

REVISED 11-15-2013



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

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DIRECTORS

THOMAS P. MOORE
President

JAN SHRINER
Vice President

HOWARD GUSTAFSON
WILLIAM Y. LEE
PETER LE

Agenda

Regular Board Meeting, Board of Directors Marina Coast Water District

211 Hillcrest Avenue, Marina, California

Monday, November 18, 2013, **6:00 p.m.** PST

(Please note the earlier start time)

This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the first and third Monday of each month. The meetings normally begin at 6:45 p.m. and are held at the City of Marina Council Chambers at 211 Hillcrest Avenue, Marina, California.

Mission: *Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Vision: *The Marina Coast Water District will be the leading public supplier of integrated water and wastewater services in the Monterey Bay Region.*

ALL PROTESTS TO THE PROPOSED CENTRAL MARINA WATER AND WASTEWATER RATES MUST BE SUBMITTED TO THE BOARD SECRETARY BY NOT LATER THAN 7:00 PM AT THIS MEETING. ANY PROTESTS SUBMITTED AFTER THAT TIME SHALL BE REJECTED AS LATE AND SHALL NOT BE CONSIDERED

1. Call to Order

2. Roll Call

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

4. Closed Session

- A. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Section 54956.9)

This agenda is subject to revision and may be amended prior to the scheduled meeting. A final agenda will be posted at the District office at 11 Reservation Road, Marina, 72 hours prior to the meeting. Copies will also be available at the Board meeting. A complete Board packet containing all enclosures and staff materials will be available for public review on Thursday, November 14, 2013 at the District office, Marina and Seaside City Halls, and at the Marina and Seaside Libraries. Information about items on this agenda or persons requesting disability related modifications and/or accommodations can contact the Board Clerk at: 831-883-5910. The next regular meeting of the Board of Directors is scheduled for December 2, 2013.

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

2) In the Matter of the Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, California Public Utilities Commission No. A.12-04-019

3) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, Monterey County Superior Court Case No. M120053 (Complaint for Declaratory Relief)

6:30 p.m. Reconvene Open Session (Please note the earlier start time)

5. Possible Action on Closed Session Items *The Board will report out on any action taken during Closed Session, and may take additional action in Open Session, as appropriate. Any closed session items not completed will be discussed at the end of the meeting.*

6. Pledge of Allegiance

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

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

A. Approve the Expenditures for the Month of October 2013

B. Approve the Draft Minutes of the Regular Board Meeting of October 21, 2013

9. Staff Report

A. Municipal Services Review Update From LAFCO

B. Armstrong Ranch Update

7:00 PM

ALL PROTESTS TO THE PROPOSED CENTRAL MARINA WATER AND WASTEWATER RATES MUST BE SUBMITTED TO THE BOARD SECRETARY BY NOT LATER THAN 7:00 PM AT THIS MEETING. ANY PROTESTS SUBMITTED AFTER THAT TIME SHALL BE REJECTED AS LATE AND SHALL NOT BE CONSIDERED

10. Public Hearing

- A. Receive Public Comment on Proposed Increases in District Rates, Fees, and Charges for the Central Marina Service Area
- B. General Manager's Verbal Report on the Result of Proposition 218 Protests to the Proposed Increases in District Rates, Fees, and Charges for the Central Marina Service Area

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

- A. Approval by the Board of Directors of the Proposition 218 Protest Count and Determination by the Board of Directors Whether a Valid Majority Protest Occurred

Action: The Board of Directors will consider approving the Proposition 218 protest count and determine whether a valid majority protest occurred.

12. 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 Clarification of Audit Process of the 2013 Audit

Action: Kenneth Pun, Managing Partner of the District's Independent Audit firm Pun & McGeady LLP, will provide clarification to the Board of the 2013 Annual Audit Process and give an update of the audit progress and schedule.

- B. Validate the Number of Proposition 218 Protests Tabulated on October 21, 2013 for the Proposed Increases in District Rates, Fees, and Charges for the Ord Community

Action: The Board of Directors will validate the number of protests tabulated on October 21, 2013 for the proposed increases in District rates, fees, and charges for the Ord Community.

- C. Consider Second Reading of the Altered Ordinance No. 56 Approving New District Rates, Fees & Charges for Marina Water and Wastewater

Action: The Board of Directors is asked to consider a second reading of the altered Ordinance No. 56 approving new District rates, fees and charges for Marina water and wastewater.

- D. Consider Adoption of Resolution No. 2013-57 to Amend Section 16 of the Board Procedures Manual

Action: The Board of Directors will discuss and consider amending Section 16 of the Board Procedures Manual.

13. 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

- Correspondence Received by Board or General Manager

B. Counsel's Report

C. Committee and Board Liaison Reports

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

14. Board Member Requests for Future Agenda Items

A. Board Member Requests

15. Director's Comments

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

*Regular Meeting: Monday, December 2, 2013, 6:45 p.m.,
Marina Council Chambers
211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: November 18, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of:

- A) Approve the Expenditures for the Month of October 2013
- B) Approve the Draft Minutes of the Regular Board Meeting of October 21, 2013

Environmental Review Compliance: None required.

Prior Committee or Board Action: See individual transmittals.

Board Goals/Objectives: *Mission Statement - Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: See individual transmittals.

Funding Source/Recap: See individual transmittals.

Material Included for Information/Consideration: See individual transmittals.

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

Action Required: _____Resolution X Motion _____Review
(Roll call vote is required.)

Board Action

_____Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: November 18, 2013

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Agenda Title: Approve the Expenditures for the Month of October 2013

Detailed Description: The Board of Directors is requested to approve the attached October 2013 check register for expenditures totaling \$1,006,244.26.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

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

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.

Material Included for Information/Consideration: October 2013 Summary Check Register.

Staff Recommendation: The Board of Directors approve the October 2013 expenditures totaling \$1,006,244.26.

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

Board Action

___ Resolution No ___ Motion By ___ Seconded By ___

Ayes ___ Abstained ___

Noes ___ Absent ___

Reagendized ___ Date ___ No Action Taken ___

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: November 18, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of October 21, 2013

Detailed Description: The Board of Directors is requested to approve the draft minutes of October 21, 2013.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: ___Yes ___X___No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft minutes of October 21, 2013.

Staff Recommendation: The Board of Directors approve the draft minutes of the October 21, 2013 regular Board meeting.

Action Required: ___Resolution ___X___Motion ___Review

Board Action

___Resolution No___ Motion By___ Seconded By___

Ayes___ Abstained___

Noes___ Absent___

Reagendized___ Date___ No Action Taken___

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: November 18, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Municipal Services Review Update From LAFCO

Detailed Description: The Board of Directors is requested to receive an update from LAFCO on the Municipal Services Review.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: ___ Yes ___ **X** No

Funding Source/Recap: None.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors receive an update from LAFCO on the Municipal Services Review.

Action Required: ___ Resolution ___ Motion ___ **X** Review

Board Action

___ Resolution No ___ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: November 18, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Armstrong Ranch Update

Detailed Description: The Board of Directors is requested to receive a staff report regarding potential lease or sale of Armstrong Ranch or a portion thereof.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: ___ Yes ___ **X** No

Funding Source/Recap: None.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors receive a staff report regarding the potential lease or sale of Armstrong Ranch or a portion thereof.

Action Required: ___ Resolution ___ Motion ___ **X** Review

Board Action

___ Resolution No ___ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-A

Meeting Date: November 18, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Approval by the Board of Directors of the Proposition 218 Protest Count and Determination by the Board of Directors Whether a Valid Majority Protest Occured

Detailed Description: The Board of Directors is requested to approve the Proposition 218 protest count and determine whether a valid majority protest occurred.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: ___Yes ___X___No

Funding Source/Recap: None.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors approve the Proposition 218 Protest count and determination by the Board of Directors whether a valid majority protest occurred.

Action Required: ___Resolution ___X___Motion ___Review

Board Action

___Resolution No___ Motion By___ Seconded By___

Ayes___ Abstained___

Noes___ Absent___

Reagendized___ Date___ No Action Taken___

Marina Coast Water District
Agenda Transmittal

Agenda Item: 12-B

Meeting Date: November 18, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Validate the Number of Proposition 218 Protests Tabulated on October 21, 2013 for the Proposed Increases in District Rates, Fees, and Charges for the Ord Community

Detailed Description: The Board of Directors is requested to validate the number of Proposition 218 protests that were tabulated on October 21, 2013 for the proposed increases in District rates, fees, and charges for the Ord Community.

The original Proposition 218 notices (a total of 6,492 notices) were sent to Central Marina and the Ord Community on September 6, 2013. A postcard with clarification on the Public Hearing date was sent to the Ord Community service area customers on October 4, 2013 (a total of 595 postcards). A revised Proposition 218 notice was sent to Central Marina service area customers with a Public Hearing date of November 18, 2013 on October 4, 2013 (a total of 5,226 notices).

Of those notices, 279 were returned for the following reasons: bad addresses; addressee unknown; forwarding time expired; unclaimed/vacant; no mail receptacle; and refused. The addresses were corrected on 115 notices and then remailed. Of the postcards sent on October 4, 2013 to Ord Community customers, 11 postcards were returned.

Following the closure of the Public Hearing on October 21, 2013, Mr. Brian Lee announced that the District currently provides services to 569 parcels in the Ord Community and for a successful protest, 285 protests needed to be received by 7:00 p.m. that evening. A parcel receiving service from the District, which includes water, sewer, or irrigation, was considered as a valid protest. A parcel that was not currently receiving service from the District was considered an invalid protest. A maximum of one protest is allowed for each parcel. If two protests were received for one parcel, one of the protests was considered a duplicate.

Staff provided an unofficial count of 246 valid protests received by 7:00 p.m. on October 21, 2013. Staff has recounted the protests three times and has verified and determined an official protest count for the Ord Community.

The total number of protests received by 7:00 p.m. on October 21, 2013 is as follows:

| | |
|---|-----------|
| Total number of protests received: | 1166 |
| Total number of protests invalid: | 884 |
| <u>Total number of protests duplicated:</u> | <u>31</u> |
| Total number of protests valid: | 251 |

In addition, three protests were received after 7:00 p.m.

Staff is requesting that the Board of Directors validate there was not a successful number of protests received in the Proposition 218 process to prevent the Board of Directors from considering the proposed rate, fee and charge increase.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____Yes X No

Funding Source/Recap: None.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors validate the number of Proposition 218 protests that were tabulated on October 21, 2013 for the proposed increases in District rates, fees, and charges for the Ord Community.

Action Required: _____Resolution X Motion _____Review

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 12-C

Meeting Date: November 18, 2013

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Brian C. Lee

Agenda Title: Consider Second Reading of the Altered Ordinance No. 56 Approving New District Rates, Fees and Charges for Water and Wastewater for the Central Marina Service Area

Detailed Description: The Board is requested to conduct the second reading of the altered Ordinance No. 56 as the next step to approving new water and wastewater rates, fees and charges for the Central Marina service area. Under the ordinance process for codifying rates fees and charges for Central Marina, the District is required to conduct first and second readings of the proposed ordinance, set a public hearing date on the proposed change in rates, fees and charges, and publish the ordinance in the local newspaper.

On August 26, 2013, the Board approved the Five-Year Water and Wastewater Financial Plan and Rate Study. The approved Rate Study called for rate increases for FYs 2013/2014, 2014/2015, 2015/2016, 2016/2017 and 2017/2018 of the Central Marina and Ord Community service areas. The Board also approved a Prop 218 notification of proposed rate increases (mailed September 6, 2013) and set the public hearing date for Monday, October 21, 2013. On September 16, 2013, the Board approved a second Prop 218 notification of proposed rate increases for Central Marina only (mailed October 4, 2013) and changed Central Marina's Prop 218 public hearing date for Monday, November 18, 2013.

Prior Committee or Board Action: On August 26, 2013, the Board adopted Resolution No. 2013-53 approving the 2013 Five-Year Water and Wastewater Financial Plan and Rate Study. The Board also approved setting a public hearing date for capacity charges for Monday, October 21, 2013. On September 16, 2013, the Board approved a Prop 218 notification of proposed rate increases for Central Marina (mailed October 4, 2013) and set the Prop 218 public hearing date for Monday, November 18, 2013.

Board Goals/Objectives: *Strategic Plan Goal No. 4 – To manage the District's finances in the most effective and fiscally responsible manner.*

Financial Impact: _____ Yes X No

Funding Source/Recap: N/A.

Material Included for Information/Consideration: Altered Ordinance No. 56.

Staff Recommendation: Conduct second reading of altered Ordinance No. 56 approving new water and wastewater rates, fees and charges for the Central Marina service area.

Action Required: _____Resolution X Motion _____Review
(Roll call vote is required.)

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 12-D

Meeting Date: November 18, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider Adoption of Resolution No. 2013-57 to Amend Section 16 of the Board Procedures Manual

Detailed Description: The Board is currently revising Section 16 of the Board Procedures Manual.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board of Directors last amended the Board Procedures Manual in November 2012. On September 16, 2013, the Board reviewed and made suggested changes to Section 16 of the Board Procedures Manual. On October 21, 2013, the Board asked this item to be returned on November 4, 2013. On November 4, 2013, the Board asked this item to be returned on November 18, 2013.

Board Goals/Objectives: – *Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: Yes No

Funding Source/Recap: None

Material Included for Information/Consideration: Resolution No. 2013-57; and, Director Le's proposed revision to Section 16 of the Board Procedures Manual.

Staff Recommendation: The Board of Directors consider amending Section 16 of the Board Procedures Manual.

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

Board Action

Resolution No Motion By Seconded By

Ayes Abstained

Noes Absent

Reagendized Date No Action Taken

November 18, 2013

Resolution No. 2013-57
Resolution of the Board of Directors
Marina Coast Water District to
Amend Section 16 of the Board Procedures Manual

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on November 18, 2013 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the original Board Procedures Manual (BPM) was adopted on April 24, 2002 and was last revised on November 13, 2012; and,

WHEREAS, the BPM is a resource for directors, staff and the public that defines the roles, responsibilities and procedures of the Board; and,

WHEREAS, the BPM is not clear on how direction is provided to consultants answering directly to the Board (e.g. attorneys, auditors), however, Section 16 is clear regarding directing employees and consultants subordinate to the General Manager. The suggested revisions to the BPM have been reviewed by legal counsel.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the suggested revisions and updates to the Board Procedures Manual and directs staff to finalize the revisions.

PASSED AND ADOPTED November 18, 2013, 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 _____

Thomas P. Moore, President

ATTEST:

Brian C. Lee, Deputy 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. 2013-57 adopted November 18, 2013.

Brian C. Lee, Deputy Secretary