate ratepayer impacts. The extent of the proposed revenue adjustments is largely contingent on the funding and timing of capital projects.

In addition to capital funding, financial scenarios were reviewed to evaluate the sensitivity and impact of conservation in relation to increasing water costs. Given the District's revenue susceptibility to future water demand, the analysis assumed flat per customer annual water demands, yet moderate customer growth and inflationary cost escalators.

The following tables in this report identify each cost center's cash position, assuming no rate adjustments are adopted. As demonstrated by the analysis, the District's cash flow is forecasted to be negative in the existing and future years.

3.6.1 Debt Coverage Test

Revenue increases are driven by the greatest need identified between the cash flow, debt coverage, and reserve tests. Despite having a cash flow and reserve test for each cost center, the District's debt covenant is District-wide and requires a debt coverage ratio greater than 1.25. As Table 3.8 shows, prior to revenue increases the District is expected to meet all debt coverage requirements. Thus all revenue increases will be driven by cash flow and reserve needs.

Table 3.8 MCWD Debt Coverage Test

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Total Revenues	\$15,985	\$17,064	\$18,038	\$18,928	\$19,868
Expenditures					
Operating Expenditures	\$7,651	\$8,588	\$9,169	\$8,766	\$9,531
Debt Service	2,798	3,167	3,384	2,661	2,741
RUWAP Debt Service	-	-	-	775	1,871
25% Coverage Requirement	700	792	846	859	1,153
Total Expenses	\$11,149	\$12,547	\$13,399	\$13,062	\$15,295
Bond Coverage Surplus/(Deficit)	\$3,013	\$3,439	\$3,665	\$4,976	\$3,633

(1) All values in thousands of dollars.

3.6.2 Cash Flow Tests

3.6.2.1 Marina Water

Based on existing rates, Marina Water is forecasted to have a negative cash flow and erode reserves on hand for all five years as seen in Table 3.9. While existing operating reserves can cover the current shortfall, it is unsustainable without revenue increases.

Table 3.9 Marina Water Revenue Requirement – Pre Increases

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenues					
Water Sales	\$3,841	\$3,885	\$3,926	\$3,969	\$4,014
Fire System Charge	88	92	97	102	107
Other Revenues	178	178	178	178	178
Operating Revenues	\$4,107	\$4,152	\$4,194	\$4,238	\$4,283
Expenses					
Operating Expenses	\$3,167	\$3,586	\$3,615	\$4,174	\$4,287
Debt Service	630	616	439	439	439
Rate Funded Capital	652	758	255	-	317
Total Expenses	\$4,449	\$4,960	\$4,308	\$4,613	\$5,042
Cash Flows	\$(342)	\$(807)	\$(114)	\$(375)	\$(759)
<i>Operating Reserve</i>	\$1,867	\$971	\$767	\$301	(\$549)
<i>Capital Reserve</i>	\$1,332	\$1,338	\$1,095	\$350	\$352

(1) All values in thousands of dollars.

In order to return to a positive cash flow, annual 4 percent increases are proposed. With these inflationary level increases, Marina Water is still forecasted to have a negative cash flow in FYE 2019 and FYE 2020, but in subsequent years it then begins to reach a positive cash flow by FYE 2021. This is due to funding capital projects with rates revenues of \$652K and \$757K, respectively. The two-year shortfall is covered from Marina Water's existing reserve balance. The results of the revenue increases are summarized below.

Table 3.10 Marina Water Revenue Increase Summary

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenue Increase	4%	4%	4%	4%	4%
Water Sales	\$3,991	\$4,192	\$4,404	\$4,626	\$4,857
Resulting Cash Flow	(357)	(671)	188	101	(102)
Operating Reserve	\$1,939	\$1,268	\$1,457	\$1,557	\$1,456
Capital Reserve	\$1,332	\$1,338	\$1,095	\$350	\$352

(1) All values in thousands of dollars.

3.6.2.2 Marina Sewer

Based on existing rates, Marina Sewer is forecasted to have a positive cash flow for four of the next five years as seen in Table 3.11. However, it should be noted this is only possible through the use of reserves to fund some CIP projects. And even then, there is still a significant rate funded capital expense in FYE 2022 which must be funded.

Table 3.11 Marina Sewer Revenue Requirement – Pre Increases

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenues					
Sewer Sales	\$1,349	\$1,362	\$1,376	\$1,390	\$1,404
Fire System Charge	48	48	48	48	48
Other Revenues	\$1,397	\$1,411	\$1,424	\$1,438	\$1,452
Operating Revenues					
Expenses	\$808	\$834	\$860	\$888	\$916
Operating Expenses	162	162	158	112	113
Debt Service	27	-	-	1,248	293
Rate Funded Capital	\$997	\$995	\$1,018	\$2,248	\$1,322
Total Expenses	\$400	\$415	\$406	\$(810)	\$130
Cash Flows	\$1,000	\$1,000	\$1,406	\$596	\$726
Operating Reserve	\$1,184	\$755	\$259	\$260	\$261
Capital Reserve	\$1,349	\$1,362	\$1,376	\$1,390	\$1,404

(1) All values in thousands of dollars.

In order to maintain reserves as well as prepare for significant CIP expenses identified for FYE 2022, annual revenue increases of 4 percent are proposed. These inflationary increases would allow Marina Sewer to fund all necessary expenses and maintain targeted reserve levels in all years. A summary of these increases is shown below.

Table 3.12 Marina Sewer Revenue Increase Summary

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenue Increase	4%	4%	4%	4%	4%
Sewer Sales	\$1,403	\$1,474	\$1,548	\$1,626	\$1,708
Resulting Cash Flow	426	497	546	(607)	399
Operating Reserve	\$1,000	\$1,000	\$1,546	\$939	\$1,029
Capital Reserve	\$1,209	\$862	\$366	\$368	\$679

(1) All values in thousands of dollars.

3.6.2.3 Ord Water

Based on existing rates and the assumed growth, Ord Water is forecasted to have a negative cash flow for all five years as seen in Table 3.13. As Ord Water has relatively low reserves to begin with, immediate and higher revenue increases are necessary.

Table 3.13 *Ord Water Revenue Requirement – Pre Increases*

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenues					
Water Sales	\$6,246	\$6,373	\$6,502	\$6,635	\$6,769
Fire System Charge	166	169	173	176	180
Other Revenues	1,361	1,361	1,361	1,361	1,361
Total Revenues	\$7,772	\$7,903	\$8,035	\$8,172	\$8,310
Expenses					
Operating Expenses	\$6,876	\$7,374	\$7,409	\$8,049	\$7,705
Debt Service	1,712	1,794	1,357	1,482	1,480
Rate Funded Capital	-	-	699	-	854
Total Expenses	\$8,588	\$9,169	\$9,465	\$9,531	\$10,039
Cash Flows	\$(816)	\$(1,266)	\$(1,430)	\$(1,359)	\$(1,730)
<i>Operating Reserve</i>	<i>\$975</i>	<i>\$420</i>	<i>(\$284)</i>	<i>(\$903)</i>	<i>(\$1,877)</i>
<i>Capital Reserve</i>	<i>\$193</i>	<i>\$194</i>	<i>\$195</i>	<i>\$195</i>	<i>\$196</i>

(1) All values in thousands of dollars.

In order to maintain necessary revenue to continue operation as well as maintain proper reserves Carollo proposes increases of 8 percent in FYE 2019, 6 percent in FYE 2020, and 4 percent for all subsequent years covered by this increase. This more aggressive revenue increase compared with the other cost centers is simply due to the greater costs carried to support the Ord Water system, as well as to fund the growing capital and debt service needs allocated to this cost center.

Table 3.14 *Ord Water Revenue Increase Summary*

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenue Increase	8%	6%	4%	4%	4%
Water Sales	\$6,732	\$7,271	\$7,706	\$8,170	\$8,661
Resulting Cash Flow	\$(580)	\$(561)	\$(350)	\$51	\$38
Operating Reserve	\$1,211	\$1,361	\$1,737	\$2,528	\$3,321
Capital Reserve	\$193	\$194	\$195	\$195	\$196

(1) All values in thousands of dollars.

It should be noted that despite a negative cash flow reserves are still growing. This is due to the forecasted year-end reserve transfers from Ord Water Capital Fund, whereby a portion of capacity fees collected

throughout the year are used to reimburse the Ord Water's existing users. However, should these new connections not materialize, the District may need to limit its CIP or borrow funds from other cost centers.

3.6.2.4 Ord Sewer

Due to an original lack of funding for CIP projects Ord Sewer is expected to fund capital improvements with bond proceeds. With the assumption of these debt issuances, Ord Sewer is expected to see positive cash flow and reserves without revenue increases. This is presented in Table 3.15.

Table 3.15 Ord Sewer Revenue Requirement – Pre Increases

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenues					
Sewer Sales	\$2,718	\$2,774	\$2,829	\$2,886	\$2,943
Other Revenues	245	245	245	245	245
Total Revenues	\$2,963	\$3,019	\$3,074	\$3,131	\$3,188
Expenses					
Operating Expenses	\$1,607	\$1,658	\$1,711	\$1,766	\$1,822
Debt	662	812	707	707	707
Rate Funded Capital	-	500	500	393	558
Total Expenses	\$2,269	\$2,970	\$2,918	\$2,866	\$3,087
Cash Flows	\$694	\$49	\$156	\$264	\$102
<i>Operating Reserve</i>	\$1,201	\$1,250	\$1,406	\$1,670	\$1,772
<i>Capital Reserve</i>	-	-	-	-	-

(1) All values in thousands of dollars.

It is a goal of Ord Sewer to build a capital reserve as well as reduce the need for future debt issues. As such, Carollo recommends revenue increases of 5 percent in FYE 2019 and 3 percent in the subsequent years covered by this increase. The results of these increases can be seen below. Should the timing of these capital projects be delayed, it may be possible for the District to limit the amount of forecasted debt.

Table 3.16 Ord Sewer Revenue Increase Summary

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Revenue Increase	5%	3%	3%	3%	3%
Sewer Sales	\$2,853	\$2,999	\$3,154	\$3,314	\$3,484
Cash Flow	\$758	\$228	\$432	\$641	\$588
Operating Reserve	\$1,265	\$1,493	\$1,925	\$2,473	\$2,529
Capital Reserve	-	-	-	\$93	\$626

(1) All values in thousands of dollars.

4. Cost of Service Analysis

The purpose of a cost of service analysis is to provide a rational basis for distributing the full costs of Marina and Ord water and sewer services to each customer in proportion to the demands the customer places on each respective system. By the end of the cost of service analysis, each customer is allocated a fair and reasonable share of the costs incurred to provide service to the customer's property. Detailed cost allocations allow the rate structure to balance ratepayer equity with the District's fiscal and policy goals. This analysis yields an appropriate method for allocating costs, which could be sustained indefinitely barring substantial changes in cost drivers or customer consumption patterns.

4.1 Water Cost of Service Analysis

In California, water rates must adhere to the cost of service requirements imposed by Proposition 218 and the State Constitution. Proposition 218 requires that property-related fees and charges, including water and sewer rates, do not exceed the reasonable and proportional cost of providing the service. This is the fundamental basis of water rate-setting, and it is achieved primarily through the cost allocation process.

However, industry guidance and best practices can still serve as a starting point for the analysis, which can then be shaped to meet the needs of state regulation. The cost of service allocation completed in this study is established on the base-extra capacity method as defined by the American Water Works Association. Under the base-extra capacity method, revenue requirements are allocated based on the demand placed on the water system.

4.1.1 Water Functional Cost Categories

The functional allocation assigns the annual revenue requirement for a select test year by major function. The water utility's primary functions are related to base flow, peak flow, and customer costs (customer and services). These functional cost pools include the rate paid for water supplied by outside agencies, the system's existing O&M expenditures, debt service, and rate-funded capital costs.

The District's budget was analyzed line-item by line-item and expenditures were distributed between the available functions:

Base: Operating and capital costs incurred by the water system to provide a basic level of service to each customer.

Peak: Operating costs incurred to meet peak demands for water in excess of basic demand (base). This cost also includes capital costs needed to provide the required system over-sizing to meet peak demand, as well as basic water supply and distribution costs.

Customer: Fixed expenditures that relate to operational support activities including accounting, billing, customer service, and administrative and technical support. These expenditures are essentially common-to-all customers and are reasonably uniform across the different customer classes.

Capacity: Meter and capacity related costs, such as meter maintenance and peaking charges, that are included based on the meters hydraulic capacity (measured in gallons per minute). Additionally, as the system's facilities are designed to meet peaking requirements, a portion of the capacity-related costs, including debt service, are allocated to Capacity.

4.1.2 Functional Cost Factors

The allocation factors used in the Functional Allocation are outlined in the following table. In the Functional Allocation, each line item in the District's budget is classified according to one of the functions listed. The budgeted value for that line item is then allocated based on the percentages associated with the allocation classification.

"System Peaking" and "Capacity / Peaking" cost allocations were calculated uniquely for both cost centers based on their particular system's usage patterns. For example, "Ord System Peaking" attributes a higher portion of costs to "Peak" than "Marina System Peaking" because a higher proportion of Ord System consumption is in excess of basic demand.

Table 4.1 Allocation Factors

Allocation Basis	Purpose	Customer	Capacity	Base	Peak
Customer Only	Costs that are common to all accounts	100%			
Capacity Only	Costs that vary based on demand or engineering metrics		100%		
Base Only	Water costs that are common across all units of demand			100%	
Ord Peak Only	Water costs that increase based on peak or demand				100%
Marina Peak Only	Water costs that increase based on peak or demand				100%
Ord System Peaking	Costs that are common to Base/Peak, but allocated based on system use			41%	59%
Marina System Peaking	Costs that are common to Base/Peak, but allocated based on system use			44%	56%
Ord Capacity / Peaking	Capital costs that are split between the fixed charge and R&R charge		25%	31%	44%
Marina Capacity / Peaking	Capital costs that are split between the fixed charge and R&R charge		25%	33%	42%

4.1.3 Allocation to Functional Components

The result of Marina Water's functional allocation is presented in Table 4.2 and Figure 4.1. The Customer and Capacity components collectively represent approximately 38 percent of Marina Water's costs and will generate the fixed charge. The remaining 62 percent of costs are allocated to the Base and Peak components and are the basis for the variable rates. A line-by-line breakdown of the allocation can be found in the Appendix.

Table 4.2 Marina Allocation Results

Category	Allocation Percentage	FYE 2019 Costs ⁽¹⁾
Base	24.4%	\$975
Peak	37.2%	1,485
Customer	16.3%	649
Capacity	22.1%	882

(1) All values in thousands of dollars.

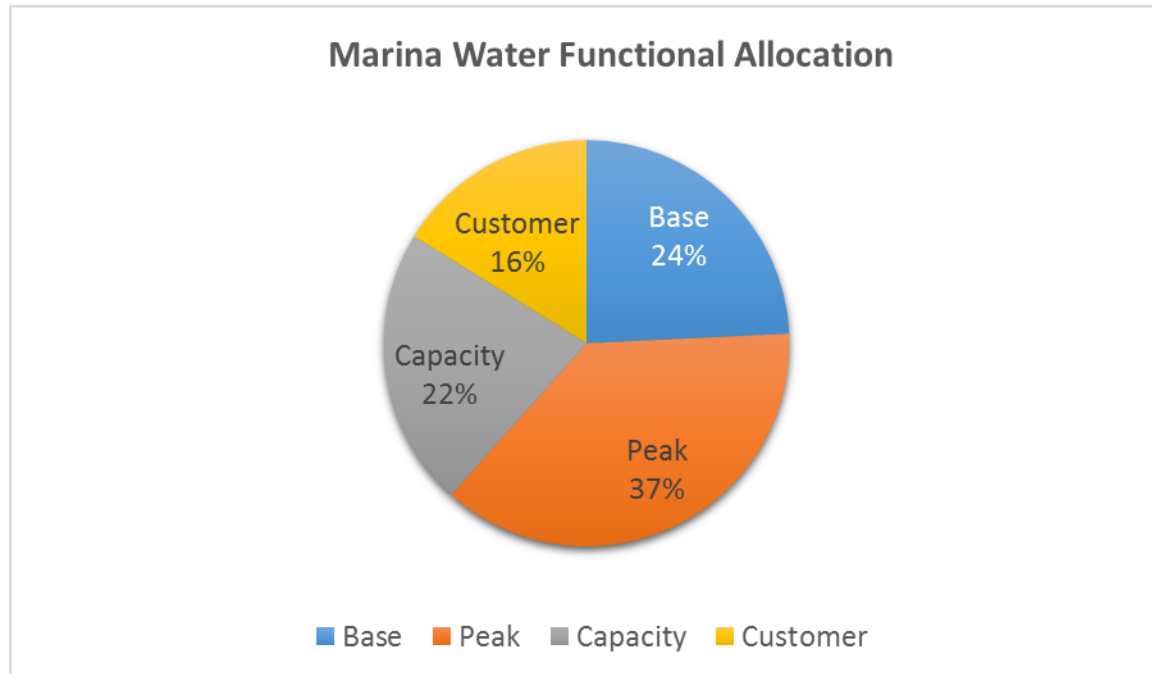


Figure 4.1 Marina Water Functional Allocation

The result of Ord Water's functional allocation is presented in Table 4.3 and Figure 4.2. The Customer and Capacity components collectively represent approximately 52 percent of Ord Water's costs and will generate the fixed charge. The remaining 48 percent of costs are allocated to the Base and Peak components, and are the basis for the variable rates. Relative to Marina, Ord's higher allocation to Capacity is due to higher utilization of debt (a fixed expense) and other fixed costs, such as the FORA franchise and administration fee.

A line-by-line breakdown of the allocation can be found in the Appendix.

Table 4.3 Ord Allocation Results

Category	Allocation Percentage	FYE 2019 Costs ⁽¹⁾
Base	20.0%	\$1,346
Peak	27.8%	1,875
Customer	14.8%	993
Capacity	37.4%	2,518

(1) All values in thousands of dollars.

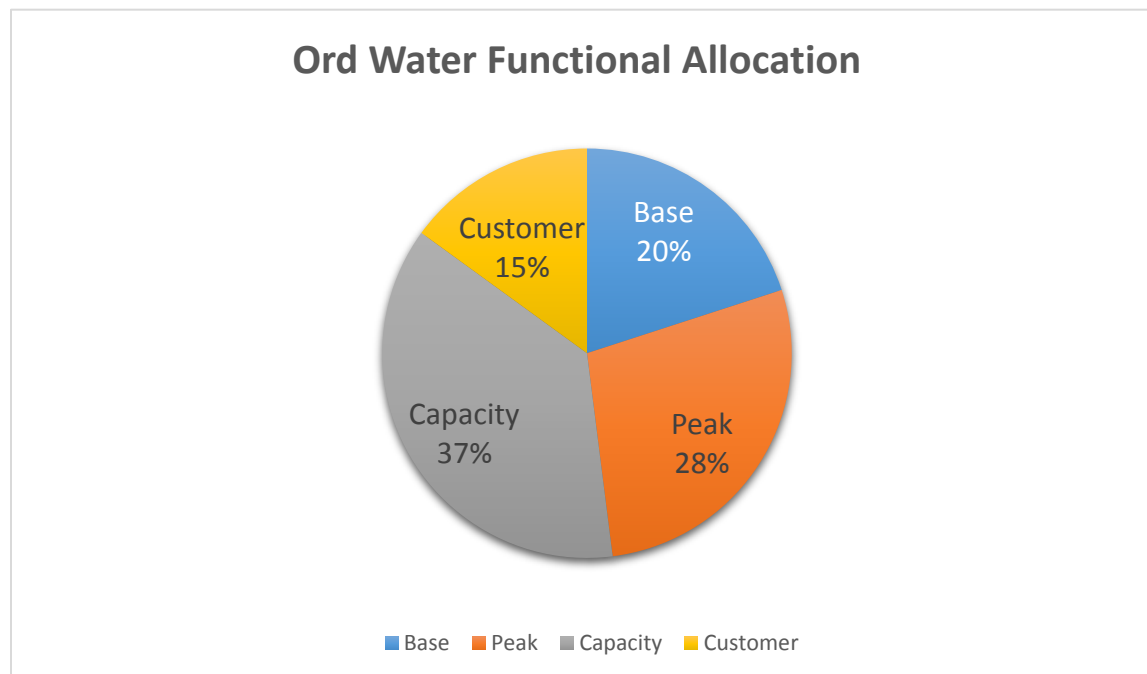


Figure 4.2 Ord Water Functional Allocation

4.2 Sewer Cost Allocation

The cost of service process for development of sewer rates follows an approach similar to that used for water service. However, as the Marina Sewer and Ord Sewer operations are responsible solely for the collection and conveyance of wastewater and not treatment, a much simpler method of rate design can be used. Currently each sewer customer is assigned a number of EDUs based on assumed flow and strength, which standardizes each customer's sewer usage. As such, it is only necessary to divide the revenue requirement by twelve times the number of forecasted EDUs in order to establish a monthly rate.

Table 4.4 Marina Sewer Cost per EDU Calculation

Fiscal Year	Revenue Required ⁽¹⁾	Projected EDUs	Monthly Rate per EDU
FYE 2019	\$1,403	7,605	\$15.37
FYE 2020	1,474	7,681	\$15.99
FYE 2021	1,548	7,758	\$16.63
FYE 2022	1,626	7,836	\$17.29
FYE 2023	1,708	7,914	\$17.98

(1) All values in thousands of dollars.

Table 4.5 Ord Sewer Cost per EDU Calculation

Fiscal Year	Revenue Required ⁽¹⁾	Projected EDUs	Monthly Rate per EDU
FYE 2019	\$2,853	7,037	\$33.80
FYE 2020	2,999	7,178	\$34.85
FYE 2021	3,154	7,322	\$35.90
FYE 2022	3,314	7,468	\$37.00
FYE 2023	3,484	7,617	\$38.15

(1) All values in thousands of dollars.

5. Rate Design Analysis

The rate design analysis links the functional allocation costs with the water rates necessary to achieve equitable cost recovery. The focus of this process is to achieve full cost recovery and substantiate that each customer is paying their fair and proportionate share of system costs.

5.1 Existing Rate Structures

The District establishes rates and charges necessary to maintain its high-quality service. Based on the most recent cost of service study (2013), the rates have historically been designed to reflect a fairness principle that all customers pay for the cost of providing safe and reliable water services.

The existing rate structure includes three rate components:

- Fixed Service Charge, assessed on a per meter equivalent basis.
- Variable rate (commodity rate) per hundred cubic feet (hcf) of water sold and billed monthly.
- Sewer service charge, assessed on a per EDU basis

The variable rate is charged through the application of a three-tier structure. The tiers are designed to equitably recover both base and peak costs. The following sections summarize the recommendations for specific rates, charges, and classes.

5.2 Water Recommendations

Given the numerous and often competing elements of rate design, selecting an appropriate rate structure is complex. There is no single structure that meets all objectives equally. Furthermore, not all objectives are valued equally by all agencies. Each objective carries weight, and plays an important role when implementing changes and evaluating the overall effectiveness of proposed changes. These elements were discussed and evaluated at length throughout the financial and rate study process.

The recommended rate schedules are designed to recover the revenue requirement in a way that collects a proportionate share of costs from each customer. The proposed rate structure refines the District's existing structures to incorporate District staff, Board, and public input, changes in customer demands, and recent regulatory and legal frameworks. The details behind each of the rate recommendations, including any new components or structural changes, are outlined within this report.

Various financial scenarios have been developed to balance financial stability and customer impacts. To set a clear path towards aligning costs, increasing reserves, and managing decreased water sales, Carollo recommends an annual revenue increase for each cost center as shown in Table 5.1.

Table 5.1 Proposed Revenue Increases

Service	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Marina Water	4%	4%	4%	4%	4%
Marina Sewer	4%	4%	4%	4%	4%
Ord Water	8%	6%	4%	4%	4%
Ord Sewer	5%	3%	3%	3%	3%

5.2.1 Fixed Charge

A monthly fixed charge is a cost recovery mechanism that is generally included in the rate structure to assist in recovery of fixed expenditures. In this analysis, these costs are largely but not entirely allocated to the Customer and Capacity components. For most water and sewer agencies, the majority of costs—typically in excess of 60 or 70 percent—can be considered fixed in nature. It would be challenging for a number of reasons to collect fixed revenues matching that percentage, and so most utilities do not perfectly match fixed revenues with fixed expenses.

While an increased fixed charge provides a stable source of revenues for the utility, increasing the fixed charge reduces the commodity rates and incentive for conservation. The proposed revenue adjustments as a percentage do not equal or necessarily correlate to an equivalent percentage increase to rates or monthly bills. The results of the updated cost of service analysis will affect users differently based on their meter size and water consumption.

The first part of the fixed charge is derived from the costs allocated to Customers. In order to define this rate, the total cost allocated to Customers was divided by the number of monthly bills forecasted for FYE 2019. Using the values from Table 2.1 and Table 2.2 this cost was calculated individually for each cost center.

The second part of the fixed charge is derived from the costs allocated to Capacity. The Capacity costs are split through the use of the Meter Equivalent Unit (MEU). The MEU is an industry-wide standard calculated by the AWWA which is used to compare the capacity of different sized meters. A rate per MEU is then defined by dividing the allocated Capacity costs by the total number of MEUs.

Both the Customer unit cost and the rate per MEU were calculated for each cost center using the forecasted account and MEU assumptions from Table 2.1 and Table 2.2. The fixed charge is then defined for each meter size by multiplying the rate per MEU by its respective capacity ratio and adding the Customer unit cost.

There is a small segment of the Ord community that is currently charged on a flat rate system, where their usage is not metered, and a flat fee for service is paid to the District each month. The District is phasing this fee out over the next several years. Table 5.5 below outlines the proposed monthly fee for these customers over the next several years. The fee is calculated as a combination of the 3/4" monthly fixed service charge, combined with an estimated variable portion of the bill (20 hcf, multiplied by the commodity rates discussed further in this report). This is intended to provide a reasonable basis for estimating the usage of these customers, while not possessing meter data.

Table 5.2 Marina Water FYE 2019 Fixed Charge

Meter Size	Meter Capacity Ratio	Meter Cost	Customer Unit Cost	Total
5/8" or 3/4"	1.0	\$12.68	\$11.56	\$24.24
1"	1.67	\$21.13	\$11.56	\$32.69
1 1/2"	3.33	\$42.24	\$11.56	\$53.80
2"	5.33	\$67.58	\$11.56	\$79.14
3"	10.67	\$135.16	\$11.56	\$146.72
4"	16.67	\$211.18	\$11.56	\$222.74
6"	33.33	\$422.35	\$11.56	\$433.91
8"	66.67	\$844.69	\$11.56	\$856.25

Table 5.3 Marina Water Fixed Charge Projection

Meter Size	Existing	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
5/8" or 3/4"	\$22.36	\$24.24	\$25.21	\$26.22	\$27.26	\$28.34
1"	\$36.07	\$32.69	\$33.99	\$35.35	\$36.77	\$38.22
1 1/2"	\$58.94	\$53.80	\$55.95	\$58.19	\$60.52	\$62.91
2"	\$86.36	\$79.14	\$82.30	\$85.60	\$89.02	\$92.55
3"	\$150.41	\$146.72	\$152.57	\$158.69	\$165.03	\$171.56
4"	\$241.82	\$222.74	\$231.62	\$240.92	\$250.55	\$260.46
6"	\$470.42	\$433.91	\$451.22	\$469.33	\$488.08	\$507.39
8"	\$927.88	\$856.25	\$890.40	\$926.15	\$963.15	\$1,001.26

Table 5.4 Ord Water FYE 2019 Fixed Charge

Meter Size	Meter Capacity Ratio	Service Unit Cost	Customer Unit Cost	Total
5/8" or 3/4"	1.0	\$25.03	\$16.17	\$41.20
1"	1.67	\$41.71	\$16.17	\$57.88
1 1/2"	3.33	\$83.40	\$16.17	\$99.57
2"	5.33	\$133.44	\$16.17	\$149.61
3"	10.67	\$266.88	\$16.17	\$283.05
4"	16.67	\$416.99	\$16.17	\$433.16
6"	33.33	\$833.98	\$16.17	\$850.15
8"	66.67	\$1,667.95	\$16.17	\$1,684.12

Table 5.5 Ord Water Fixed Charge Projection

Meter Size	Existing	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
5/8" or 3/4"	\$38.79	\$41.20	\$43.62	\$45.32	\$47.09	\$48.94
1"	\$60.51	\$57.88	\$61.28	\$63.68	\$66.16	\$68.76
1 1/2"	\$96.71	\$99.57	\$105.43	\$109.55	\$113.82	\$118.29
2"	\$140.14	\$149.61	\$158.41	\$164.61	\$171.02	\$177.74
3"	\$241.57	\$283.05	\$299.68	\$311.42	\$323.55	\$336.26
4"	\$386.31	\$433.16	\$458.62	\$476.58	\$495.14	\$514.60
6"	\$748.31	\$850.15	\$900.12	\$935.37	\$971.80	\$1,009.98
8"	\$1,472.72	\$1,684.12	\$1,783.11	\$1,852.94	\$1,925.11	\$2,000.75
Flat Rate	\$153.99	\$162.95	\$172.75	\$179.70	\$186.90	\$194.40

5.2.2 Commodity Rates

The District's existing rate structure is comprised of three inclining block tiers. The existing tiers are for usage 0-8 hcf, 9-16 hcf, and greater than 16 hcf. Although Marina and Ord have different rates, they share the same tier structure. Through a comprehensive evaluation of consumption and billing data, it was revealed that only 12% of all usage from both communities occurs within Tier 2. The proportion of water sold by tier can be seen in Figure 6.1. This indicates that a three-tier structure might not be necessary.

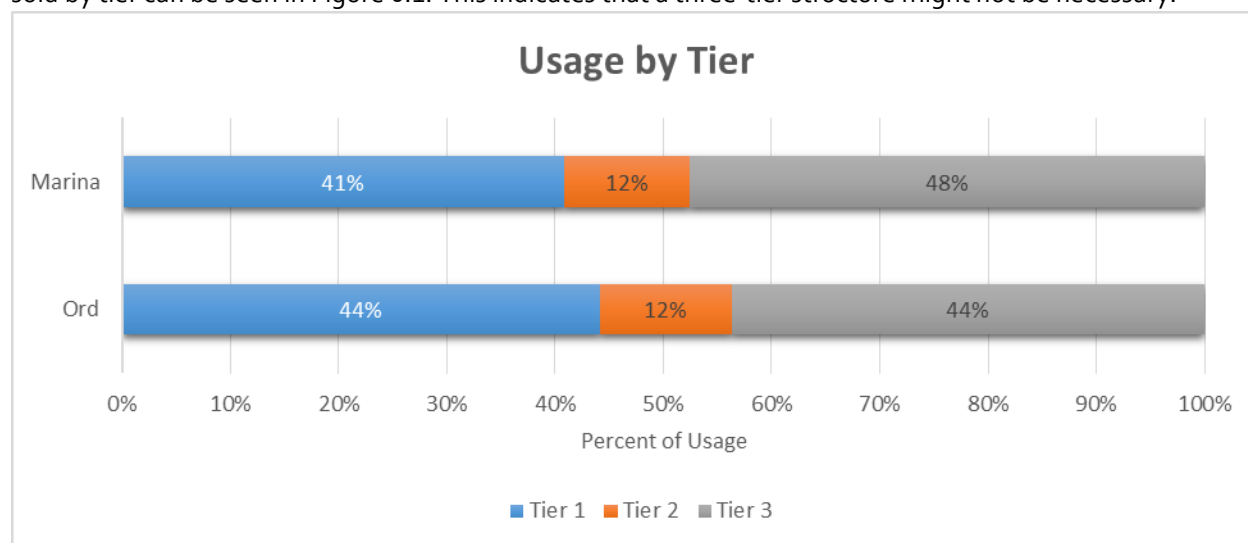


Figure 6.1 Water Consumption by Tier

In order to further refine the nexus between cost of service and rates, a two-tier commodity rate structure is proposed. This allows for a closer nexus between the tiers and base and peak allocations. Based on analysis of customer consumption the tier break point for both service areas was shifted to 10 hcf to reflect the system average.

The District's tiered rate structure is built upon the idea that greater usage results in increasing costs for the District, unique from the costs incurred for basic (i.e., average) service. This greater usage can be

consistently higher demand levels throughout the day, month, or year, or it can be irregular, causing “peaks” on the system. Regardless of when this demand occurs, the District must have sufficient capacity to serve the highest demand day of the year. For most utilities, these peaks occur generally around the same time, typically around the hotter summer months, and around the shoulders of business hours when people are beginning and ending their days. That cumulative impact of all the District’s users placing their greatest demand on the system at the same moment greatly amplifies the needed capacity to serve all of these users, often on the order of 50 to 100 percent of an average month’s demand in the case of summer months.

Additionally, tiered rates directly incentivize conservation by sending a price signal to customers. If they use more water, they will have to pay a higher unit price. As users increase their demand, the District must continue to produce more water at an increased cost compared with base demand and size, operate, and maintain larger facilities to meet the higher demand.

Built on the foundation of the base-extra capacity methodology outlined in the American Water Works Association’s “Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1,” these additional costs are covered through the District’s tiered rate system. Every unit of water begins with a base unit cost intended to recover the District’s basic production, conveyance, and distribution costs. The concept of proportionality requires that cost allocations consider both the average quantity of water consumed (base) and the peak rate at which it is consumed (peaking).

In order to establish an equitable rate for each tier, a common base rate and unique peak rates were developed. In order to develop the peak rates, peaking factors were identified through the analysis of usage patterns. These peaking factors were then used to allocate the peak costs identified in the functional allocation to each tier.

5.2.2.1 Base Rate

Each tier is first developed by calculating the base rate for each unit of water. This base rate is identical for each tier. The calculations are outlined below.

Table 5.6 [Marina Water Base Rate Calculation](#)

Calculation	Value
Allocated Base Costs (thousands)	\$975
Projected FYE 2019 Usage (hcf)	597,879
Base Rate (\$/hcf)	\$1.63

Table 5.7 [Ord Water Base Rate Calculation](#)

Calculation	Value
Allocated Base Costs (thousands)	\$1,345
Projected FYE 2019 Usage (hcf)	533,609
Base Rate (\$/hcf)	\$2.53

5.2.2.2 Peak Rate Calculation

After the base rate is calculated, the peak rate is calculated for each tier based on the peaking factors associated with each tier.

Table 5.8 Marina Water Peak Rate Calculation

Calculation	Tier 1	Tier 2
Total allocated peak costs from Table 4.2 (\$000s)	\$1,485	
Peak factor calculation method	Min Month / Avg. Month	Max Month / Avg. Month
Peak factor	0.65	1.33
Projected demand (hcf)	292,094	305,784
Weighted demand (hcf * peak factor)	188,416	405,670
Unit cost per peak unit (Total allocated peak costs / sum of weighted demand)	\$2.50	
Peak Rate (Unit cost per peak unit x peak factor)	\$1.62	\$3.32

Table 5.9 Ord Water Peak Rate Calculation

Calculation	Tier 1	Tier 2
Total allocated peak costs from Table 4.3 (\$000s)	\$1,874	
Peak factor calculation method	Min Month / Avg. Month	Max Month / Avg. Month
Peak factor	0.52	1.80
Projected demand (hcf)	272,981	260,628
Weighted demand (hcf * peak factor)	142,843	469,556
Unit cost per peak unit (Allocated costs / sum of weighted demand)	\$3.06	
Peak Rate (Unit cost per peak unit x peak factor)	\$1.60	\$5.51

5.2.2.3 Tiered Rates

The tiered rates are calculated by adding the base costs to each tiers peak rate. The escalated tiered rates for FYE 2019 – FYE 2023 can be seen in Table 5.10 and Table 5.11.

Table 5.10 Marina Water Tiered Rates

Year	Tier 1	Tier 2
FYE 2019	\$3.25	\$4.95
FYE 2020	\$3.38	\$5.15
FYE 2021	\$3.51	\$5.36
FYE 2022	\$3.65	\$5.57
FYE 2023	\$3.80	\$5.79

Table 5.11 Ord Water Tiered Rates

Year	Tier 1	Tier 2
FYE 2019	\$4.13	\$8.04
FYE 2020	\$4.37	\$8.51
FYE 2021	\$4.54	\$8.84
FYE 2022	\$4.72	\$9.19
FYE 2023	\$4.90	\$9.55

5.3 Fire Meter Rate

The fire meter rate is used to cover the costs attributed with fire protection. The District does not measure or charge for the water consumed by a fire meter. Instead a standby fee is charged for the availability of this water when needed in an emergency. The projected rates can be seen below:

Table 5.12 Marina Fire Meter Rates

Meter Size	Existing	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
1"	\$1.68	\$1.73	\$1.80	\$1.87	\$1.94	\$2.02
1 1/2"	\$4.87	\$5.02	\$5.22	\$5.43	\$5.65	\$5.87
2"	\$10.37	\$10.70	\$11.13	\$11.57	\$12.04	\$12.52
2 1/2"	\$18.65	\$19.25	\$20.01	\$20.82	\$21.65	\$22.51
3"	\$30.13	\$31.09	\$32.33	\$33.62	\$34.97	\$36.37
4"	\$64.20	\$66.25	\$68.90	\$71.65	\$74.52	\$77.50
6"	\$186.49	\$192.43	\$200.13	\$208.13	\$216.46	\$225.12
8"	\$397.40	\$410.08	\$426.48	\$443.54	\$461.28	\$479.73

Table 5.13 Ord Fire Meter Rates

Meter Size	Existing	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
1"	\$2.26	\$2.44	\$2.58	\$2.69	\$2.79	\$2.90
1 1/2"	\$6.56	\$7.08	\$7.51	\$7.81	\$8.12	\$8.45
2"	\$13.99	\$15.11	\$16.02	\$16.66	\$17.32	\$18.02
2 1/2"	\$25.15	\$27.16	\$28.79	\$29.94	\$31.14	\$32.39
3"	\$40.63	\$43.88	\$46.51	\$48.37	\$50.31	\$52.32
4"	\$86.58	\$93.51	\$99.12	\$103.08	\$107.20	\$111.49
6"	\$251.49	\$271.61	\$287.91	\$299.42	\$311.40	\$323.85
8"	\$535.94	\$578.82	\$613.54	\$638.09	\$663.61	\$690.15

5.4 Temporary Water Service Charges

Temporary Water Service Charges exist to cover the labor associated with services offered by the district. These fees were escalated in accordance with forecasted labor inflation. The rates can be seen below:

Table 5.14 Marina Temporary Water Service Charges

Fee	Existing	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Meter Deposit Fee	\$650.00	\$702.00	\$745.00	\$775.00	\$806.00	\$839.00
Hydrant Meter Fee (Set / Remove Fee)	\$140.00	\$152.00	\$162.00	\$169.00	\$176.00	\$184.00
Hydrant meter Fee (Relocate Fee)	\$140.00	\$152.00	\$162.00	\$169.00	\$176.00	\$184.00
Minimum Monthly Service Charge	\$151.56	\$163.70	\$173.55	\$180.50	\$187.75	\$195.30
Estimated Water Consumption Deposit	\$1,100.00	\$1,188.00	\$1,260.00	\$1,311.00	\$1,364.00	\$1,419.00

Table 5.15 Ord Temporary Water Service Charges

Fee	Existing	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Meter Deposit Fee	\$650.00	\$676.00	\$704.00	\$733.00	\$763.00	\$794.00
Hydrant Meter Fee (Set / Remove Fee)	\$140.00	\$146.00	\$152.00	\$159.00	\$166.00	\$173.00
Hydrant meter Fee (Relocate Fee)	\$140.00	\$146.00	\$152.00	\$159.00	\$166.00	\$173.00
Minimum Monthly Service Charge	\$98.29	\$102.25	\$106.35	\$110.65	\$115.10	\$119.75
Estimated Water Consumption Deposit	\$1,100.00	\$1,144.00	\$1,190.00	\$1,238.00	\$1,288.00	\$1,340.00

5.5 Demand Management Rates

Demand rates are temporary surcharges that can be implemented in time of need to safeguard cost recovery. At the discretion of the District Board, the District may introduce demand rates in concert with the proposed rate schedule during necessary usage reductions. As outlined throughout the report, decreased demand can undermine the reliability of rate revenue, leaving the agency to find cost savings, absorb the decreased cash flow, or further increase rates.

Demand rates can be defined as a fixed component, variable rate surcharge, or a combination of the two. If baseline demands are not realized, decreasing demands drive the need for additional rate increases in the short-term. The District's current rate structure recovers between 46 and 62 percent of annual expenditures through variable rates, Ord and Marina respectively.

When calculating demand management rates, the adjusted demand scenario determines both the reduced revenue and any cost savings due to reduced operational needs. This analysis reviewed two demand stages— up to 10 percent and up to 20 percent—from projected FYE 2018 demands. These demand stages are presented as ranges because drops in demand cannot be easily targeted and can be volatile from month to month. The District will have the ability to implement these rates when necessary to provide sufficient revenues under various drought, water shortage, or demand reduction/restriction periods. The rates can either be implemented proactively (known shortage or drought) or reactively (wait and see if reductions are prolonged and whether existing reserves are sufficient). The projected demand revenue requirements and proposed rate are shown in the following table.

Table 5.16 Demand Management Rates

	Ord Water		Marina Water	
Reduction Level (estimated)	10%	20%	10%	20%
Revenue Impact (thousands)	\$395	\$655	\$275	\$450
Revenue Impact (%)	12%	34%	11%	29%
Avoided Cost (Variable Costs)	(\$0)	(\$0)	(\$0)	(\$0)
Total Additional Revenue Need	\$395K	\$655K	\$275K	\$450K
Fixed Rate Recovery Only (\$/ME/Month)	\$4.04	\$6.43	\$3.95	\$6.51
Variable Rate Recovery Only (\$/hcf)	\$0.84	\$1.51	\$0.51	\$0.91

While the District has an option of implementing the rate surcharges between fixed and variable revenue sources, it is recommended that the District Implement the Variable Rate alternative, whereby the surcharge is added on to each unit cost of water in the Commodity Rate, when required in time of need as determined by the Board.

5.6 Sewer Rate Recommendation

Based on discussion with District staff and careful review of the cost of service analysis, Carollo recommends that the District implement the following sewer rate design recommendations

- *Retain the current rate structure.* Through customer and billing data analysis, the study has found that the current rate structure is reasonable and appropriate. The current rate structure, also developed by Carollo in 2013, uses the same conceptual foundation and methodology as this current analysis. It provides customer equity by assigning EDU's to each customer based on wastewater demand factors, and provides a consistent and predictable source of revenue.
- *Implement Rates on January 1st of each year.* Although water consumption does not affect the monthly sewer charge, implementing during the low water use months is advantageous as the customers overall cost for water and sewer is lower than in the peak months. Additionally, implementing water and sewer revenue increases in the same month simplifies procedures required by Proposition 218.

The sewer rates were then calculated based on the allocation in Section 4.2. The resulting sewer rates can be seen below.

Table 5.17 Projected Sewer Rates

	Existing	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
Marina Monthly Rate per EDU	\$14.78	\$15.37	\$15.99	\$16.63	\$17.29	\$17.98
Ord Monthly Rate per EDU	\$32.18	\$33.80	\$34.85	\$35.90	\$37.00	\$38.15

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6. Appendices

Operations and Maintenance Budget

		Adopted	Forecasted -->				
		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
1							
2	REVENUES						
3	Ord Water Revenues						
4	Water Sales	\$ 4,822,720	\$ 6,245,596	\$ 6,869,420	\$ 7,417,237	\$ 7,863,397	\$ 8,336,876
5	Flat Rate Customers	750,000					
6	Capacity Charge	2,735,414	2,790,122	2,845,925	2,902,843	2,960,900	3,020,118
6	Fire System Charge	162,614	165,866	182,718	197,554	209,566	222,307
7	Fees & Permits	1,013,197	898,119	898,119	898,119	898,119	898,119
8	Non-Operating Revenues	453,160	462,704	462,704	462,704	462,704	462,704
9	Total	\$ 9,937,104	\$ 10,562,408	\$ 11,258,886	\$ 11,878,457	\$ 12,394,685	\$ 12,940,124
10	Ord Sewer Revenues						
11	Sewer Sales	\$ 2,471,605	\$ 2,717,510	\$ 2,911,401	\$ 3,061,881	\$ 3,217,215	\$ 3,382,109
12	Capacity Charge	948,431	967,400	986,748	1,006,483	1,026,612	1,047,144
13	Fees & Permits	129,500	125,000	125,000	125,000	125,000	125,000
14	Other Revenues	120,264	120,000	120,000	120,000	120,000	120,000
15	Total	\$ 3,669,800	\$ 3,929,910	\$ 4,143,149	\$ 4,313,364	\$ 4,488,828	\$ 4,674,253
16	Marina Water Revenues						
17	Water Sales	\$ 3,777,335	\$ 3,841,349	\$ 4,034,531	\$ 4,238,470	\$ 4,451,886	\$ 4,674,304
18	Capacity Charge	44,356	44,800	45,248	45,700	46,157	46,619
19	Fire System Charge	86,895	87,764	92,187	96,833	101,714	106,840
20	Fees & Permits	16,050	16,050	16,050	16,050	16,050	16,050
21	Non-Operating Revenues	161,948	161,948	161,948	161,948	161,948	161,948
22	Total	\$ 4,086,584	\$ 4,151,911	\$ 4,349,964	\$ 4,559,001	\$ 4,777,755	\$ 5,005,761
23	Marina Sewer Revenues						
24	Sewer Sales	\$ 1,147,855	\$ 1,348,894	\$ 1,416,878	\$ 1,488,289	\$ 1,563,298	\$ 1,642,089
25	Capacity Charge	25,663	25,920	26,179	26,441	26,705	26,972
26	Fees & Permits	-	-	-	-	-	-
27	Other Revenues	48,309	48,309	48,309	48,309	48,309	48,309
28	Total	\$ 1,221,828	\$ 1,423,123	\$ 1,491,366	\$ 1,563,038	\$ 1,638,313	\$ 1,717,370
29	Total	\$ 18,917,334	\$ 20,069,371	\$ 21,245,385	\$ 22,315,882	\$ 23,301,603	\$ 24,339,531

Operations and Maintenance Budget

		Adopted FYE 2018	Forecasted --> FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
30	EXPENSES						
31	Ord Expenditures						
32	Water Administration						
33	Salaries & Benefits	\$ 1,196,248	\$ 1,234,528	\$ 1,274,033	\$ 1,314,802	\$ 1,356,875	\$ 1,400,295
34	Department Expense	803,393	829,102	855,633	883,013	911,269	940,430
35	Interest Expense	1,555,536	1,712,186	1,794,428	1,357,304	1,481,623	1,479,895
36	Franchise & Admin Fee	494,230	510,045	526,367	543,211	560,593	
37	Subtotal	\$ 4,049,407	\$ 4,285,860	\$ 4,450,460	\$ 4,098,329	\$ 4,310,361	\$ 3,820,620
38	Water Laboratory						
39	Salaries & Benefits	\$ 132,877	\$ 137,129	\$ 141,517	\$ 146,046	\$ 150,719	\$ 155,542
40	Dept. Expenses	98,935	102,101	105,368	108,740	112,220	115,811
41	Subtotal	\$ 231,812	\$ 239,230	\$ 246,885	\$ 254,786	\$ 262,939	\$ 271,353
42	Water Coservation						
43	Salaries & Benefits	\$ 174,203	\$ 179,777	\$ 185,530	\$ 191,467	\$ 197,594	\$ 203,917
44	Dept. Expenses	104,732	108,083	111,542	115,111	118,795	122,596
45	Subtotal	\$ 278,935	\$ 287,861	\$ 297,072	\$ 306,579	\$ 316,389	\$ 326,514
46	Water Engineering						
47	Salaries & Benefits	\$ 409,903	\$ 423,020	\$ 436,557	\$ 450,526	\$ 464,943	\$ 479,821
48	Dept. Expenses	935,998	965,950	996,860	1,028,760	1,061,680	1,095,654
49	Subtotal	\$ 1,345,901	\$ 1,388,970	\$ 1,433,417	\$ 1,479,286	\$ 1,526,623	\$ 1,575,475
50	GSA Project & Desal						
51	Consultant Fees		585,955	585,955			
52	Montioring Costs				310,000	310,000	310,000
53	RUWAP Debt					412,984	412,984
54	RUWAP O&M			296,845	399,897	412,694	425,900
55	Subtotal	\$ -	\$ 585,955	\$ 882,801	\$ 709,897	\$ 1,135,678	\$ 1,148,884
56	Water O&M						
57	Salaries & Benefits	\$ 705,045	\$ 727,606	\$ 750,889	\$ 774,918	\$ 799,715	\$ 825,306
58	Department Expense	1,039,620	1,072,888	1,107,220	1,142,651	1,179,216	1,216,951
59	Power		-	-	-	-	-
60	Maint & Equipment		-	-	-	-	-
60	Subtotal	\$ 1,744,665	\$ 1,800,494	\$ 1,858,110	\$ 1,917,569	\$ 1,978,931	\$ 2,042,257
61	Total Ord Water Expenditures	\$ 7,650,719	\$ 8,588,370	\$ 9,168,745	\$ 8,766,446	\$ 9,530,921	\$ 9,185,103
62	Net Ord Water Revenues	\$ 2,286,385	\$ 1,974,037	\$ 2,090,141	\$ 3,112,011	\$ 2,863,764	\$ 3,755,021
63	Sewer Administration						
64	Salaries & Benefits	\$ 308,657	\$ 318,534	\$ 328,728	\$ 339,247	\$ 350,103	\$ 361,306
65	Department Expense	201,251	207,691	214,337	221,196	228,274	235,579
66	Interest Expense	518,512	662,327	811,973	706,824	707,344	706,768
67	Franchise & Admin Fee	172,295	177,808	183,498	189,370	195,430	201,684
68	Subtotal	\$ 1,200,715	\$ 1,366,361	\$ 1,538,536	\$ 1,456,637	\$ 1,481,151	\$ 1,505,337
69	Sewer O&M						
70	Salaries & Benefits	\$ 410,762	\$ 423,906	\$ 437,471	\$ 451,470	\$ 465,917	\$ 480,827
71	Department Expense	211,465	218,232	225,215	232,422	239,860	247,535
72	Power		-	-	-	-	-
73	Maint & Equipment		-	-	-	-	-
74	Subtotal	\$ 622,227	\$ 642,138	\$ 662,687	\$ 683,893	\$ 705,777	\$ 728,362
75	Sewer Engineering						
76	Salaries & Benefits	\$ 67,813	\$ 69,983	\$ 72,222	\$ 74,534	\$ 76,919	\$ 79,380
77	Dept. Expenses	184,518	190,423	196,516	202,805	209,294	215,992
78	Subtotal	\$ 252,331	\$ 260,406	\$ 268,739	\$ 277,338	\$ 286,213	\$ 295,372
79	Total Ord Sewer Expenditures	\$ 2,075,273	\$ 2,268,905	\$ 2,469,961	\$ 2,417,868	\$ 2,473,142	\$ 2,529,071
80	Net Ord Sewer Revenues	\$ 1,594,527	\$ 1,661,006	\$ 1,673,188	\$ 1,895,495	\$ 2,015,686	\$ 2,145,182

Operations and Maintenance Budget

		Adopted	Forecasted -->				
		FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
81	Marina Expenditures						
82	Water Administration						
83	Salaries & Benefits	\$ 553,862	\$ 571,586	\$ 589,876	\$ 608,752	\$ 628,232	\$ 648,336
84	Department Expense	375,845	387,872	400,284	413,093	426,312	439,954
85	Interest Expense	631,937	630,201	616,205	438,623	439,257	438,555
86	Franchise & Admin Fee	-	-	-	-	-	-
87	Subtotal	\$ 1,561,644	\$ 1,589,659	\$ 1,606,365	\$ 1,460,469	\$ 1,493,801	\$ 1,526,845
88	Water O&M						
89	Salaries & Benefits	\$ 662,770	\$ 683,978	\$ 705,866	\$ 728,453	\$ 751,764	\$ 775,820
90	Department Expense	373,255	385,199	397,526	410,246	423,374	436,922
91	Power	-	-	-	-	-	-
92	Maint & Equipment	-	-	-	-	-	-
93	Subtotal	\$ 1,036,025	\$ 1,069,177	\$ 1,103,391	\$ 1,138,700	\$ 1,175,138	\$ 1,212,742
94	Water Laboratory						
95	Salaries & Benefits	\$ 62,529	\$ 64,530	\$ 66,595	\$ 68,726	\$ 70,925	\$ 73,195
96	Dept. Expenses	43,736	45,136	46,580	48,070	49,609	51,196
97	Subtotal	\$ 106,265	\$ 109,665	\$ 113,175	\$ 116,796	\$ 120,534	\$ 124,391
98	Water Coservation						
99	Salaries & Benefits	\$ 81,978	\$ 84,601	\$ 87,309	\$ 90,102	\$ 92,986	\$ 95,961
100	Dept. Expenses	118,518	122,311	126,225	130,264	134,432	138,734
101	Subtotal	\$ 200,496	\$ 206,912	\$ 213,533	\$ 220,366	\$ 227,418	\$ 234,695
102	GSA Project & Desal						
103	Consultant Fees		359,134	359,134			
104	Montioring Costs				190,000	190,000	190,000
105	RUWAP Debt					449,248	449,248
106	RUWAP O&M			\$ 329,337	\$ 435,013	448,933	463,299
107	Subtotal	\$ -	\$ 359,134	\$ 688,471	\$ 625,013	\$ 1,088,181	\$ 1,102,547
108	Water Engineering						
109	Salaries & Benefits	\$ 201,013	\$ 207,445	\$ 214,084	\$ 220,934	\$ 228,004	\$ 235,300
110	Dept. Expenses	246,925	254,827	262,981	271,396	280,081	289,044
111	Subtotal	\$ 447,938	\$ 462,272	\$ 477,065	\$ 492,331	\$ 508,085	\$ 524,344
112	Total Marina Water Expenses	\$ 3,352,367	\$ 3,796,819	\$ 4,202,000	\$ 4,053,674	\$ 4,613,158	\$ 4,725,565
113	Marina Water Net Revenue	\$ 734,217	\$ 355,092	\$ 147,964	\$ 505,327	\$ 164,598	\$ 280,196
114	Sewer Administration						
115	Salaries & Benefits	\$ 154,329	\$ 159,267	\$ 164,364	\$ 169,623	\$ 175,051	\$ 180,653
116	Department Expense	101,007	104,239	107,575	111,017	114,570	118,236
117	Interest Expense	92,434	162,035	161,590	158,001	112,468	112,630
118	Franchise & Admin Fee	-	-	-	-	-	-
119	Subtotal	\$ 347,770	\$ 425,541	\$ 433,529	\$ 438,642	\$ 402,089	\$ 411,519
120	Sewer O&M						
121	Salaries & Benefits	\$ 195,884	\$ 202,152	\$ 208,621	\$ 215,297	\$ 222,187	\$ 229,297
122	Department Expense	24,523	25,308	26,118	26,953	27,816	28,706
123	Power	10,376	10,708	11,051	11,404	11,769	12,146
124	Maint & Equipment	1,355	1,398	1,443	1,489	1,537	1,586
125	Subtotal	\$ 232,138	\$ 239,567	\$ 247,233	\$ 255,144	\$ 263,309	\$ 271,735
126	Sewer Engineering						
127	Salaries & Benefits	\$ 247,007	\$ 254,911	\$ 263,068	\$ 271,486	\$ 280,174	\$ 289,140
128	Dept. Expenses	48,310	49,856	51,451	53,098	54,797	56,550
129	Subtotal	\$ 295,317	\$ 304,767	\$ 314,520	\$ 324,584	\$ 334,971	\$ 345,690
	Marina Sewer Total Expenses	\$ 875,225	\$ 969,875	\$ 995,281	\$ 1,018,370	\$ 1,000,368	\$ 1,028,944
	Marina Sewer Net Revenue	\$ 346,603	\$ 453,247	\$ 496,085	\$ 544,668	\$ 637,944	\$ 688,426

Marina Coast Water District DRAFT Five-Year CIP (unescalated from FYE 2017)																
CIP No.	PROJECT DESCRIPTION	FY 2016-17 Remaining	FY 2017-18 Approved	FY 2018-19 Proposed	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Proposed	FY 2022-23 Proposed	OUT YEARS	TOTAL	CATEGORY	% Ord Water	% Ord Sewer	% Marina Water	% Marina Sewer	% Current users
Marina Water																
MW-0238	Well 12 Rehabilitation and Pump Replacement	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	E			100%		100%
MW-0111	Beach Road Pipeline	\$0	\$0	\$0	\$150,000	\$344,815	\$0	\$0	\$0	\$494,815	E			100%		100%
MW-0163	Repair & Recoat Reservoir 2	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	\$500,000	E			100%		100%
MW-0109	Lake Court Waterline Extension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	S			100%		0%
MW-0201	Salinas Ave Pipeline Extension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450,000	\$450,000	E			100%		100%
MW-0202	Reservoir 2 Demolition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$710,000	\$710,000	E			100%		100%
Marina Sewer																
MS-0133	Replace Lift Station No. 5 (Cosky) - In Construction	\$688,545	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$688,545	E				100%	100%
MS-0143	Lift Station No. 6 Replacement	\$0	\$0	\$0	\$700,000	\$0	\$0	\$0	\$0	\$700,000	E				100%	100%
MS-0202	Carmel Ave Sewer Main Imp Project	\$0	\$0	\$0	\$60,000	\$330,000	\$0	\$0	\$0	\$390,000	E				100%	100%
MS-0138	Hillcrest Ave/Sunset Ave Sewer Main Imp. Project	\$0	\$0	\$0	\$0	\$60,000	\$300,000	\$0	\$0	\$360,000	E				100%	100%
MS-0141	Reservation Rd from Nicklas Lane to Crescent Ave.	\$0	\$0	\$0	\$0	\$0	\$598,000	\$0	\$0	\$598,000	E				100%	100%
MS-0172	Reservation Rd from Crescent to Seacrest	\$0	\$0	\$0	\$0	\$0	\$0	\$654,000	\$0	\$654,000	E				100%	100%
MS-0203	Abdy Way & Paul Davis Dr Sewer Main Imps Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,116,000	\$1,116,000	S				100%	0%
MS-0205	Del Monte/Reservation Road Sewer Main Imp. Project I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$240,000	\$240,000	M				100%	0%
MS-0137	Del Monte/Reservation Road Sewer Main Imp. Project II	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,000	\$375,000	M				100%	0%
MS-0201	Armstrong Ranch Sewer Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,428,600	\$5,428,600	M				100%	0%
MS-0207	Marina WWTP Demolition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$883,300	\$883,300	E				100%	100%
				Category Legend												
				100%	E	CIP supports existing Infrastructure										
				0%	EDS	Eastern Distribution System (inland well-field)										
				0%	S	CIP supports a single parcel's or owner's project										
				0%	M	CIP supports projects for multiple parcels or owners										

Marina Coast Water District DRAFT Five-Year CIP (unescalated from FYE 2017)																
CIP No.	PROJECT DESCRIPTION	FY 2016-17 Remaining	FY 2017-18 Approved	FY 2018-19 Proposed	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Proposed	FY 2022-23 Proposed	OUT YEARS	TOTAL	CATEGORY	% Ord Water	% Ord Sewer	% Marina Water	% Marina Sewer	% Current users
OW-0000	Ord Water															
OW-0206	Inter-Garrison Road Pipeline Up-Sizing - In Design	\$10,000	\$119,825	\$0	\$0	\$0	\$0	\$0	\$0	\$129,825	E	100%				100%
OW-0193	Imjin Parkway Pipeline, Reservation Rd to Abrams Drive	\$0	\$102,000	\$800,000	\$0	\$0	\$0	\$0	\$0	\$902,000	E	100%				100%
OW-0202	South Boundary Road Pipeline	\$0	\$205,000	\$0	\$1,300,000	\$0	\$0	\$0	\$0	\$1,505,000	M	100%				0%
OW-0201	Gigling Transmission from D Booster to JM Blvd	\$0	\$0	\$125,000	\$0	\$400,000				\$525,000	E	100%				100%
OW-0230	Wellfield Main 2B -Well 31 to Well 34	\$0	\$0	\$0	\$170,000	\$0	\$200,000	\$540,000	\$0	\$910,000	E	100%				100%
OW-0127	CSUMB Pipeline Up-Sizing -Commercial Fireflow	\$0	\$0	\$0	\$100,000	\$0	\$100,000	\$0	\$150,000	\$350,000	E	100%				100%
OW-0211	Eastside Parkway (D-Zone pipeline)	\$0	\$0	\$0	\$420,000	\$2,500,000	\$0	\$0	\$0	\$2,920,000	M	100%				0%
OW-0203	7th Avenue and Gigling Rd	\$0	\$0	\$70,000	\$200,000					\$270,000	E	100%				100%
OW-0129	Rehabilitate Well 31	\$0	\$0	\$0	\$0	\$0	\$0	\$1,710,000	\$0	\$1,710,000	E	100%				100%
OW-0122	Replace D & E Reservoir Off-Site Piping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100,000	\$1,100,000	E	100%				100%
OW-0167	2nd Ave extension to Gigling Rd	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	E	100%				100%
OW-0118	B4" Zone Tank @ East Garrison "	\$0	\$0	\$0	\$0	\$0	\$0	\$3,100,000	\$0	\$3,100,000	S	100%				0%
OW-0212	Reservoir D2" + D-BPS Up-Size "	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000	E	100%				100%
OW-0208	Pipeline Up-Sizing -to Stockade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$710,000	\$710,000	S	100%				0%
OW-0209	Pipeline Up-Sizing -between Dunes & MainGate	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000	M	100%				0%
OW-0210	Sand Tank Demolition	\$0	\$0	\$0	\$0	\$0	\$0	\$540,000	\$0	\$540,000	E	100%				100%
OW-0204	2nd Ave Connection, Reindollar to Imjin Pkwy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,215,000	\$1,215,000	E	100%				100%
OW-0214	Imjin Road, 8th St. to Imjin Pkwy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100,000	\$1,100,000	E	100%				100%
OW-0121	C2" to "B4" Pipeline and PRV Station "	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,410,000	\$1,410,000	S	100%				0%
OW-0171	Eucalyptus Rd Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,350,000	\$2,350,000	M	100%				0%
OW-0213	Reservoir B4/B5 to East Garrison Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$260,000	\$260,000	S	100%				0%
OW-0216	UCMBEST Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$762,500	\$762,500	S	100%				0%
OW-0217	Reservation Road, Imjin to MBEST Drive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$727,000	\$727,000	M	100%				0%
OW-0218	Golf Boulevard Transmission Line	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100,000	\$1,100,000	M	100%				0%
OW-0219	B5" Zone Tank @ East Garrison " & Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,600,000	\$3,600,000	S	100%				0%
OW-0231	Wellfield Main 3A -Intergarrison to ASP Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,550,000	\$3,550,000	E	100%				100%
OW-0232A	Install Well 36 -Retire Well 29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$3,000,000	E	100%				100%
OW-0232B	Wellfield Main 1B -between Wells 36 and 35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,200,000	\$3,200,000	E	100%				100%
OW-0233	Wellfield Main 1C (Parallel) Well 36 to ASP Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,750,000	\$3,750,000	M	100%				0%
OW-0234	B-BPS at ASP Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,355,000	\$1,355,000	M	100%				0%
OW-0235	Ord Well-head Disinfection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,750,000	\$2,750,000	M	100%				0%

Marina Coast Water District																
DRAFT Five-Year CIP (unescalated from FYE 2017)																
CIP No.	PROJECT DESCRIPTION	FY 2016-17 Remaining	FY 2017-18 Approved	FY 2018-19 Proposed	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Proposed	FY 2022-23 Proposed	OUT YEARS	TOTAL	CATEGORY	% Ord Water	% Ord Sewer	% Marina Water	% Marina Sewer	% Current users
OS-0000	Ord Sewer															
OS-0147	Ord Village Sewer Pipeline & Lift Station Impr Project	\$110,000	\$610,000	\$0	\$0	\$0	\$0	\$0	\$0	\$720,000	E		100%			100%
OS-0205	Imjin LS & Force Main Improvements-Phase 1	\$0	\$650,000	\$0	\$0	\$0	\$0	\$0	\$0	\$650,000	M		100%			0%
OS-0152	Hatten, Booker, Neeson LS Improvements Project	\$0	\$0	\$525,000	\$0	\$0	\$0	\$0	\$400,000	\$925,000	E		100%			100%
OS-0203	Gigling LS and FM Improvements -In Design	\$65,000	\$0	\$0	\$2,125,000	\$0	\$0	\$0	\$0	\$2,190,000	E		100%			100%
OS-0153	Misc. Lift Station Improvements	\$0	\$0	\$0	\$561,000	\$929,000	\$0	\$0	\$0	\$1,490,000	E		100%			100%
OS-0209	Imjin LS & Force Main Improvements-Phase 2	\$0	\$0	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000	E		100%			100%
OS-0154	Del Rey Oaks-Collection System Planning	\$0	\$0	\$0	\$0	\$70,000	\$0	\$0	\$0	\$70,000	S		100%			0%
OS-0202	SCSD Sewer Improvements-DRO	\$0	\$0	\$0	\$0	\$502,454	\$0	\$0	\$1,537,510	\$2,039,964	S		100%			0%
OS-0204	CSUMB Developments	\$0	\$0	\$0	\$0	\$625,000	\$0	\$0	\$0	\$625,000	S		100%			0%
OS-0207	Seaside Resort Sewer Imps. Project	\$0	\$0	\$0	\$0	\$0	\$330,000	\$0	\$0	\$330,000	S		100%			0%
OS-0149	Dunes Sewer Pipeline Replacement Projects	\$0	\$0	\$0	\$0	\$0	\$465,000	\$0	\$0	\$465,000	M		100%			0%
OS-0208	Parker Flats Collection System	\$0	\$0	\$0	\$0	\$105,000	\$0	\$0	\$0	\$105,000	M		100%			0%
OS-0151	Cypress Knolls Sewer Pipeline Improvements Project	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	S		100%			0%
OS-0215	Demolish Ord Main Garrison WWTP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,625,000	\$1,625,000	E		100%			100%
OS-0148	Marina Heights Sewer Pipeline Improvements Project	\$0	\$0	\$0	\$0	\$0	\$0	\$830,000	\$0	\$830,000	M		100%			0%
OS-0150	East Garrison Lift Station Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$550,000	\$550,000	E		100%			100%
OS-0206	Fitch Park Sewer Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,071	\$127,071	S		100%			0%
OS-0210	1st Ave Sewer Pipeline Replacement Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$410,000	\$410,000	M		100%			0%
OS-0211	Gen'l Jim Moore Sewer Pipeline Replacement Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	M		100%			0%
OS-0212	Gen'l Jim Moore Sewer Pipeline Replacement Project III	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,000	\$185,000	M		100%			0%
OS-0214	Intergarrison/8th Ave SS (for Eastside Pkwy developments)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	M		100%			0%
OS-0213	MRWPCA Buy-In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,100,000	\$11,100,000	M		100%			0%
OS-0216	SCSD Sewer Improvements-Seaside East	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,500,000	\$6,500,000	S		100%			0%
OS-0217	SCSD Sewer Improvements-City of Monterey	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400,000	\$1,400,000	S		100%			0%
Category Legend																
E= CIP supports existing Infrastructure																
EDS= Eastern Distribution System (inland well-field)																
S= CIP supports a single parcel's or owner's project																
M= CIP supports projects for multiple parcels or owners																

Marina Coast Water District DRAFT Five-Year CIP (unescalated from FYE 2017)																
CIP No.	PROJECT DESCRIPTION	FY 2016-17 Remaining	FY 2017-18 Approved	FY 2018-19 Proposed	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Proposed	FY 2022-23 Proposed	OUT YEARS	TOTAL	CATEGORY	% Ord Water	% Ord Sewer	% Marina Water	% Marina Sewer	% Current users
General Water (32% Marina, 68% Ord)																
GW-0112	A1 & A2 Zone Tanks & B/C Booster Station - LandAcquisition Issue	\$3,644,720	\$0	\$3,265,000	\$3,370,000	\$0	\$0	\$0	\$0	\$10,279,720	M	68%		32%		50%
GW-0123	B2" Zone Tank @ CSUMB "	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,415,000	\$2,615,000	M	68%		32%		0%
GW-0210	Reservoir A3 (1.6 MG)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,470,000	\$3,470,000	M	68%		32%		0%
GW-0231	Install Well 37 -Retire well 12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS	68%		32%		0%
GW-0232	Install Well 38 -Retire well 10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS	68%		32%		0%
GW-0233	A-BPS at ASP Bldg + Forebay Tank	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,670,000	\$1,670,000	EDS	68%		32%		0%
GW-0234	Install Well 39 -Retire Well 30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS	68%		32%		0%
GW-0235	B-BPS Expansion and Transmission to A1/A2 Tanks	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,100,000	\$13,100,000	EDS	68%		32%		0%
GW-0236	Install Well 40 -Retire Well 11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS	68%		32%		0%
GW-0237	Install Well 41 -Retire Well 31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,250,000	\$6,250,000	EDS	68%		32%		0%
General Sewer (37% Marina, 63% Ord)																
GS-0200	Odor Control Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	\$120,000	E		65%		35%	100%
GS-0201	Del Monte/Reservation Road Sewer Main Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000	E		65%		35%	100%
Water District-Wide (27% MW, 7%MS, 54%OW, 12%OS)																
WD-0106	Corp Yard Demolition & Rehab	\$0	\$120,000	\$450,000	\$0	\$500,000	\$3,000,000	\$0	\$2,000,000	\$6,070,000	E	54%	14%	25%	7%	80%
WD-0110	Asset Management Program -Phase II	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	E	54%	14%	25%	7%	100%
WD-0110A	Asset Management Program --Phase III	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	E	54%	14%	25%	7%	100%
WD-0115	SCADA System Improvements -Phase II - Designed	\$311,987	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$311,987	E	54%	14%	25%	7%	100%
WD-0115A	SCADA System Improvements (Security + RD integration)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$410,000	\$410,000	E	54%	14%	25%	7%	100%
Shared Project Costs																
	Marina Water Cost Center Share	\$1,308,307	\$30,000	\$1,157,300	\$1,078,400	\$125,000	\$750,000	\$0	\$17,337,100	\$21,786,107						
	Marina Sewer Cost Center Share	\$21,839	\$8,400	\$31,500	\$0	\$35,000	\$210,000	\$0	\$349,850	\$656,589						
	Ord Water Cost Center Share	\$1,398,783	\$64,800	\$1,287,800	\$1,078,400	\$270,000	\$1,620,000	\$0	\$18,181,000	\$23,900,783						
	Ord Sewer Cost Center Share	\$43,678	\$16,800	\$63,000	\$0	\$70,000	\$420,000	\$0	\$656,250	\$1,269,728						
Total Costs																
	Marina Water	\$1,308,307	\$430,000	\$1,157,300	\$1,228,400	\$469,815	\$750,000	\$500,000	\$18,997,100	\$24,840,922						
	Marina Sewer	\$710,384	\$8,400	\$31,500	\$760,000	\$425,000	\$1,108,000	\$654,000	\$8,392,750	\$12,090,034						
	Ord Water	\$1,408,783	\$491,625	\$2,282,800	\$3,268,400	\$3,170,000	\$1,920,000	\$6,190,000	\$54,545,500	\$73,277,108						
	Ord Sewer	\$218,678	\$1,276,800	\$2,088,000	\$2,686,000	\$2,301,454	\$1,315,000	\$830,000	\$24,540,831	\$35,256,763						
	Total	\$3,646,153	\$2,206,825	\$5,559,600	\$7,942,800	\$6,366,269	\$5,093,000	\$8,174,000	\$106,476,181	\$145,464,828						
Total Costs - Current Users Only																
	Marina Water	\$661,152	\$424,000	\$612,400	\$689,200	\$444,815	\$600,000	\$500,000	\$3,931,567							
	Marina Sewer	\$710,384	\$6,720	\$25,200	\$760,000	\$418,000	\$1,066,000	\$654,000	\$3,640,304							
	Ord Water	\$1,417,678	\$273,665	\$2,299,500	\$1,615,800	\$616,000	\$1,596,000	\$2,790,000	\$10,608,643							
	Ord Sewer	\$218,678	\$623,440	\$2,075,400	\$2,686,000	\$985,000	\$336,000	\$0	\$6,924,518							
	Total	\$3,007,892	\$1,327,825	\$5,012,500	\$5,751,000	\$2,463,815	\$3,598,000	\$3,944,000	\$25,105,032							
Water Augmentation																
RW-0156	RUWAP ATW - Normandy to MRWPCA	\$4,000,000	\$17,000,000	\$10,729,468	\$0	\$0	\$0		\$0	\$31,729,468						
	RUWAP - Distribution System	\$0	\$0	\$5,000,000	\$6,440,000	\$0	\$0		\$0	\$11,440,000						
		\$4,000,000	\$17,000,000	\$15,729,468	\$6,440,000	\$0	\$0	\$0	\$0	\$43,169,468						

Marina Coast Water District
Water and Sewer Functional Allocation

Line #	Allocation Index		Customer	Capacity	Base	Peak	Sewer	As All Others
1	Customer Only	Costs that are common to all accounts	100%					0%
2	Capacity Only	Costs that vary based on demand or engineering metrics		100%				0%
3	Base Only	Water costs that are common across all unit of demand			100%			0%
4	Ord Peak Only	Water costs that increase based on peak or demand				100%		0%
5	Marina Peak Only	Water costs that increase based on peak or demand				100%		0%
6	Recycled Only	Costs specifically related to the Recycled Water						100%
7	Ord System Peaking	Costs that are common to Base/Peak, but allocated based			41%	59%		0%
8	Marina System Peaking	Costs that are common to Base/Peak, but allocated based			44%	56%		0%
9	Ord Capacity / Peaking	Capital costs that are split between the fixed charge and		25%	31%	44%		0%
10	Marina Capacity / Peaking	Capital costs that are split between the fixed charge and		25%	33%	42%		0%
11	Fixed (Water)	Fixed costs that may be shared between functions		100%				0%
12	Capacity/Base	Split between capacity and base		50%	50%			0%
13	Conveyance	Costs that are incurred due to flow (conveyance)		50%			50%	0%
14	Customer/Capacity	Based on a detailed analysis of G&A line-item costs	50%	50%				0%
15	As All Others	Catch all basis that uses the weighted average of the						100%
16	Sewer/Water	Fixed Allocation		50%			50%	0%
17	Sewer Flow	Sewer costs related to sewage flow					100%	

	5 Year Average	Allocation Basis	Customer	Capacity	Base	Peak	Sewer	As All Others
22	Ord Expenditures							
23	Water Administration							
24	Salaries & Benefits	\$ 1,295,059	Customer/Capacity	\$ 647,530	\$ 647,530	\$ -	\$ -	\$ -
25	Department Expense	\$ 869,754	Customer/Capacity	\$ 434,877	\$ 434,877	\$ -	\$ -	\$ -
26	Interest Expense	\$ 1,586,385	Capacity Only	\$ -	\$ 1,586,385	\$ -	\$ -	\$ -
27	Franchise & Admin Fee	\$ 535,054	Capacity/Base	\$ -	\$ 267,527	\$ 267,527	\$ -	\$ -
28	Water Laboratory							
29	Salaries & Benefits	\$ 143,853	Customer/Capacity	\$ 71,926	\$ 71,926	\$ -	\$ -	\$ -
30	Dept. Expenses	\$ 107,107	Customer/Capacity	\$ 53,554	\$ 53,554	\$ -	\$ -	\$ -
31	Water Conservation							
32	Salaries & Benefits	\$ 188,592	Ord Peak Only	\$ -	\$ -	\$ 188,592	\$ -	\$ -
33	Dept. Expenses	\$ 113,383	Ord Peak Only	\$ -	\$ -	\$ 113,383	\$ -	\$ -
34	Water Engineering							
35	Salaries & Benefits	\$ 443,761	Ord System Peaking	\$ -	\$ -	\$ 181,517	\$ 262,244	\$ -
36	Dept. Expenses	\$ 1,013,313	Ord System Peaking	\$ -	\$ -	\$ 414,488	\$ 598,824	\$ -
37	Water O&M							
38	Salaries & Benefits	\$ 763,282	Ord System Peaking	\$ -	\$ -	\$ 312,215	\$ 451,067	\$ -
39	Department Expense	\$ 1,125,494	Ord System Peaking	\$ -	\$ -	\$ 460,375	\$ 665,119	\$ -
40	Power	\$ -	Ord Capacity / Peaking	\$ -	\$ -	\$ -	\$ -	\$ -
41	Maint & Equipment	\$ -	Ord Capacity / Peaking	\$ -	\$ -	\$ -	\$ -	\$ -
42	Sewer Administration							
43	Salaries & Benefits	\$ 334,153	Sewer Flow	\$ -	\$ -	\$ -	\$ 334,153	\$ -
44	Department Expense	\$ 217,875	Sewer Flow	\$ -	\$ -	\$ -	\$ 217,875	\$ -
45	Interest Expense	\$ 722,117	Sewer Flow	\$ -	\$ -	\$ -	\$ 722,117	\$ -
46	Franchise & Admin Fee	\$ 186,527	Sewer Flow	\$ -	\$ -	\$ -	\$ 186,527	\$ -
47	Sewer O&M							
48	Salaries & Benefits	\$ 444,691	Sewer Flow	\$ -	\$ -	\$ -	\$ 444,691	\$ -
49	Department Expense	\$ 228,932	Sewer Flow	\$ -	\$ -	\$ -	\$ 228,932	\$ -
50	Power	\$ -	Sewer Flow	\$ -	\$ -	\$ -	\$ -	\$ -
51	Maint & Equipment	\$ -	Sewer Flow	\$ -	\$ -	\$ -	\$ -	\$ -
52	Sewer Engineering							
53	Salaries & Benefits	\$ 73,414	Sewer Flow	\$ -	\$ -	\$ -	\$ 73,414	\$ -
54	Dept. Expenses	\$ 199,759	Sewer Flow	\$ -	\$ -	\$ -	\$ 199,759	\$ -
			\$ 1,207,887	\$ 3,061,799	\$ 1,636,123	\$ 2,279,230	\$ 2,407,469	\$ -
55	Ord Water Allocation		15%	37%	20%	28%	0%	
56	Ord Sewer Allocation		0%	0%	0%	0%	100%	

57	Marina Expenditures							
58	Water Administration							
59	Salaries & Benefits	\$ 599,612	Customer/Capacity	\$ 299,806	\$ 299,806	\$ -	\$ -	\$ -
60	Department Expense	\$ 406,890	Marina Capacity / Peaking	\$ -	\$ 101,723	\$ 134,583	\$ 170,585	\$ -
61	Interest Expense	\$ 531,072	Customer/Capacity	\$ 265,536	\$ 265,536	\$ -	\$ -	\$ -
62	Franchise & Admin Fee	\$ -	Marina System Peaking	\$ -	\$ -	\$ -	\$ -	\$ -
63	Water O&M							
64	Salaries & Benefits	\$ 717,515	Marina System Peaking	\$ -	\$ -	\$ 316,434	\$ 401,082	\$ -
65	Department Expense	\$ 404,086	Marina Capacity / Peaking	\$ -	\$ 101,022	\$ 133,655	\$ 169,409	\$ -
66	Power	\$ -	Marina System Peaking	\$ -	\$ -	\$ -	\$ -	\$ -
67	Maint & Equipment	\$ -	Marina System Peaking	\$ -	\$ -	\$ -	\$ -	\$ -
68	Water Laboratory							
69	Salaries & Benefits	\$ 67,694	Marina System Peaking	\$ -	\$ -	\$ 29,854	\$ 37,840	\$ -
70	Dept. Expenses	\$ 47,349	Marina System Peaking	\$ -	\$ -	\$ 20,881	\$ 26,467	\$ -
71	Water Conservation							
72	Salaries & Benefits	\$ 88,749	Marina Peak Only	\$ -	\$ -	\$ -	\$ 88,749	\$ -
73	Dept. Expenses	\$ 128,308	Marina Peak Only	\$ -	\$ -	\$ -	\$ 128,308	\$ -
74	Water Engineering							
75	Salaries & Benefits	\$ 217,617	Marina System Peaking	\$ -	\$ -	\$ 95,972	\$ 121,645	\$ -
76	Dept. Expenses	\$ 267,321	Marina System Peaking	\$ -	\$ -	\$ 117,892	\$ 149,429	\$ -
77	Sewer Administration							
78	Salaries & Benefits	\$ 167,076	Sewer Flow	\$ -	\$ -	\$ -	\$ 167,076	\$ -
79	Department Expense	\$ 109,350	Sewer Flow	\$ -	\$ -	\$ -	\$ 109,350	\$ -
80	Interest Expense	\$ 148,523	Sewer Flow	\$ -	\$ -	\$ -	\$ 148,523	\$ -
81	Franchise & Admin Fee	\$ -	Sewer Flow	\$ -	\$ -	\$ -	\$ -	\$ -
82	Sewer O&M							
83	Salaries & Benefits	\$ 212,064	Sewer Flow	\$ -	\$ -	\$ -	\$ 212,064	\$ -
84	Department Expense	\$ 26,549	Sewer Flow	\$ -	\$ -	\$ -	\$ 26,549	\$ -
85	Power	\$ 11,233	Sewer Flow	\$ -	\$ -	\$ -	\$ 11,233	\$ -
86	Maint & Equipment	\$ 1,467	Sewer Flow	\$ -	\$ -	\$ -	\$ 1,467	\$ -
87	Sewer Engineering							
88	Salaries & Benefits	\$ 267,410	Sewer Flow	\$ -	\$ -	\$ -	\$ 267,410	\$ -
89	Dept. Expenses	\$ 52,300	Sewer Flow	\$ -	\$ -	\$ -	\$ 52,300	\$ -
			\$ 565,342	\$ 768,086	\$ 849,271	\$ 1,293,514	\$ 995,974	\$ -
90	Marina Water Allocation		16%	22%	24%	37%	0%	
91	Marina Sewer Allocation		0%	0%	0%	0%	100%	