

# Safeguarding Our Water Future

ADOPTED MCWD OPERATING &  
CAPITAL IMPROVEMENT BUDGET



FY 2026



Operator training on new equipment is crucial for several reasons, primarily focused on public health and safety, operational efficiency, and regulatory compliance. It ensures operators can handle new technologies correctly, maintain water quality, and meet legal standards.

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Marina Coast Water District Corporation Yard — Home of the Operations & Maintenance Division, supporting essential field services and infrastructure reliability for our community.



# INTRODUCTION

# MEMORANDUM

On behalf of the Marina Coast Water District (MCWD), we present the Operating and Capital Improvement Budget for Fiscal Year 2026. Developed with a focus on efficient processes, this budget aims to streamline operations and meet infrastructure needs. It aligns with the District's financial forecast from the 2024 rate study by Hildebrand Consulting and supports the Board's [2024 Strategic Plan](#), which includes:

## **Goal 1. WATER: Sustainable, Reliable, Affordable Water Supplies**

- **Objective 1.1:** Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.
- **Objective 1.2:** Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.
- **Objective 1.3:** The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.
- **Objective 1.4:** Manage water rights to ensure sustainability and resilience.
- **Objective 1.5:** Work with other agencies to stimulate a long-term effort to maintain a healthy watershed.

## **Goal 2. PEOPLE: A High-Performing Board, Staff and Organization**

- **Objective 2.1:** The District attracts, onboards, and retains high-performing Staff, and manages succession effectively.
- **Objective 2.2:** Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.
- **Objective 2.3:** Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.
- **Objective 2.4:** The Board periodically self-evaluates and implements identified areas of improvement, enabling it to set clear and effective direction and provide effective monitoring and oversight.
- **Objective 2.5:** The Board approves and updates, as appropriate, the strategy for major litigation.

**Goal 3. FINANCE: Stable and Secure Funding and Affordable Rates**

- **Objective 3.1:** The District is unified under a single water, recycled water, and wastewater cost-of-service area as each enterprise's cost of service is within 10% of the corresponding enterprises.
- **Objective 3.2:** Finances are well managed to provide adequate revenue and avoid volatile rates.
- **Objective 3.3:** The Board receives understandable, timely, and up-to-date financial reports on an approved schedule.
- **Objective 3.4:** A full set of financial policies are in place, reviewed, and updated on a scheduled basis.
- **Objective 3.5:** Grant funding is obtained to help limit costs and improve customer services.

**Goal 4. INFRASTRUCTURE: Reliable, Cost-Effective, and Sustainable Facilities and Properties**

- **Objective 4.1:** A comprehensive plan guides long-term, cost-effective renewal, replacement, usage, and development of District facilities and properties.
- **Objective 4.2:** The comprehensive, long-term facility plan is funded.
- **Objective 4.3:** Corrective and preventive maintenance is planned and proactively implemented on schedule for cost-effectiveness and the least disruption to regular operations.
- **Objective 4.4:** Capital improvement program renewal, replacement, and new development are planned with the longest reasonable time horizon and completed on schedule and budget.
- **Objective 4.5:** The District is prepared to mitigate and recover from unplanned events and will maintain cybersecurity.

**Goal 5. ENGAGEMENT: Communicate and Engage Effectively with Customers, Partners, and Stakeholders**

- **Objective 5.1:** Customers understand the services the District provides, where to learn more, and how to get their questions answered.
- **Objective 5.2:** The District provides prompt, responsive service to customer needs and requests.
- **Objective 5.3:** Customers understand and support the District and its activities.
- **Objective 5.4:** The District's Board and Staff develop and maintain productive, mutually beneficial collaborative partnerships with the County, municipalities, neighboring water providers, and other stakeholders.

**Goal 6. STEWARDSHIP: Resilient and Sustainable Facilities and Operations**

- **Objective 6.1:** The District proactively decreases its greenhouse gas emissions by following its climate action plans.
- **Objective 6.2:** The District evaluates and considers actions that would increase energy independence and overall environmental sustainability within its service area and the region.
- **Objective 6.3:** The District advocates for Environmental Justice while optimizing resources to benefit all the community.

- **Objective 6.4:** The District works with innovative research and resulting forecasts to improve resilience to the impacts of rising sea levels, storm intensification, coastal erosion, fires, and more.

## PLAN DEVELOPMENT

- **Background Research.** The consultant initiated the process by engaging in discussions with the General Manager and reviewing existing documents.
- **Confidential Interviews.** The team carried out a series of confidential interviews. The goal was for the interviewees to candidly express their interests and perspectives on the District and its priorities. The interviewees included the Board of Directors, the Leadership Team (including the General Manager), and legal counsel.
- **Strategic Planning Workshop.** The interviewees also participated in a workshop led by the consultant. At the workshop, the group reviewed the interview results, took part in exercises to assess the District's current state, identified issues and opportunities the District expects to confront in the future, and discussed priorities.
- **Board and Staff Work.** Drawing from the interviews, workshop, and other information, the consultant, General Manager, and Leadership Team developed a draft Strategic Plan.
- **Second Strategic Planning Workshop.** The draft was distributed to the Board and Leadership Team. At a second workshop, the participants reviewed, discussed, and refined the draft Plan, including the mission, vision, and values, and provided direction for additional changes.
- **Implementation Phase.** The General Manager and Leadership Team will develop a work plan to implement the Strategic Plan in the coming years.



SCADA (Supervisory Control and Data Acquisition) systems are crucial for water districts to effectively manage and control their water systems, offering real-time monitoring, remote control, and data analysis capabilities.

# ABOUT THE DISTRICT

Marina Coast Water District is a county water district organized in 1960 under the provisions of the California Water Code Division 12 for the purpose of installing and operating a water supply, water distribution system and wastewater collection system for the community of Marina, which was later incorporated as the City of Marina. The District has the powers under the County Water District Law to, among other things, provide potable water, wastewater treatment and collection, and recycled water services.

The District first commenced wastewater service within the community of Marina in 1964 after constructing a trunk sewer system and treatment plant. The District first began providing potable water service within the City in 1966 after acquiring the assets of a private water company.

In 1970, the residents of Marina decided to tackle the problem of septic system failures and the increasing demand for better sanitation by constructing a sewage treatment plant and disposal system. They were able to finance this project by selling \$1.3 million in sewer bonds. The treatment plant remained in operation for over two decades.

In 1989, MCWD entered into an annexation agreement with Monterey Regional Water Pollution Control Agency (MRWPCA), now known as Monterey One Water (M1W). This agreement established MCWD's first right to receive tertiary treated wastewater from the (SVRP). MCWD has the right to obtain treated wastewater from MRWPCA's regional treatment plan equal in volume to that of the volume of MCWD wastewater treated by MRWPCA and additional quantities not otherwise committed to other uses.

In 1993, MCWD ceased operating its own treatment plant after reaching an agreement with MRWPCA to treat Marina's wastewater at the regional facility. This transition marked a significant shift, consolidating regional wastewater treatment while allowing MCWD to focus on operating and maintaining the local sewer collection system.

Although treatment operations were transferred, MCWD retained full responsibility for the sewer infrastructure within its jurisdiction, including maintenance, system upgrades, and regulatory compliance.

Further expanding its services, the District entered into the Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands in 1996, among MCWD, the City of Marina, the Monterey County Water Resources Agency (MCWRA), J.G. Armstrong Family and RMC Lonestar (now CEMEX), to annex into Monterey County Zones of Benefit 2 and 2a.

In 1998, the District began providing water and sewer services to the former Fort Ord area pursuant to a contract with the Fort Ord Reuse Authority (“FORA”). In 2000, the District entered into utility services contracts with the U.S. Army to provide water and sewer services to the Army and other Federal agencies within the former Fort Ord utilizing the Federal Government’s reserved ABOUT THE DISTRICT MARINA COAST WATER DISTRICT 12 DRAFT FY 2025 – 2026 OPERATING AND CAPITAL IMPROVEMENT BUDGET groundwater rights recognized by the Monterey County Water Resources Agency (“MCWRA”) and the Army’s prepaid wastewater treatment capacity. In 2001, ownership of the water and sewer infrastructure at the former Fort Ord was formally transferred to MCWD via the Fort Ord Reuse Authority, significantly expanding the District’s service area and responsibilities.

With the dissolution of FORA in 2020, the District assumed full control of the water and sewer systems budgeting, planning, ratemaking, and operations within the District’s Ord service area. In 2022, the District began providing Advanced Treated Water (“ATW”) recycled water services within the Ord service area.

The District serves approximately 41,000 residents through more than 11,000 customer accounts and approximately 20,500 connections in its Marina and Ord service areas. The District currently provides water, recycled water and wastewater service to 10 jurisdictions, consisting of 4 cities; 2 universities (California State University Monterey Bay and University of California Santa Cruz); 2 federal entities (U.S. Army and Bureau of Land Management); the County of Monterey; and California State Parks. The District’s potable water system encompasses approximately 234 miles of potable water pipeline. The District owns 9 production wells (7 of which are active) with an estimated capacity of approximately 20 million gallons of potable water per day (“MGD”). District potable water storage includes 11 water storage tanks with a combined capacity of 14.2 million gallons and 6 booster pump stations.

#### **MARINA COAST WATER DISTRICT GROUNDWATER SUSTAINABILITY AGENCY (GSA)**

In accordance with Division 6 of the California Water Code and the Sustainable Groundwater Management Act (SGMA), effective January 1, 2015, the Marina Coast Water District was granted exclusive Groundwater Sustainability Agency (GSA) status by the California Department of Water Resources (DWR) within the jurisdictional boundaries of the Monterey Subbasin and the 180/400 Foot Aquifer Subbasin. Within the Monterey Subbasin (48.2 square miles) of the greater Salinas Valley Groundwater Basin, the District serves as the Groundwater Sustainability Agency for the Marina-Ord Management Area, which include areas of the District's Ord service area that fall outside its jurisdictional boundaries.

The Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) is the GSA for the smaller Corral de Tierra Management Area of the Monterey Subbasin. The District, in conjunction with the SVBGSA, submitted to the California Department of Water Resources (“DWR”) the Monterey Subbasin Groundwater Sustainability Plan (“GS Plan”) in 2022; the plan was approved on April 27, 2023. The MCWDGSA is currently working in tandem with the SVBGSA to bring the Monterey Subbasin into sustainable balance and is focused on implementing the GS Plan. DWR has classified the Monterey Subbasin as a medium priority subbasin. The District has 34 monitoring wells

strategically located throughout the District to monitor water quality and groundwater levels in the aquifers that are the source for the District’s potable water supply. All wells are sampled to identify the presence of chemicals and the threat of saltwater intrusion and to monitor water levels.

#### INSTALLATION OF WEATHER STATIONS

Water Resources has installed a weather station network consisting of three locations dispersed throughout the District that enables the district to monitor a range of variables, for example precipitation, soil moisture, temperature, and solar radiation. Measurement of these and other parameters provides the Resources Department with data to utilize and/or adapt resource, climate action, and mitigation planning.

The three stations installed are the “ATMOS 41W Weather Station” which are research- grade, all-in-one weather stations designed to monitor environmental variables continuously. They will be calibrated with the District's groundwater and other precipitation models. These stations not only assist Staff in planning and modeling but will also provide real time data as a part of a public facing dashboard of the Water Resources Data Management System (DMS) for display on the website and in District offices.

#### SERVICE GROWTH AND WATER USAGE TRENDS AT MARINA COAST WATER DISTRICT (2020–2024)

From fiscal 2020 to 2024, Marina Coast Water District added more than 1,000 service connections, an 11 percent expansion of its customer base, with the sharpest single-year gain (5 percent) occurring in 2024. Total water deliveries generally tracked that growth: after a weather-driven dip in 2023, the system rebounded to 3,404 acre-feet in 2024—up almost 14 percent—thanks to both higher consumption and fast-rising recycled-water demand, which now offsets some potable needs. Production remains weighted toward the Ord service area (roughly two-thirds of total output), and overall volumes have held steady at a little over 3,300 acre-feet in the past two years. Wastewater flows followed a similar pattern: modest declines through 2022, then a pronounced upswing to 6.6 acre-feet in 2024, reflecting the larger customer base and expanded recycled-water program.

#### HISTORICAL WATER CONNECTIONS

Fiscal Year Ending June 30	Total	% Increase
2020	9,477	2.52%
2021	9,632	1.64
2022	9,954	3.34
2023	10,005	0.51
2024	10,514	5.09

**HISTORICAL WATER DELIVERIES IN ACRE FEET**

<b>Fiscal Year Ending June 30</b>	<b>Potable</b>	<b>Recycled</b>	<b>Total</b>	<b>Increase/Decrease</b>
<b>2020</b>	2,991	-	2,991	3.57%
<b>2021</b>	3,159	-	3,159	5.62
<b>2022</b>	3,182	-	3,182	0.73
<b>2023</b>	2,810	178	2,988	(6.10)*
<b>2024</b>	3,018	386	3,404	13.92**

**HISTORICAL WATER PRODUCTION BY SERVICE AREA**

<b>Fiscal Year Ending June 30</b>	<b>Marina Area</b>	<b>Ord Area</b>	<b>Total Water Production in acre-feet</b>
<b>2020</b>	1,266	2,029	3,295
<b>2021</b>	1,119	2,239	3,358
<b>2022</b>	981	2,548	3,529
<b>2023</b>	1,076	2,271	3,347
<b>2024</b>	1,039	2,263	3,302

**HISTORICAL WASTEWATER ENTERPRISE USAGE (ACRE-FEET)**

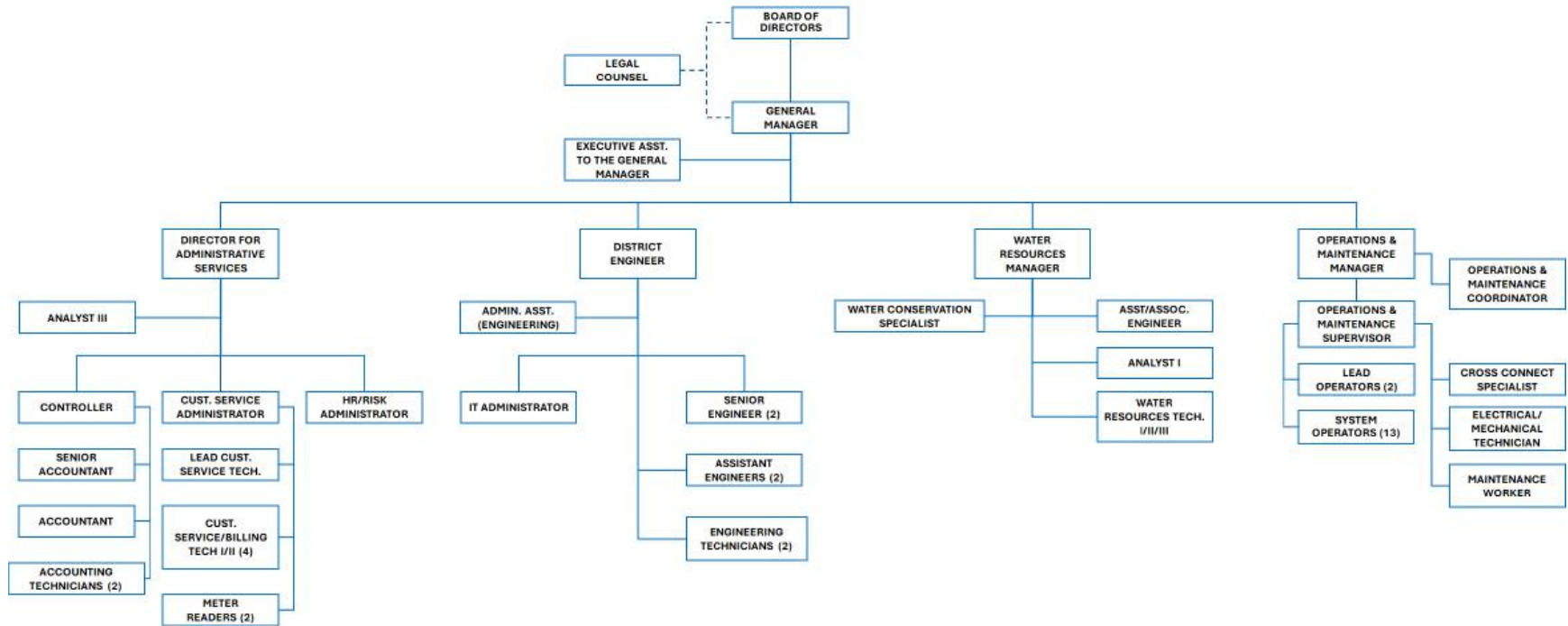
<b>Fiscal Year Ending June 30</b>	<b>Marina</b>	<b>Ord</b>	<b>Total</b>	<b>Increase/(Decrease)</b>
<b>2020</b>	3.30	2.61	5.91	(2.36%)
<b>2021</b>	3.19	2.50	5.68	(2.11)
<b>2022</b>	3.05	2.49	5.54	(0.16)
<b>2023</b>	3.28	2.54	5.82	2.53
<b>2024</b>	3.60	2.99	6.59	10.33

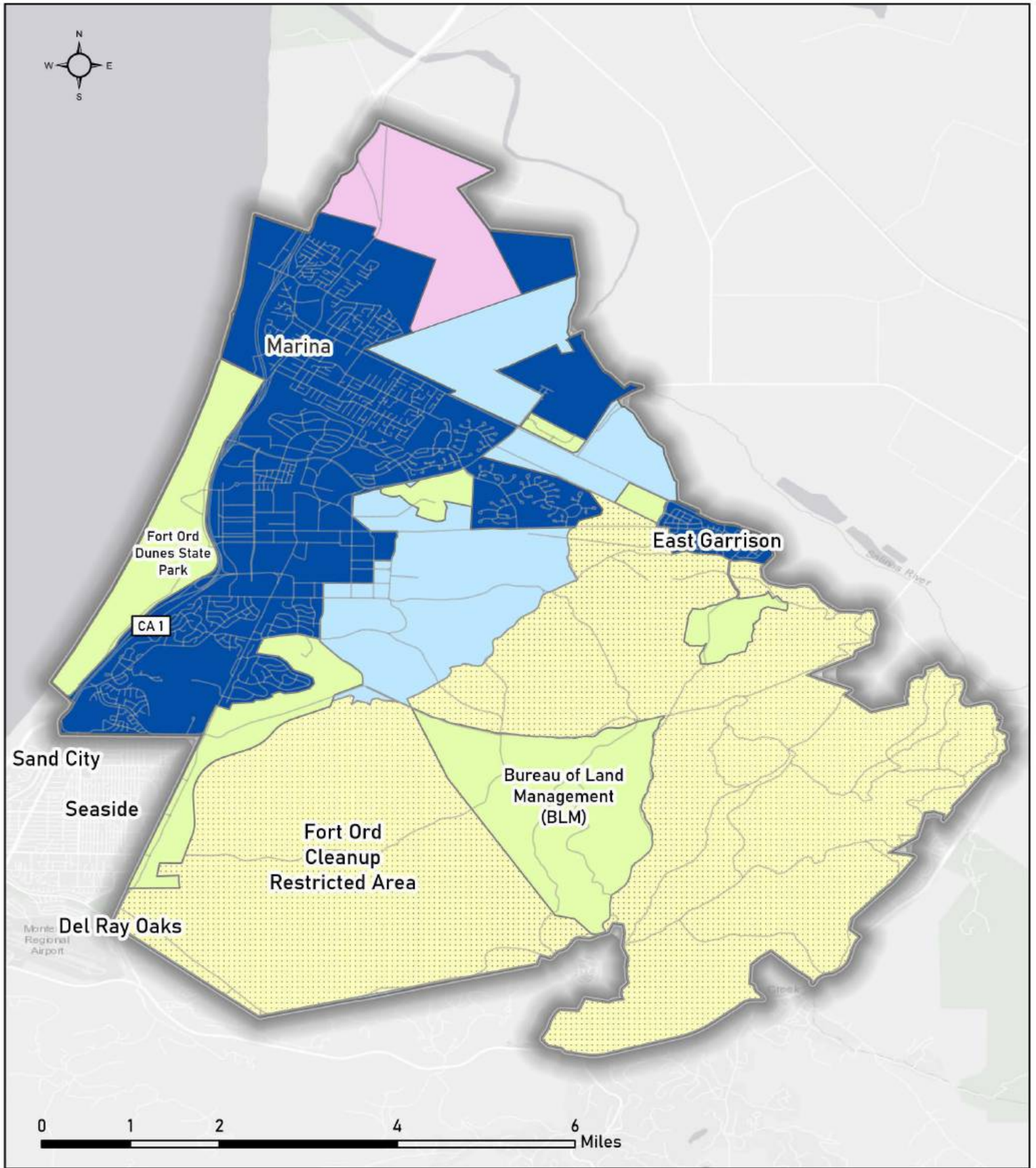
\*Decrease in total water deliveries is due to changes in climate patterns resulting in a wet season to reduced production from decreased demand

\*\*Increase in Fiscal Year 2024 total water deliveries is a result of increased recycled water demand and additional 5% increase in water customers.



## MARINA COAST WATER DISTRICT ORGANIZATIONAL CHART





<b>Legend</b>	
MCWD Served	Sphere of Influence
MCWD Boundary	MCWD Future Study
Boundary Agreement	Streets

## MARINA COAST WATER DISTRICT SERVICE AREA



Following a comprehensive maintenance program, the District conducts regular inspections, visual checks for leaks and damage, lubrication, and performance monitoring. Preventive maintenance can help identify potential problems early, minimizing costly repairs and downtime.

The District ensures the safe and reliable delivery of service to customers by conducting routine maintenance and inspections of its facilities.



# MCWD BOARD OF DIRECTORS

**Gail Morton, Esq.**  
**President**

[directormorton@mcwd.org](mailto:directormorton@mcwd.org)

Gail is a practicing attorney and has held the distinguished position of Mayor Pro Tem and her previous role as a Council member, demonstrating her commitment to community leadership.



**Jan Shriner**  
**Vice-President**

[directorshriner@mcwd.org](mailto:directorshriner@mcwd.org)

Jan is a trained biologist who has enjoyed a lengthy career in outdoor education, encompassing both private and public sector roles. Jan was initially elected to the MCWD Board in 2010.



## **Brad Imamura**

**Director**

[directorimamura@mcwd.org](mailto:directorimamura@mcwd.org)

Brad retired from the Santa Clara Valley Water District after a distinguished career. He has held positions with the City of San Jose and the County of Santa Clara. Brad was first elected to the MCWD board in November 2022.



## **Thomas Moore, Ph.D.**

**Director**

[directormoore@mcwd.org](mailto:directormoore@mcwd.org)

Tom, a retired Colonel from the Army is also a retired teacher at the U.S. Naval War College Program at the Naval Postgraduate School. He was first elected to the MCWD Board in November 1994.



## **Stacey Smith**

**Director**

[directorsmith@mcwd.org](mailto:directorsmith@mcwd.org)

Stacey, a Commercial Finance Administrator, has owned a business for twenty-eight years and collaborated with major construction firms in California. She was elected to the MCWD Board in November 2024.





Operations & Maintenance recently renovated their main building to improve workspaces for the Operators.

# MCWD LEADERSHIP AND STAFF

## **Remleh Scherzinger, MBA, PE**

### **General Manager**

Remleh Scherzinger, MCWD's General Manager for the past four years, leads the District with a focus on innovation, sustainability, and community service, guiding strategic initiatives that strengthen water and wastewater infrastructure for the future.



## **Garrett Haertel, PE**

### **District Engineer**

[ghaertel@mcwd.org](mailto:ghaertel@mcwd.org)

Garrett Haertel, MCWD District Engineer, leads infrastructure planning and capital improvement projects, ensuring the reliability and sustainability of the District's water and wastewater systems.



## **Mary Lagasca, CPA**

### **Director of Administrative Services**

[mlagasca@mcwd.org](mailto:mlagasca@mcwd.org)

Mary Lagasca, MCWD's Director of Administrative Services, oversees Finance, Customer Service, and Human Resources, ensuring operational excellence and responsive service across the District.



## Derek Cray

### Operations & Maintenance Manager

dcray@mcwd.org

Derek Cray, MCWD's Operations and Maintenance Manager, leads the District's System Operators and field crews in maintaining critical water and wastewater infrastructure, ensuring safe, reliable, and efficient service delivery to the community.



## Patrick Breen

### Water Resources Manager

pbreen@mcwd.org

Patrick Breen, MCWD's Water Resources Manager, oversees water supply planning, conservation programs, and sustainability initiatives to ensure long-term resource reliability for the District and the communities it serves.



## Paula Riso

### Executive Assistant/Clerk to the Board

priso@mcwd.org

Paula Riso, Executive Assistant and Clerk to the Board, has faithfully served MCWD for over 20 years, providing dedicated support to the Board of Directors and ensuring transparency, continuity, and excellence in governance.





“The FY 2025–2026 Budget is both strategic and pragmatic. It ensures that we maintain our strong fiscal foundation while continuing to address aging infrastructure, invest in water sustainability, and provide reliable services to our community.”

— Remleh Scherzinger, General Manager, Marina Coast Water District

# MESSAGE FROM THE GENERAL MANAGER

It is with strong resolve and confidence in our future that I present the Marina Coast Water District's Fiscal Year (FY) 2025–2026 Operating and Capital Budget, totaling \$50 million. This budget reflects a fiscally responsible and forward-looking plan that supports the District's mission of delivering high-quality water, wastewater, and recycled water services in an environmentally sustainable and financially sound manner.

Developed in alignment with the District's 2024 Strategic Plan, the budget addresses key priorities and challenges while ensuring that resources are allocated effectively to meet the evolving needs of the Marina and Ord communities.

## **FY 2025 ACCOMPLISHMENTS**

Over the past year, the District has made significant progress in advancing our infrastructure, strengthening our finances, and improving operational performance. Highlights include:

- Maintaining a strong fiscal position, including the successful refinancing of outstanding bonds, which generated \$2.3 million in savings for our ratepayers.
- Issuing a \$20 million bond to fund essential capital replacement projects over the next three years, ensuring long-term investment in system reliability.
- Reaffirmation of the District's AA- credit rating with a positive outlook by Standard & Poor's, demonstrating sound financial management.
- Completion of Lead Service Line Inventory (LSI) of over 13,600 service lines within the District as required by the State Water Resources Control Board. Staff performed approximately 6,400 individual meter box inspections on water services installed before 1986 to determine service line material.
- Completion of GSP Annual Report for Monterey and 180/400 Foot Subbasins as required by the Sustainable Groundwater Management Act (SGMA). Report includes basin conditions and MCWDGSA's progress in implementing SGMA objectives.

- Completion of the A1/A2 Reservoirs and B/C Booster Pump Station Project, which increased storage capacity and improved fire-fighting capabilities.
- Completion of the IOP B-Side Facility, including a new server room, upgraded Boardroom, and consolidation of the Customer Service and Administrative teams—improving internal efficiency and customer service delivery.
- Initiation of the RDP-Reservation Road Desalination Retrofit Project, a critical step toward long-term water supply resilience.

## KEY FY 2026 PRIORITIES AND BUDGET ALIGNMENT

### 1. Infrastructure Renewal and Capital Investment

Many of the District’s inherited assets from the U.S. Army were not constructed to modern standards and are now well beyond their useful life. To address this, the District is continuing to invest in its Capital Improvement Program (CIP) to upgrade facilities with durable, cost-effective technologies.

- The FY 2025–2026 Budget allocates \$9.8 million toward capital replacement projects.
- These projects are funded through the 2024 Bond issuance and Capital Replacement Reserves.
- Fully fund the Capital Replacement Reserve at \$3 million.
- This investment enhances overall system reliability and supports current and future service demands.

### 2. Rate Adjustments and Long-Term Financial Planning

Following the adoption of the 2024 Rate Study, the District implemented a five-year rate plan (FY 2025–2029) and a ten-year financial forecast to ensure stable funding for operations and capital investment.

- The FY 2025–2026 Budget reflects the strategic use of revenues generated under the new rate structure.
- It incorporates the \$20 million bond proceeds to fund major infrastructure upgrades without burdening current operating revenues.
- Efforts will continue to refine wastewater rates and develop a single unified billing system to improve transparency and efficiency for customers.
- This budget supports long-term financial sustainability while maintaining affordable service rates.

### 3. Water Supply Sustainability and Seawater Intrusion Mitigation

As the designated Groundwater Sustainability Agency (GSA) for the Monterey Subbasin, MCWD is actively managing threats to groundwater reliability, particularly seawater intrusion.

- The FY 2025–2026 Budget fully funds the District’s GSA operations and supports implementation of its Groundwater Sustainability Plan (GSP), which identifies seawater intrusion as the primary risk.

- Funded projects include:
  - GA-2402: Installation of monitoring wells for salinity, water levels, and preliminary site development for potential Indirect Potable Reuse (IPR) using purified recycled water.
  - Recycled water injection project development to enhance aquifer recharge and reduce sole dependence on groundwater sources.
  - Exploration of alternative water supply projects and regional collaborations with the Salinas Valley Basin GSA and Monterey County Water Resources Agency.

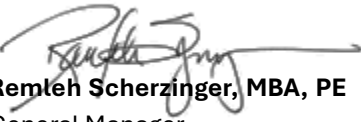
#### **4. Basin Sustainability Targets By 2042**

These actions are essential to achieving basin sustainability targets by 2042 and to preserving water quality and availability for generations to come.

### **CONCLUSION**

The FY 2025–2026 Budget is both strategic and pragmatic. It ensures that we maintain our strong fiscal foundation while continuing to address aging infrastructure, invest in water sustainability, and provide reliable services to our community. I extend my sincere appreciation to the Board of Directors, staff, and community stakeholders for their continued engagement and partnership as we work to secure a resilient future for the District.

Respectfully submitted,



**Remleh Scherzinger, MBA, PE**  
General Manager  
Marina Coast Water District



Marina Coast Water District General Manager delivers remarks during the Ribbon Cutting Ceremony for the A1/A2 and B/C Booster Pump Station, marking a significant milestone in enhancing water service reliability and capacity for our growing community.

# A LOOK BACK AT FY 2025

## A1/A2 AND B/C BOOSTER PUMP STATION

The District has successfully completed the A1/A2 Reservoirs and B/C Booster Pump Station project, which serves two crucial goals for the water system. First, it increases storage capacity and enhances fire-flow capabilities, ensuring the community's water supply remains secure and reliable. Secondly, the project replaces and upgrades the outdated booster pump station, which has been in disrepair since the Army originally installed it in the 1950s. The booster pump station is responsible for pumping the majority of the water serving the Ord Community. All components, including the tank reservoirs, pump station, and ancillary pipelines, are located within easements on California State University Monterey Bay (CSUMB) property.

The A1/A2 Reservoirs at Marina Coast Water District stand as a bold symbol of infrastructure renewal—enhancing water storage capacity and fire protection for the growing







Celebrating Progress — Highlights from the Ribbon Cutting Ceremony for the A1/A2 and B/C Booster Pump Station, showcasing community partnership, infrastructure investment, and a commitment to reliable water service.



### **IMJIN OFFICE PARK SUITE B**

The completion of the Imjin Office Park Suite B has resulted in a more efficient, secure, and accessible workspace. The new server room enhances cybersecurity and system reliability, the Board Room provides dedicated space for public meetings and community engagement, and the consolidation of the Customer Service department with other administrative staff improves internal collaboration.

### **STATE AND LOCAL CYBERSECURITY GRANT PROGRAM**

The Marina Coast Water District has been awarded a \$215,000 grant from the California Governor's Office of Emergency Services, significantly boosting its cybersecurity efforts. This funding will support comprehensive vulnerability assessments, penetration testing, and enhanced data protection and encryption measures. These initiatives will help align MCWD with the State and Local Cybersecurity Grant Program, strengthening its defense against emerging cyber threats.



### **MARINA COAST WATER DISTRICT CELEBRATES 16TH CONSECUTIVE GFOA FINANCIAL REPORTING AWARD**

The Marina Coast Water District (MCWD) has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 16th year in a row. This prestigious recognition highlights MCWD's continued commitment to financial transparency, accountability, and excellence in preparing its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023.

This award, the highest form of recognition in governmental accounting and financial reporting, reflects MCWD's dedication to upholding the rigorous standards set by the GFOA. By consistently exceeding expectations, the district strengthens public trust and demonstrates sound financial stewardship in serving its ratepayers and community.

### **MCWD DELIVERS \$2.3 MILLION IN SAVINGS AND \$20 MILLION FOR CAPITAL IMPROVEMENTS**

In Fiscal Year 2025, the District successfully refinanced its 2015 Bond debt, yielding \$2.3 million in savings for ratepayers. Led by the Finance team, this effort was made possible by the District's strong financial standing, recognized in a bond rating upgrade to AA-/Positive Outlook by Standard & Poor's.

In addition, the District issued \$20 million in new bonds to support essential capital infrastructure projects, an important step in advancing long-term investment in water and wastewater systems.

### **SUCCESSFUL IMPLEMENTATION OF NEW RATE STRUCTURE AND 10 YEAR FINANCIAL MODEL**

The District has successfully implemented new water and sewer rate structure based on an approved rate study on April 29, 2024 and five-year rate adjustment adopted by the Board on June 17, 2024. The new rate structure ensures that rates are aligned with the actual cost of providing service, reflecting factors such as inflation, operational needs, and infrastructure requirements.

As part of this effort, the District also developed a detailed 10-year financial model for its five Cost Centers. This model was created through collaborative work sessions with District staff and the Board, using key financial data including budget projections, historical actuals, cash balances, and capital improvement plans. The model identified future revenue shortfalls and proposed strategies to minimize rate impacts while maintaining service levels.



### COMPLETION OF LEAD SERVICE LINE INVENTORY

In 2024, the District's Operations and Maintenance staff finalized the Lead Service Line Inventory (LSI) as required by the State Water Resources Control Board's Division of Drinking Water (DDW). The LSI regulations required the District to determine approximately 13,600 service lines within the District—on both the customer and District side of the meter—to identify the water service pipe material. Operations staff conducted approximately 6,400 individual meter box inspections on water services installed before 1986. The inventory was submitted to DDW in October 2024 and was subsequently reviewed and approved.

### REACTIVATION OF WELL#12 TO SUPPORT MARINA STATION DEVELOPMENT

The District Engineering Department reactivated Well#12 in FY 2024/2025 after the asset sat idle for many years. The well was utilized to deliver construction water to the Marina Station Development, minimizing additional construction related demand on the potable water system. Over the course of its use, Well #12 pumped a total of 12,409,359 gallons and provided valuable water quality and pumping data to support future well restoration efforts.

### CALIFORNIA PIPELINE A1/A2

In conjunction with the A1/A2 and B/C Booster Pump Station project, the District also replaced two failing transmission mains with a new 24-inch ductile iron pipeline (DIP), primarily situated along California Avenue in the City of Marina. The alignment and size of the new pipeline were recommended in the Board-approved 2020 Water Master Plan, which also relocated utility services into the public right-of-way. This pipeline serves as the primary transmission conveyance for the new A1/A2 Tanks and B/C Booster Station, the main facility supplying potable water to the entire District system.



## STARTING **JULY 15** **WE'RE MAKING IT EASIER** WITH OUR NEW **MCWD CUSTOMER PORTAL**

*You will now have access to manage your MCWD payment account online. Enjoy the convenience of paperless billing, view your bill online, pay your bill as a one-time payment, or set up recurring payments.*



**Online Payments (MCWD)**  
Pay instantly through our secure NEW ONLINE PORTAL using your debit or credit card and banking information.



**Over-the-Phone Payments**  
Make payments by phone using your MCWD account number and debit or credit card. Also available in Spanish.



**Setup Auto-Pay**  
Now available with your banking information and debit or credit card through our new online portal.



**Bank Bill Pay**  
Easily pay your bill through your bank's online bill pay service.



**Check Payments**  
We still accept checks payments by mail at 11 Reservation Road.

- Credit card convenience fee will apply.
- Existing online and autopay accounts **WILL NOT** be transferred.
- The current payment website will no longer be available after July 14.



**PAY IT YOUR WAY**

**MARINA COAST WATER DISTRICT**

www.mcwd.org • 831-384-6131 • customerservice@mcwd.org

FASTER • 24/7 CONVENIENCE • MORE SECURE



### NEW BILL PAY PORTAL

The Marina Coast Water District has launched a new online portal accessible to all our customers, facilitating easier account access and bill payment. The new portal accommodates multiple payment methods, allowing customers to manage their payment accounts online. Customers can also view their bills, establish recurring payment arrangements, and benefit from the convenience of paperless billing and the option of making one-time payments.



District employees came together at Fort Ord, a historic site in California, to contribute to the ecological restoration by removing invasive French Brooms on April 18.



French broom, an invasive plant that poses a significant threat to local ecosystems. It outcompetes native vegetation, alters soil properties, and increases fire risk.



#### MARINA COAST WATER DISTRICT'S EARTH DAY 2025 PARTICIPATION

Earth Day, celebrated worldwide on April 22, 2025, marked a significant occasion for environmental action and community participation. Amid global events, Marina Coast Water District (MCWD) played a vital role in local conservation efforts. District employees came together at Fort Ord, a historic site in California, to contribute to the ecological restoration by removing invasive French Brooms on April 18.

Fort Ord, once an army base, is now a cherished natural reserve with diverse flora and fauna. However, invasive species like the French Broom have threatened its ecological balance. French Broom, native to the Mediterranean region, spreads rapidly and outcompetes native plants, leading to a loss of biodiversity. Its removal is crucial for the health of the local ecosystem and the preservation of native species.

MCWD, known for its commitment to sustainable water management, extended its environmental stewardship to land conservation. Employees gathered at Fort Ord with the shared goal of removing French Brooms. This initiative not only demonstrated MCWD's dedication to environmental protection but also fostered community spirit and teamwork.

The Earth Day event was meticulously planned by MCWD in collaboration with local environmental groups. Volunteers were provided with guidance, tools and safety equipment to effectively and safely remove the invasive plants. A short educational session was also conducted to inform participants about the impact of French Broom on the ecosystem and the importance of its removal.



MCWD Team Members gathered at Fort Ord with the shared goal of removing French Brooms. This initiative not only demonstrated MCWD's dedication to environmental protection but also fostered community spirit and



MCWD employees arrived at Fort Ord, ready to make a difference. They worked tirelessly, pulling out French Broom plants by their roots to prevent regrowth. The collaborative effort resulted in the removal of a substantial amount of invasive vegetation, allowing native plants to reclaim their habitat.

MCWD employees express their pride and satisfaction in their contributions to Earth Day 2025. The event not only provided an opportunity to protect the environment but also fostered a sense of unity and purpose among the participants. MCWD plans to continue its involvement in similar initiatives, recognizing the ongoing need for environmental conservation.

The Earth Day event at Fort Ord serves as a model for future community engagement activities. MCWD aims to involve more local residents in its conservation efforts, promoting awareness and active participation in protecting the community's local resources.





Marina Coast Water District General Manager presents the newly completed B/C Booster Pump Station — a key infrastructure upgrade designed to improve water pressure, reliability, and service capacity for our community.

# EXECUTIVE BUDGET SUMMARY

The Marina Coast Water District enters Fiscal Year 2026 with a strong financial foundation, the result of sound planning, disciplined execution, and a continued focus on long-term sustainability. FY2025 demonstrated the District's ability to deliver essential services, manage resources efficiently, and advance critical infrastructure investments. The adopted FY2026 Budget builds on that foundation with a strategic and measured approach to revenue forecasting and expense management in a shifting development and funding environment.

## **FY2025 FINANCIAL PERFORMANCE**

In FY2025, the District achieved solid financial results, with total revenues projected at 86% of the budget and operating expenditures maintained within approved limits.

Core operating revenues, including water and sewer sales and interest earnings, are projected to meet or exceed budgeted amounts; this strong performance is largely attributed to the financial framework established in the 2024 5-Year Rate Study.

The recycled water revenue is expected to fall slightly short of the budget due to fewer new connections than initially anticipated. Additionally, development-related revenues were also impacted by slower-than-expected construction activity. Of the 481 units budgeted, 302 are expected to be completed by year-end. These trends affected capacity fee and meter fee collections.

Capital-related revenues, such as FORA building removal funds, bond proceeds, and grant reimbursements, were realized at 54% of the budget. This aligns with the reimbursement-based nature of CIP funding, which is typically tied to project execution.

On the expenditure side, the District exercised strong cost control. Operating expenses stayed within budget, and CIP expenditures totaled 54% of the adopted budget (43% of the amended budget, accounting for \$11.7 million in mid-year additions). Interest expenses are projected to exceed the budget by 28%, mainly due to unbudgeted inter-fund loans and new bond issuances this

year. Reserve transfers were used strategically to fund capital needs, reflecting prudent financial stewardship.

## **FY2026 ADOPTED BUDGET OVERVIEW**

The FY2026 Adopted Budget totals \$50.06 million, representing a 15% decrease from the FY2025 Adopted Budget. This reduction is primarily driven by a \$12.7 million decline in grant-funded CIP revenues, reflecting a more moderate capital program in the coming year. Despite this decline, the District continues to prioritize infrastructure reliability, financial stability, and service excellence.

## **REVENUE ASSUMPTIONS**

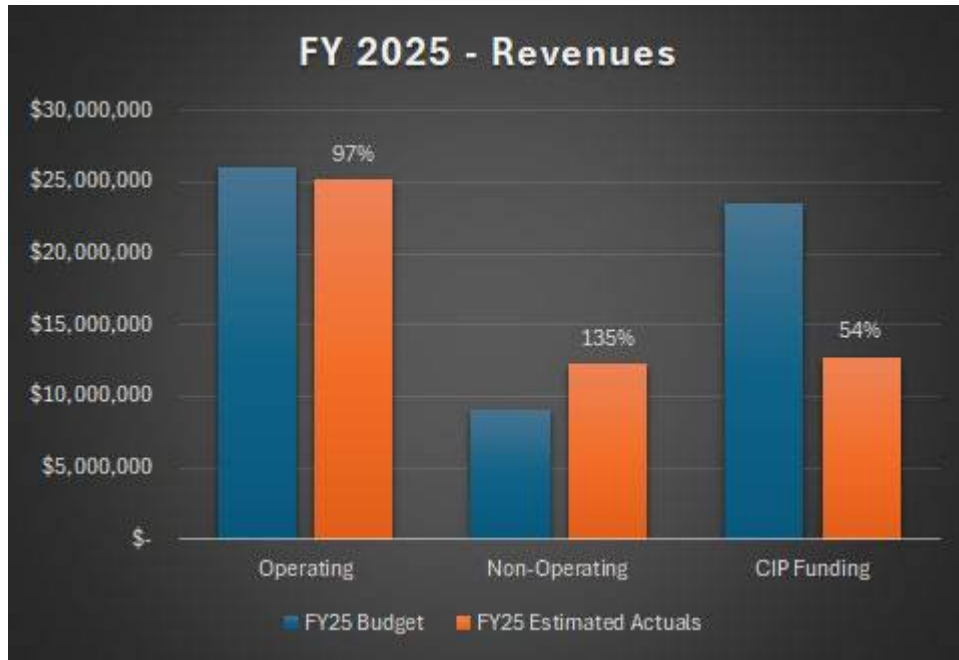
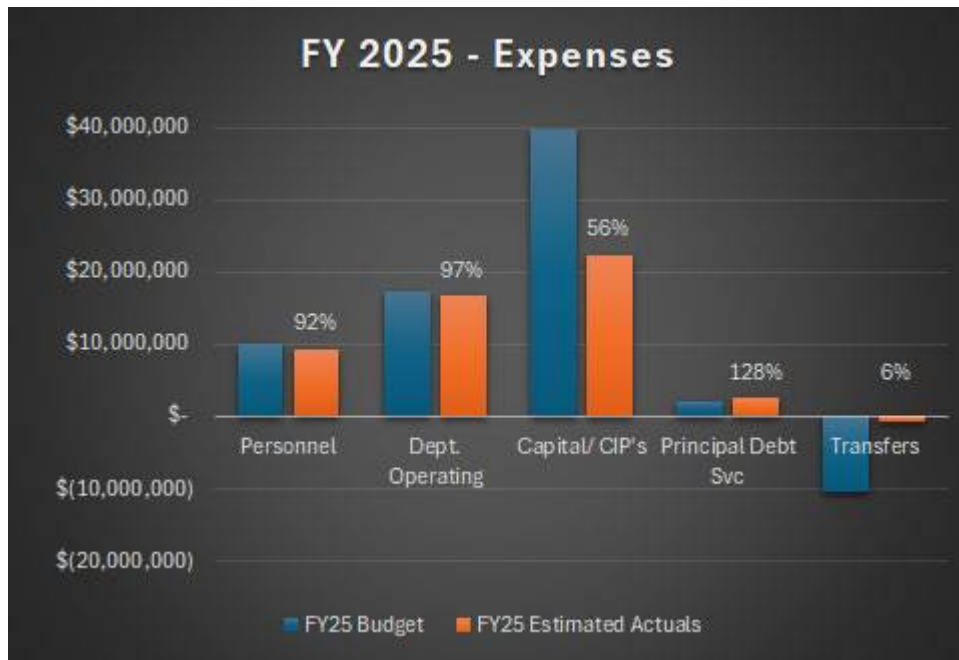
- Operating revenues are projected to increase by 11%, aligned with the 5-Year Rate Study and modest growth assumptions: 0.8% in Marina and 5.2% in Ord.
- The budget assumes 347 new units (260 in Ord, 87 in Marina), guiding estimates for capacity fees and developer-related revenues.
- Water source revenues used for MCWD GSA are indexed at \$323/AF, increasing by 1.85% (CCI-ENR).
- Other indexed fees (e.g., wheeling charges, capacity fees) and interest income are projected in line with FY2025's assumptions.
- CIP funding is reduced, reflecting a smaller capital program mainly focused on capital replacement and expansion projects.

## **EXPENSE ASSUMPTIONS**

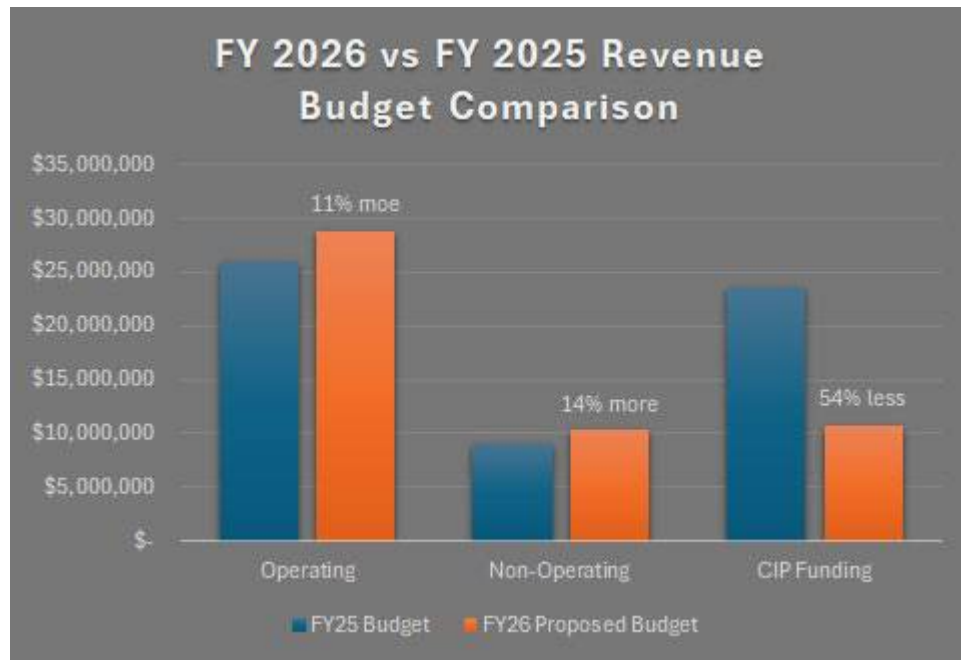
- Salaries and benefits are budgeted to increase by 8%, due to:
  - Full-year cost of two new positions added in FY2025,
  - A 2.7% COLA per MOU agreements, a 10% increase in healthcare costs, and modest CalPERS contribution increases.
  - No new FTEs are proposed for FY2026.
- Department operating expenses rose 29%, driven by:
  - Inclusion of non-cash expenses (depreciation/amortization) not previously budgeted
  - Increased insurance premiums (15–30%)
  - Rising utilities costs
  - Higher interest expense from new debt service obligations
- CIP and capital equipment spending is down 42%, with a focus on:
  - 43% capital replacements
  - 36% capacity projects
  - 21% funded through grants and other sources.
- Debt service increases 14%, reflecting new interfund borrowing. Notably, the 2024 bond defers principal payments until FY2038, and the 2025 bond refinanced the 2015 issuance.

## **CONCLUSION**

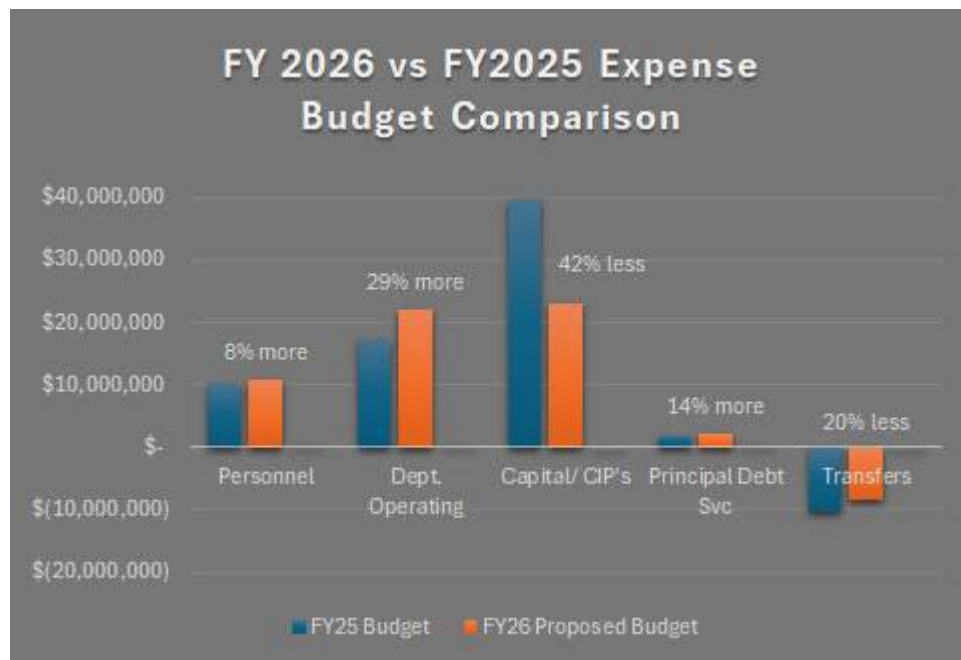
The FY2025 financial results reflect a disciplined and resilient organization that continues to adapt to evolving conditions while delivering essential services and investing in critical infrastructure. The FY2026 Adopted Budget builds on that success with a focus on financial prudence, long-term planning, and operational excellence. It ensures that the District remains well-positioned to meet the needs of the community while advancing strategic goals outlined in the 2024 Strategic Plan.

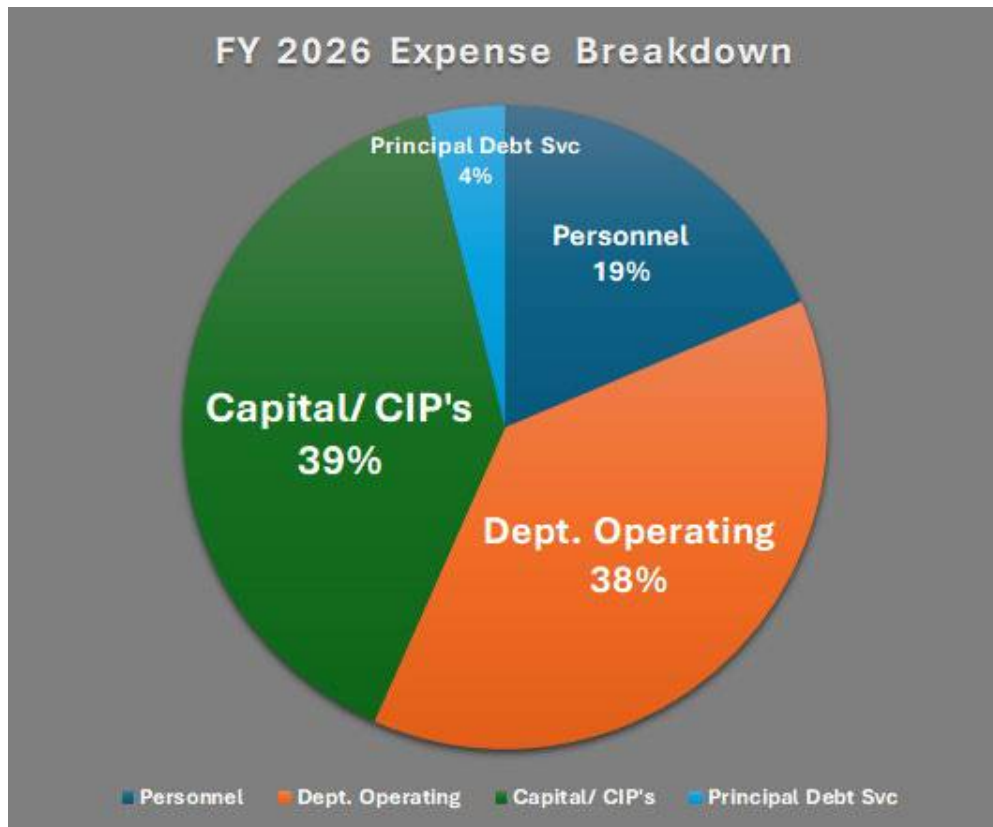
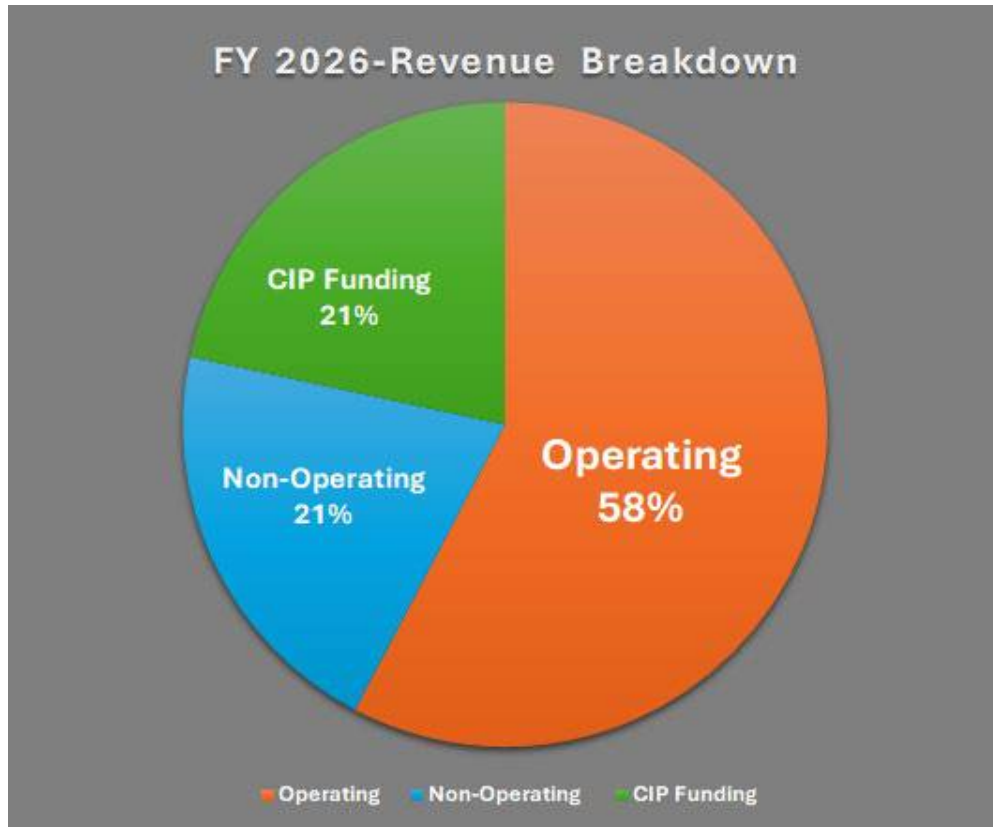
**Budget-to-Estimated Actuals (Revenues)****Budget-to-Estimated Actuals (Expenses)**

### Budget-to-Budget (Revenues)




### Budget-to-Budget (Expenses)





## Budget Overview (Summary)

District-Wide Revenues	FY 2025 Budget	FY 2025 Est. Actuals	FY 2025 Actuals to Budget	FY 2026 Budget	% Change FY 2026 Budget to FY 2025 Budget
Revenue - Operating	25,976,486	25,125,039	97%	28,893,122	11%
Revenue - Non-Operating	9,087,634	12,253,456	135%	10,347,282	14%
Revenue - CIP Funding	23,514,000	12,708,375	54%	10,822,000	-54%
<b>Total Revenue</b>	<b>58,578,120</b>	<b>50,086,870</b>	<b>86%</b>	<b>50,062,404</b>	<b>-15%</b>
District-Wide Expenses	FY 2025 Budget	FY 2025 Est. Actuals	FY 2025 Actuals to Budget	FY 2026 Budget	% Change FY 2026 Budget to FY 2025 Budget
Salaries & Benefits	10,085,056	9,241,351	92%	10,858,896	8%
Dept. Operating Expense	17,176,162	16,618,646	97%	22,216,002	29%
Capital Equipment & CIP's	39,676,594	22,288,268	56%	23,005,000	-42%
Principal Debt Service	1,999,470	2,550,567	128%	2,287,576	14%
Transfers	(10,359,162)	(611,962)	6%	(8,305,070)	-20%
<b>Total Expenses</b>	<b>58,578,120</b>	<b>50,086,870</b>	<b>86%</b>	<b>50,062,404</b>	<b>-15%</b>

A photograph of two men in business attire standing on a paved area, engaged in conversation. The man on the left is wearing a dark blue suit, a white shirt, and a blue and white striped tie. The man on the right is wearing a light grey blazer over a blue shirt and dark blue trousers. They are standing in front of a large, cylindrical water tank with blue and green horizontal stripes. The ground is covered with a layer of brown mulch. A red fire alarm pull station is visible on a wooden post to the left of the men.

During the Ribbon Cutting Ceremony, District Engineering staff discuss project highlights and milestones with the General Contractor for the A1/A2 Tanks and B/C Booster Pump Station — celebrating a successful collaboration in delivering critical infrastructure improvements.

A person wearing a blue baseball cap, a high-visibility yellow-green vest over a dark long-sleeved shirt, and blue jeans is working on a red metal frame. They are standing in a field with a body of water and trees in the background. A tall, thin pole with a light fixture is visible in the distance. The text "BUDGET FRAMEWORK & FINANCIAL POLICIES" is overlaid in white, bold, sans-serif font across the center of the image.

# BUDGET FRAMEWORK & FINANCIAL POLICIES

# BASIS OF BUDGETING

The District's budget is prepared and adopted in accordance with Generally Accepted Accounting Principles (GAAP). The District utilizes the accrual basis of accounting, under which:

- Revenues are recognized when earned, regardless of when cash is received.
- Expenses are recognized when incurred, regardless of when payments are made.

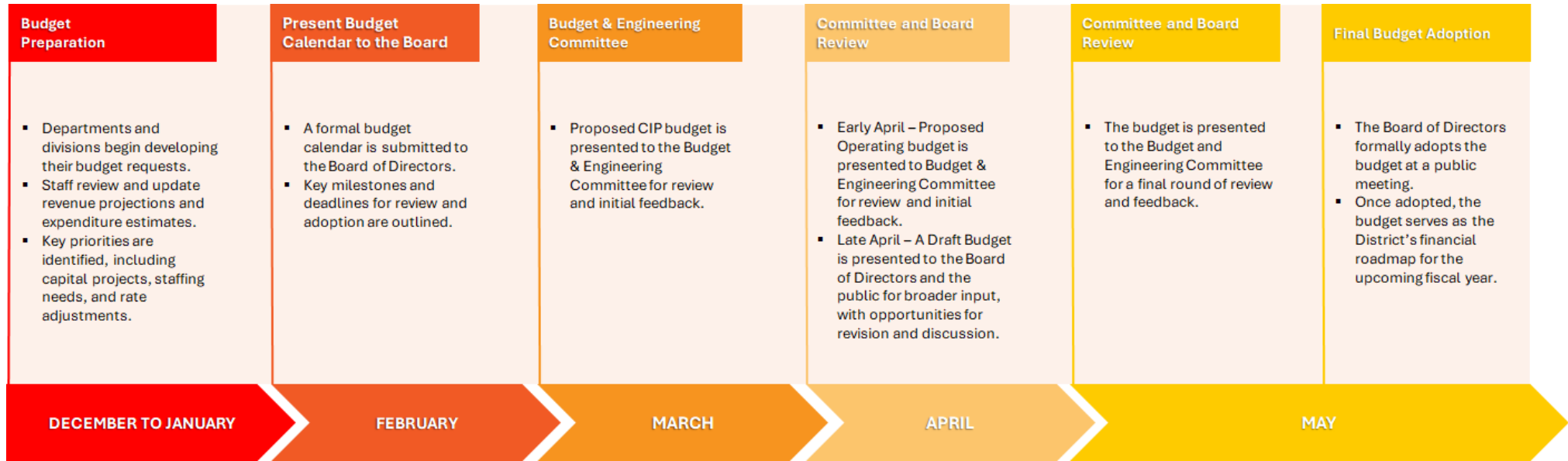
The basis of budgeting is the same as the basis of accounting used in the District's audited financial statements. This consistency supports transparency, comparability, and alignment between the District's budget and year-end financial reporting.

## **BUDGET PROCESS**

Each year, the District develops and adopts an Operating Budget and updates its 10-Year Capital Improvement Program (CIP). Together, these serve as essential tools for long-term financial planning and short-term fiscal control. The adopted budget outlines projected revenues and expenditures for the fiscal year and identifies the services, projects, and operational activities to be carried out. A balanced budget means the District's total projected revenues, including the use of fund balance when appropriate, are equal to or greater than projected expenditures for the fiscal year.

The budget process transforms the policy direction of the Board of Directors into actionable financial plans and provides a framework for performance monitoring and accountability.

## BUDGET TIMELINE



The District's annual budget process begins in December–January with departments preparing budget requests and staff updating revenue and expenditure estimates. Key priorities such as capital projects, staffing, and rate adjustments are identified. In February, a formal budget calendar is submitted to the Board of Directors, outlining key milestones and deadlines. By March, the proposed Capital Improvement Plan (CIP) budget is reviewed by the Budget and Engineering Committee for initial feedback. In April, the Operating Budget is presented to the committee, followed by the Draft Budget being shared with the Board and public for review and comment. Finally, in May, the Board formally adopts the budget during a public meeting. The approved budget serves as the District's financial guide for the upcoming fiscal year.

## BUDGET CONTROL AND OVERSIGHT

Budgetary control is maintained at the department level to ensure adherence to the adopted budget. Controls are enforced through project codes and account-level appropriations, and actual expenditures are monitored against budgeted amounts monthly.

- The General Manager is authorized to transfer appropriations between activities within the operating budget, provided there is no change to the total approved appropriation.
- Board approval is required for:
  - Increases to overall appropriations.
  - Revisions to the Capital Improvement Program (CIP).

This structure ensures fiscal discipline while allowing for operational flexibility and strategic responsiveness.

## KEY SIGNIFICANT FINANCIAL POLICIES

As part of the District's Strategic Plan efforts, a full set of financial policies are in place, regularly reviewed, and updated on a scheduled basis to ensure alignment with best practices and long-term financial goals.

Policy Name & Number	Policy Purpose
<a href="#">#3010 - Debt Management Policy</a>	The purpose of a debt management policy is to demonstrate to potential lenders, ratings agencies and the public the District's commitment to long-term capital financial planning using a formal set of written guidelines. Having and adhering to a formal debt management policy helps to ensure the District maintains a diversified debt portfolio that supports the District's financing needs and minimizes the District's cost of funds.
<a href="#">#3000 - Procurement Policy</a>	The purpose of this policy is to provide for a procurement system of quality and integrity; provide for the fair and equitable treatment of all persons or firms involved in purchasing by the District; ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the District; promote competition in contracting; and assure that MCWD purchasing actions are in full compliance with applicable Federal standards, State, and local laws.
<a href="#">#3040 - Investment Policy</a>	The purpose of this policy is that all investments and deposits of District funds shall be made only as set forth in this Annual Statement of Investment Policy in accordance with the Government Code. As set forth in Government Code Section 53600.5, the primary objective of the District's investment program shall be to safeguard the principal of funds. The secondary objective shall be to meet the liquidity needs. The third objective shall be to achieve a return on the funds invested.
<a href="#">#3050 - Reserve Policy</a>	The purpose of this Reserve Policy is to ensure Marina Coast Water District has sufficient funds to meet current and future needs.

# BUDGET ASSUMPTIONS

## REVENUE

The District's budgeting process begins with developing a set of operational assumptions to develop a budget that stays within available resources.

Projected revenues are grouped into the following categories:

- **Rate Revenue:** This includes income from water, sewer, and recycled water sales. The assumptions for rate revenue are based on the 5-year rate study adopted by the Board on April 29, 2024.
- **Developer Fees and Capacity Charges:** These revenues are based on engineering forecasts for future developments within the District's jurisdiction. This includes anticipated growth in residential and non-residential properties, as well as any significant commercial or industrial projects expected to be completed in the coming years. Capacity charges, developed and approved in 2020, will also be adjusted annually as per Ordinance 6.08.090 Section B based on the Engineering News-Record Construction Cost Index (ENR-CCI), with the first quarter of 2025 showing an increase of 1.85% rounding to the nearest \$25.
- **Bond Proceeds:** Bond proceeds are based on the Capital Improvement Plan (CIP) expense budget. These funds will be drawn as capital projects progress. The estimate reflects the timing of ongoing capital projects and infrastructure investments.
- **Interest Income:** Calculated annually based on projected fund balances and an assumed interest rate ranging from 3% to 5%.

- **Other Revenue/Miscellaneous:** This category includes various sources of income, such as service fees, penalties, lease revenues, and other miscellaneous sources. Projections are based on historical data and expected trends for the upcoming fiscal year.

## EXPENSES

The District's budget for expenses is projected to align with anticipated revenues and ensure the efficient operation of services. These expenses are categorized as follows:

- **Salaries & Benefits:** Salaries and Benefits are increased by 2.7% in accordance with the agreements outlined in the Memorandum of Understanding (MOU) with the District employee groups. The adjustment is based on the Consumer Price Index (CPI-U) San Francisco Bay area from Feb 2024 – Feb 2025
- **Department Expense:** Includes day-to-day costs such as utilities, consulting services, supplies, trainings, and miscellaneous fees. Budgets are developed in collaboration with department heads, using prior year's actuals as a baseline and adjusted for expected increases.
- **Capital Equipment:** Includes the purchase or replacement of large equipment used in operations. Budget needs are identified by the Department Head, reviewed by the Director of Administrative Services and approved by the General Manager.
- **Capital Improvement Projects:** This category includes funding for major infrastructure projects that improve or expand the District's water, sewer, and recycled water systems. These projects are identified in the District's Capital Improvement Plan (CIP). The capital budget is developed through a collaborative process led by the District Engineer, in consultation with the General Manager and the Director of Administrative Services. Budget estimates are based on project timelines, engineering designs, and available funding sources such as bond proceeds, capacity charges, capital replacement, and grants.
- **Principal Debt Service:** Includes repayment of the principal on loans and bonds used to fund capital projects. The budget for debt services is based on the District's existing debt schedules, which outline the timing and amount of payments due each fiscal year.

## BOARD WAIVER OF DISTRICT CODE SECTION 6.08.070

As part of the FY2025-2026 Adopted Budget, the Board of Directors approved a waiver of District Code Section 6.08.070, which requires that 25% of all monthly water charges collected by the District be allocated to long-term water supply projects. This action allows the full amount of water charge revenues to be available for operational and capital needs during the fiscal year.

**FY 2026 CAPITAL IMPROVEMENT PROJECT BUDGET**

<b>Funding Source</b>	<b>Amount (\$)</b>
2024 Bond	7,481,000
Building Removal	441,000
Capacity Fee	8,212,000
Capital Replacement	2,311,000
GSA Fund Balance	1,260,000
Grant	2,900,000
<b>Total</b>	<b>22,605,000</b>

**FY 2026 DEBT SERVICE**

<b>Loan/Bond</b>	<b>Principal Amount (\$)</b>
RUWAP 110 - Clean Water State Revolving Fund	107,721
RUWAP 110 - Water Recycling Fund	32,702
RUWAP 120 - Clean Water State Revolving Fund	128,466
RUWAP 120 - Water Recycling Fund	53,814
2017 BLM Installment Loan	121,961
2019 Bond	385,000
2025 Bond	935,000
MCWD Internal Loan (Recycled Water → Ord Sewer)	522,912
<b>Total</b>	<b>2,287,576</b>

Monitoring water pressure helps identify issues like low pressure, which can lead to contamination, and high pressure, which can damage pipes and appliances.



A blue street cleaning truck is driving on a paved residential street. The truck has "VACUOR" written on its side and is equipped with a large vacuum hose. Two workers in high-visibility vests are visible inside the cab. The background features tall pine trees, a speed limit sign for 55, and a white house with arched windows. The sky is blue with some clouds. A semi-transparent blue rectangle is overlaid on the center of the image, containing the title text.

# OPERATING BUDGET OVERVIEW

# COST CENTERS

The Marina Coast Water District (MCWD) functions as a singular enterprise fund consisting of six distinct cost centers. In accordance with District Ordinance No. 43, Section 6.04.050, the District upholds these separate cost centers to guarantee the appropriate segregation and maintenance of revenues and expenses pertaining to the Marina systems, the Ord Community systems, the Recycled Water system, and the Groundwater Sustainability Agency (GSA) under the governance of MCWD. The separation of funds is not only a requirement under the District Ordinance (Ordinance 43 Section 6.04.050) but also mandated by the agreement with the Fort Ord Reuse Authority (FORA) per Section 7.1.1. The agreement stipulates that the Ord Service Area should have its own cost center.

## **Ordinance 43 Section 6.04.050**

For so long as justified by objective administrative, engineering, financial or legal considerations, and notwithstanding the termination if 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 Areas.

## **FORA Contractual Requirement Section 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 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 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.

- **Water Cost Centers:** These centers account for operations across all departments of the District.
  - **Marina Water:** This cost center generates revenue from selling potable water through water connections within the Marina and other revenue sources.
  - **Ord Water:** This cost center generates revenue from selling potable water through water connections within the Ord Community, encompassing several land-use jurisdictions and other supplementary sources.
- **Wastewater Collection (Sewer) Cost Centers:** These centers account for operations through the District's Administration, Operations & Maintenance, and Engineering Departments.
  - **Marina Sewer:** This cost center generates revenue from sewer collection fees derived from connections within the Marina.
  - **Ord Sewer:** This cost center generates revenue from sewer collection fees obtained through connections within the Ord Community, which includes several land-use jurisdictions and additional revenue sources.
- **Recycled Water Cost Center:** This center accounts for its operations through the District's Administration, Operations and Maintenance, and Engineering Departments and generates revenue through the sale of recycled water.
- **Groundwater Sustainability Agency Cost Center:** This center accounts for its operations through the District's Administration and Water Resources Departments.

Regular inspection and testing of a hydrant helps to identify and rectify any issues promptly, reducing the risk of failures during critical moments. By proactively ensuring the operational readiness, potential obstacles that could impede firefighting efforts can be mitigated, safeguarding both lives and property.



Routine maintenance is crucial for ensuring a reliable and safe water supply, preventing costly repairs, and protecting public health. It involves regular checks, repairs, and upgrades to the water infrastructure, including pipelines, wells, treatment plants, and storage tanks.



# COST ALLOCATION

The District systematically allocates direct costs to the respective cost centers. Conversely, costs associated with specific functions are apportioned among six primary cost centers, considering water rights, pipeline length, and customer count variables.

Costs not specifically allocated to a single center are distributed among all centers, fostering efficiencies and achieving cost savings within administrative functions. This methodology constitutes approximately 15% of the District's Operating Expenses and is designated "all others." It encompasses expenditures related to Administration salaries and benefits, Board-related costs, Information Technology-related expenses, accounting services, and costs associated with rate studies. These functions are integral to the District and cannot be feasibly allocated directly or through any of the metrics above. In 2023, the District engaged Hildebrand Consulting to evaluate the cost allocation methods and propose a plan accessible on the District's website.

The following percentages are assigned for the Fiscal Year 2025-2026:

## MARINA COAST WATER DISTRICT COST ALLOCATION BASED ON FY 2024 OPERATING EXPENSES FY 2026 BUDGET

Cost Center		Audited Amount (\$)	Percentage	Previous Percentage
01	Marina Water (MW)	5,108,776	28%	27%
02	Marina Sewer (SW)	899,821	5%	5%
03	Ord Water (OW)	10,312,224	55%	55%
04	Ord Sewer (OS)	2,127,405	11%	12%
05	Recycled Water (RW)	166,578	1%	1%
Totals		18,614,804	100%	100%

Inspections are crucial for ensuring public health and safety by verifying that water systems consistently provide safe and reliable drinking water. These inspections, mandated by both federal and state regulations, help identify potential problems and ensure compliance with standards.



The height of a tank relative to the distribution system creates a pressure gradient, ensuring adequate water pressure at customer locations.



Tanks store treated water and ensure a consistent supply and pressure, especially during peak demand or emergencies. They also help maintain adequate pressure throughout the distribution system.



# MARINA RATES, FEES, AND CHARGES

## MARINA WATER SCHEDULE OF RATES (EFFECTIVE JULY 1, 2025)

Single Family Consumption Charge (\$/HCF)	Amount (\$)
Tier 1*	5.23
Tier 2	8.40

Multi-Family and Non-Residential Consumption Charge (\$/HCF)	Amount (\$)
Uniform Rate	5.57

## FIXED MONTHLY SERVICE CHARGE (EFFECTIVE JULY 1, 2025)

Meter Size in Inches	Amount (\$)
5/8 and 3/4	50.75
1	78.07
1.5	146.41
2	228.41
3	447.07
4	693.06
6	1,376.39
8	2,196.37
10	3,836.34
12	5,749.64

## MARINA SEWER SCHEDULE OF RATES (EFFECTIVE JULY 1, 2025)

Type of Charge	Amount (\$)
Fixed monthly charge (\$ per EDU)	10.87
Flow-based charges (\$ per HCF)	2.13

\* First 10 HCF.

**MARINA MONTHLY PRIVATE FIRE METER CHARGE (EFFECTIVE JULY 1, 2025)\***

Meter Size in Inches	Amount (\$)
1	2.13
1.5	6.17
2	13.17
2.5	23.66
3	38.24
4	81.47
6	236.67
8	504.34

**CAPACITY CHARGES (EFFECTIVE JULY 1, 2025)\*\***

Type of Charge	Amount (\$)
Water Capacity Fee	6,925
Sewer Capacity Fee	2,700

**TEMPORARY WATER SERVICE (EFFECTIVE JULY 1, 2025)**

Type of Charge	Amount (\$)
Meter Deposit Fee	835
Hydrant Meter Fee (Set/remove - one-time fee)	Actual Cost
Hydrant Fee (Relocate fee - per occurrence)	Actual Cost
Minimum Monthly Service Charge (Per month)	126
Estimated Water Consumption Deposit (Minimum)	1,409

**TYPICAL BILL – MARINA (EFFECTIVE JULY 1, 2025)**

Charge Type	Current Rate (\$)	Adopted Rates (\$)	Change (\$)
Water (Average consumption of 6 HCF)	68.45	82.13	13.68
Sewer (Average consumption of 5 HCF)	18.70	21.52	2.82
<b>Total Bill</b>	<b>87.15</b>	<b>103.65</b>	<b>16.50</b>

\* Increase based on a 2.7% Consumer Price Index (CPI) increase between Feb 2024 and Feb 2025.

\*\* Per District Ordinance 6.08.090 Section B, each July 1st, Capacity Charges will be adjusted by an increment based on the change in the Engineering News Record-City Average Construction Index (CCI) over the prior year, using the index published for the first quarter of the calendar year, and rounding to the nearest \$25. The average CCI for the first quarter of 2025 is 1.85%.

# ORD RATES, FEES, AND CHARGES

## ORD WATER SCHEDULE OF RATES (EFFECTIVE JULY 1, 2025)

Single Family Consumption Charge (\$/HCF)	Amount (\$)
Tier 1*	7.47
Tier 2	11.41

Multi-Family and Non-Residential Consumption Charge (\$/HCF)	Amount (\$)
Uniform Rate	8.03

## FIXED MONTHLY SERVICE CHARGE (EFFECTIVE JULY 1, 2025)

Meter Size in Inches	Amount (\$)
5/8 and 3/4	57.57
1	86.47
1.5	158.74
2	245.45
3	476.69
4	736.84
6	1,459.46
8	2,326.60
10	4,060.89
12	6,084.23

## ORD SEWER SCHEDULE OF RATES (EFFECTIVE JULY 1, 2025)

Type of Charge	Amount (\$)
Fixed monthly charge (\$ per EDU)	21.37
Flow-based charges (\$ per HCF)	4.18

\* First 10 HCF.

**ORD MONTHLY PRIVATE FIRE METER CHARGE (EFFECTIVE JULY 1, 2025)\***

Meter Size in Inches	Amount (\$)
1	3.05
1.5	8.88
2	18.95
2.5	34.06
3	55.01
4	117.21
6	340.46
8	725.55

**CAPACITY CHARGES (EFFECTIVE JULY 1, 2025)\*\***

Type of Charge	Amount (\$)
Water Capacity Fee	14,150
Sewer Capacity Fee	3,650

**TEMPORARY WATER SERVICE (EFFECTIVE JULY 1, 2025)**

Type of Charge	Amount (\$)
Meter Deposit Fee	835
Hydrant Meter Fee (Set/remove – one-time fee)	Actual Cost
Hydrant Fee (Relocate fee – per occurrence)	Actual Cost
Minimum monthly Service Charge (Per month)	126
Estimated Water Consumption Deposit (Minimum)	1,409

**TYPICAL BILL – ORD COMMUNITY (EFFECTIVE JULY 1, 2025)**

Charge Type	Current Rate (\$)	Adopted Rates (\$)	Change (\$)
Water (Average consumption of 6 HCF)	93.08	102.39	9.31
Sewer (Average consumption of 5 HCF)	40.65	42.27	1.62
<b>Total Bill</b>	<b>133.73</b>	<b>144.66</b>	<b>10.93</b>

\* Increase based on a 2.7% Consumer Price Index (CPI) increase between Feb 2024 and Feb 2025.

\*\* Per District Ordinance 6.08.090 Section B, each July 1<sup>st</sup>, Capacity Charges will be adjusted by an increment based on the change in the Engineering News Record-City Average Construction Index (CCI) over the prior year, using the index published for the first quarter of the calendar year, and rounding to the nearest \$25. The average CCI for the first quarter of 2025 is 1.85%.

# RECYCLED WATER RATES, FEES, AND CHARGES

## RECYCLED WATER SCHEDULE OF RATES (EFFECTIVE JULY 1, 2025)

Consumption Charge (\$/HCF)	Amount (\$)
Per HCF	7.46

## FIXED MONTHLY SERVICE CHARGE (EFFECTIVE JULY 1, 2025)

Meter Size in Inches	Amount (\$)
5/8 and 3/4	57.89
1	82.07
1.5	142.56
2	215.15
3	444.97
4	783.68
6	1,594.16
8	3,408.66
10	4,929.19
12	6,214.71

## CAPACITY CHARGES (EFFECTIVE JULY 1, 2025)\*

Type of Charge	Amount (\$)
Recycled Water Capacity Fee	5,575

\* Per District Ordinance 6.08.090 Section B, each July 1<sup>st</sup>, Capacity Charges will be adjusted by an increment based on the change in the Engineering News Record-City Average Construction Index (CCI) over the prior year, using the index published for the first quarter of the calendar year, and rounding to the nearest \$25. The average CCI for the first quarter of 2025 is 1.85%.

# GENERAL RATES, FEES, AND CHARGES

## STAFF RATES (EFFECTIVE JULY 1, 2025)

Job Title	Rates (\$) per hour
<b>Administration</b>	
General Manager	260
Director of Administrative Services	183
<b>Engineering</b>	
District Engineer	202
Senior Engineer	158
Senior Project Engineer	149
Associate Engineer	109
Assistant Engineer	94
Engineering Technician	73
Engineering Administrative Assistant	89
<b>Operations &amp; Maintenance</b>	
O&M Manager	170
O&M Supervisor	152
Operations & Maintenance System Lead Operator	127
Operations & Maintenance System Operator II	115
Operations & Maintenance System Operator I	100
Meter Reader	79
<b>Water Resources/Conservation</b>	
Water Resources Manager	166
Conservation Specialist	119

**OTHER FEES AND CHARGES (EFFECTIVE JULY 1, 2025)\***

<b>Charge Type</b>	<b>Amount (\$)</b>
<b>Plan Review Fees</b>	
Existing Residential modifications/additions	361
Existing Commercial modifications/additions	721
Small and Large Projects	901
<b>Construction Inspection Fees</b>	
Small Project (Single lot)	721
Large Project	901
<b>Permit Fees</b>	
Water/Sewer Permit Fee (each)	91
Backflow/Cross Connection Control Fee	136
Additional Backflow/Cross Connection Device	90
New Service Tap Inspection Review Fee	515
Industrial Water Discharge Permit Fee (per year)	136
<b>Other Charges</b>	
Preliminary Project Review (large projects)**	901
Deposit for a Meter Relocation	206
Mark and Locate Fee (USA Markings)	132
Deposit for New Account/Re-Establish Account	47
Meter Test Fee	42
Penalty	10%
Photocopy charges	0.25
<b>Returned Check Fee***</b>	
For the first incident	25
For each subsequent occurrence	35
<b>Wheeling Charge (Per month)****</b>	3,229.92
<b>GSA Pumping Fee (Per ac/ft)***</b>	323

\* Fees are subject to additional personnel cost as needed. Please refer to the previous page for hourly rate information.

\*\* These are for projects not requiring an infrastructure agreement.

\*\*\* Per California Civil Code Section 1719, a \$25 fee will be charged for any check returned due to insufficient funds, and \$35 for each subsequent NSF occurrence.

\*\*\*\* Computed based on the average CCI for 1st Quarter 2025 (1.85%). Effective July 1, 2025

A Marina Coast Water District meter reader performs a scheduled read along a designated route — ensuring accurate billing and consistent water usage monitoring for our customers.



# FY 2026 BUDGET SUMMARY

## FY 2026 Budget Summary (Revenue and Other Sources)

Revenue and Other Sources	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Water Sales	6,094,400	-	11,821,000	-	-	-	17,915,400
Sewer Sales	-	1,978,000	-	4,730,000	-	-	6,708,000
Recycled Water Sales	-	-	-	-	1,757,000	-	1,757,000
Developer Fees	37,500	37,500	212,500	212,500	2,000	-	502,000
Water Source Fees	-	-	-	-	-	1,093,522	1,093,522
Other Fees and Charges	248,200	15,000	629,000	25,000	-	-	917,200
<b>Operating Revenue</b>	<b>6,380,100</b>	<b>2,030,500</b>	<b>12,662,500</b>	<b>4,967,500</b>	<b>1,759,000</b>	<b>1,093,522</b>	<b>28,893,122</b>
Capacity Charge/Capital Surcharge	571,200	239,600	4,136,500	1,122,500	-	-	6,069,800
Interest Revenue	362,000	156,000	645,000	522,000	375,000	-	2,060,000
Other Revenue	234,400	53,900	397,500	112,300	82,300	-	880,400
Building Removal Fund	-	-	441,000	-	-	-	441,000
Grant Revenue	959,200	10,750	2,119,250	23,650	2,150	599,170	3,714,170
2024 Bond Proceeds	984,000	2,388,000	4,109,000	-	-	-	7,481,000
MCWD Internal Loan	-	-	-	522,912	-	-	522,912
<b>Non-Operating Revenue</b>	<b>3,110,800</b>	<b>2,848,250</b>	<b>11,848,250</b>	<b>2,303,362</b>	<b>459,450</b>	<b>599,170</b>	<b>21,169,282</b>
<b>Total Revenue &amp; Other Sources</b>	<b>9,490,900</b>	<b>4,878,750</b>	<b>24,510,750</b>	<b>7,270,862</b>	<b>2,218,450</b>	<b>1,692,692</b>	<b>50,062,404</b>

## FY 2026 Budget Summary (Expenses and Other Uses)

Expenses and Other Uses	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	Total (\$)
Salaries & Benefits	3,082,911	813,579	5,535,740	1,367,239	59,427	-	10,858,896
Department Expense	4,486,020	708,369	8,846,056	1,818,382	2,005,330	1,392,089	19,256,246
Interest Expense	429,171	290,734	1,264,154	413,072	562,625	-	2,959,756
Capital Improvement Projects	2,832,000	3,594,000	11,502,000	2,523,000	894,000	1,260,000	22,605,000
Capital Equipment	112,000	20,000	220,000	44,000	4,000	-	400,000
Principal Debt Service	209,049	95,007	617,580	305,275	1,060,665	-	2,287,576
Transfer To (From) Capital Replacement Reserve	(499,296)	(106,969)	(731,186)	2,880,255	14,386	-	1,557,190
Transfer From Capacity Fee	(583,238)	(1,155,120)	(2,910,542)	623,046	(1,528,508)	-	(5,554,362)
Transfer To (From) Net Reserve	(577,717)	619,150	166,948	(2,703,407)	(853,475)	(959,397)	(4,307,898)
<b>Total Expenses &amp; Other Uses</b>	<b>9,490,900</b>	<b>4,878,750</b>	<b>24,510,750</b>	<b>7,270,862</b>	<b>2,218,450</b>	<b>1,692,692</b>	<b>50,062,404</b>

# BUDGET COMPARISON & FINANCIAL TRENDS

## Statement of Net Position

The statement of net position is designed to display the financial position of the District. Marina Coast Water District's net position is classified into three categories as follows:

- 1. Net investment in capital assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of investment in capital assets, net of related debt. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- 2. Restricted** – This component of net position consists of constraints placed on an assets' use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law and regulations of other governments, and reduced by liabilities and deferred inflows of resources related to those assets. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.
- 3. Unrestricted** – This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Amounts included as unrestricted net position are available for designation for specific purposes established by the District's Board of Directors.

## Net Position Summary

	Marina Water	Marina Sewer	Ord Water	Ord Sewer	Recycled Water	GSA	Total
<b>OPERATING REVENUES</b>							
Water Services	6,094,400	-	11,821,000	-	1,757,000	-	19,672,400
Wastewater Services	-	1,978,000	-	4,730,000	-	-	6,708,000
Other Services and Fees	248,200	15,000	629,000	25,000	-	1,093,522	2,010,722
Developer Capacity and Connection Fees	608,700	277,100	4,349,000	1,335,000	2,000	-	6,571,800
<b>Total Operating Revenues</b>	<b>6,951,300</b>	<b>2,270,100</b>	<b>16,799,000</b>	<b>6,090,000</b>	<b>1,759,000</b>	<b>1,093,522</b>	<b>34,962,922</b>
<b>OPERATING EXPENSES</b>							
Administrative	2,971,782	422,776	5,639,065	927,043	1,876,185	-	11,836,851
Operations and Maintenance	1,855,785	677,107	3,376,328	1,292,736	19,963	-	7,221,919
Laboratory	102,095	-	204,195	-	3,094	-	309,384
Water Resources - Conservation	185,413	-	289,365	-	-	-	474,778
Engineering	809,543	225,365	1,766,412	533,102	126,175	-	3,460,597
Water Resources - Districtwide	542,793	-	942,731	-	-	-	1,485,524
Water Resources - GSA	-	-	-	-	-	1,392,089	1,392,089
Depreciation and amortization	1,101,520	196,700	2,163,700	432,740	39,340	-	3,934,000
<b>Total Operating Expenses</b>	<b>7,568,931</b>	<b>1,521,948</b>	<b>14,381,796</b>	<b>3,185,621</b>	<b>2,064,757</b>	<b>1,392,089</b>	<b>30,115,142</b>
<b>Operating Income (Loss)</b>	<b>(617,631)</b>	<b>748,152</b>	<b>2,417,204</b>	<b>2,904,379</b>	<b>(305,757)</b>	<b>(298,567)</b>	<b>4,847,780</b>

	Marina Water	Marina Sewer	Ord Water	Ord Sewer	Recycled Water	GSA	Total
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Other Revenue	234,400	53,900	397,500	112,300	82,300	-	880,400
Gain (loss) on sales of assets	-	-	-	-	-	-	-
Contributions to other agencies	-	-	-	-	-	-	-
Investment income	362,000	156,000	645,000	522,000	375,000	-	2,060,000
Interest expense	(429,171)	(290,734)	(1,264,154)	(413,072)	(562,625)	-	(2,959,756)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>167,229</b>	<b>(80,834)</b>	<b>(221,654)</b>	<b>221,228</b>	<b>(105,325)</b>	<b>-</b>	<b>(19,356)</b>
<b>Income (loss) before capital contributions</b>	<b>(450,402)</b>	<b>667,318</b>	<b>2,195,550</b>	<b>3,125,607</b>	<b>(411,082)</b>	<b>(298,567)</b>	<b>4,828,424</b>
<b>CAPITAL CONTRIBUTIONS</b>							
Grants	60,200	10,750	118,250	23,650	2,150	599,170	814,170
Developer capacity and connection fees	-	-	-	-	-	-	-
<b>Total Capital Contributions</b>	<b>60,200</b>	<b>10,750</b>	<b>118,250</b>	<b>23,650</b>	<b>2,150</b>	<b>599,170</b>	<b>814,170</b>
<b>Change in Net Position</b>	<b>(390,202)</b>	<b>678,068</b>	<b>2,313,800</b>	<b>3,149,257</b>	<b>(408,932)</b>	<b>300,603</b>	<b>5,642,594</b>
<b>Total Net Position - Beginning</b>	<b>22,852,912</b>	<b>9,008,409</b>	<b>110,069,696</b>	<b>63,755,900</b>	<b>20,120,213</b>	<b>1,238,147</b>	<b>227,045,277</b>
<b>Total Est. Net position - Ending</b>	<b>\$22,462,710</b>	<b>\$9,686,477</b>	<b>\$112,383,496</b>	<b>\$66,905,157</b>	<b>\$19,711,281</b>	<b>\$1,538,750</b>	<b>\$232,687,871</b>



Smart irrigation practices help conserve water, reduce runoff, and protect local ecosystems — a small change with a big impact on our environment and community resilience.

# FY 2026 Budget Comparison

## Multi-Year Revenue Comparison

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Water Sales	13,260,806	15,363,500	15,459,956	17,915,400	17%
Sewer Sales	5,334,321	6,047,000	5,667,640	6,708,000	11%
Recycled Water Sales	1,116,525	1,732,327	1,279,893	1,757,000	1%
Developer Revenue	864,307	770,000	546,530	502,000	-35%
Water Source Fees	874,969	1,073,659	1,073,659	1,093,522	2%
Other Fees & Charges	1,072,931	990,000	1,097,361	917,200	-7%
Capacity Charge	6,227,169	4,631,000	8,900,682	6,069,800	31%
Interest Revenue	1,548,928	930,400	2,032,542	2,060,000	121%
Other Revenue	422,039	939,234	802,497	880,400	-6%
2019 Bond Proceeds	3,914,053	-	494,971	-	0%
Building Removal Fund	-	916,000	477,000	441,000	-52%
Grant Revenue	772,853	17,787,000	1,688,132	3,714,170	-79%
2024 Bond Proceeds	-	7,398,000	10,048,272	7,481,000	1%
MCWD Internal Loan	-	-	517,735	522,912	100%
<b>Total Revenue</b>	<b>35,408,901</b>	<b>58,578,120</b>	<b>50,086,870</b>	<b>50,062,404</b>	<b>-15%</b>

## OPERATING REVENUE

- **Water Sales:** Include single and multi-family residential, business, government, and hydrant water charges.
- **Sewer Sales:** Include residential and non-residential wastewater collection charges.
- **Recycled Water Sales:** Include recycled water sales through rates and agreements.
- **Developer Fees:** Reimbursement fees for developer costs.
- **Water Source Fees:** Fees collected by MCWD GSA for its work and projects.
- **Other Fees & Charges:** Include fire system charges, backflow fees, late fees, plan-check fees, and permit fees.

## NON-OPERATING REVENUE & OTHER SOURCES

- **Capacity Fees/Capital Surcharges:** Capacity fees are one-time charges for new developments connected to the District's water and sewer systems. Capital Surcharge fees are monthly flat-rate fees charged to occupants of new developments connected to the District's water and sewer systems (connections between July 1, 2005 – July 1, 2014).
- **Interest Income:** earned from interest-bearing accounts or investments, such as savings accounts, money market accounts, CDs, bonds, or other fixed-income securities.
- **Other Revenues:** Includes deferred revenue, rental income, and grant revenue.
- **2019 COP Proceeds:** Certificate of Participation (COP) bond proceeds.
- **Building Removal Proceeds:** FORA bond proceeds were given to MCWD for building removal.
- **Future Grant:** A grant is a sum of money that a government or other institution provides to an organization for a specific purpose.
- **2024 Bond:** The District issues debt securities to fund and finance capital projects.
- **MCWD Internal Loan:** Internal loan between Recycled Water Fund and Ord Sewer Fund



Regular tank inspections are essential to ensure water quality, structural integrity, and system reliability — protecting public health and maintaining service excellence.

## Multi-Year Expenses Comparison

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Salaries & Benefits	8,396,579	10,085,056	9,241,351	10,858,896	8%
Department Expense	15,592,585	15,211,474	14,604,144	19,256,246	27%
Interest Expense	1,997,792	1,964,688	2,014,502	2,959,756	51%
Franchise Fee	53,141	-	-	-	0%
Capital Improvement Projects	4,173,651	38,864,000	21,475,674	22,605,000	-42%
Capital Equipment	520,708	812,594	812,594	400,000	-51%
Principal Debt Service	1,949,108	1,999,470	2,550,567	2,287,576	14%
Transfer To Capital Replacement Reserve	3,640,000	1,820,000	1,820,000	1,557,190	-14%
Transfer from Capacity Fee	-	-	-	(5,554,362)	0%
Transfer To/(From) Net Reserve	(914,663)	(12,179,162)	(2,431,962)	(4,307,898)	-65%
<b>Total Expenses</b>	<b>35,408,901</b>	<b>58,578,120</b>	<b>50,086,870</b>	<b>50,062,404</b>	<b>-15%</b>

**OPERATING EXPENSES**

- **Salaries & Benefits:** This includes wages and all employee benefits, such as health, pension, workers' compensation, disability, and life insurance.
- **Department Expenses:** Includes administrative and office expenses, operating supplies, maintenance and repair costs, information technology costs, professional services, and other fees.
- **Interest Expense:** Includes interest expense for bond/loan debt service.
- **Franchise & Admin. Fees:** Includes franchise fees and administrative fees.
- **Water Source Fee:** Fees collected by MCWD GSA for its work and projects.

**NON-OPERATING EXPENSES & OTHER USES**

- **Total CIP/Capital Equipment:** Includes capital improvement projects and capital equipment purchases.
- **Principal Debt Service:** The amount of debt service payment attributable to the principal portion of the loan/bond.
- **Transfer from Capacity Fee:** To cover the costs of extending or enhancing infrastructure to accommodate new demand.
- **Transfer to Cap. Replacement Reserve:** To cover the cost of capital equipment and capital replacement projects and/or to the amount needed to maintain the capital replacement target reserve per the District's reserve policy.
- **Transfer To/(From) Reserves, Net:** Represents all other transfers to and from the District's various reserve funds.



Marina Coast Water District promotes sustainable practices through community education, water-efficient programs, and conservation initiatives — helping residents and businesses use water wisely and protect our shared resources.

## FY 2026 Revenue Categories Comparison

Revenue	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Water Sales	13,260,806	15,363,500	15,459,956	17,915,400	17%
Sewer Sales	5,334,321	6,047,000	5,667,640	6,708,000	11%
Recycled Water Sales	1,116,525	1,732,327	1,279,893	1,757,000	1%
Developer Fees	864,307	770,000	546,530	502,000	-35%
Water Source Fees	874,969	1,073,659	1,073,659	1,093,522	2%
Other Fees & Charges	1,072,931	990,000	1,097,361	917,200	-7%
Capacity Charge	6,227,169	4,631,000	8,900,682	6,069,800	31%
Interest Revenue	1,548,928	930,400	2,032,542	2,060,000	121%
Other Revenue	422,039	939,234	802,497	880,400	-6%
2019 Bond Proceeds	3,914,053	-	494,971	-	0%
Building Removal Fund	-	916,000	477,000	441,000	-52%
Future Grant	772,853	17,787,000	1,688,132	3,714,170	-79%
2024 Bond Proceeds	-	7,398,000	10,048,272	7,481,000	1%
MCWD Internal Loan	-	-	517,735	522,912	100%
<b>Total Revenue</b>	<b>35,408,901</b>	<b>58,578,120</b>	<b>50,086,870</b>	<b>50,062,404</b>	<b>-15%</b>

## FY 2026 Revenue Categories By Cost Center

### Marina Water

Revenue Categories	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Water Sales	4,011,684	5,043,000	4,703,885	6,094,400	21%
Developer Fees	37,373	65,000	96,410	37,500	-42%
Other Fees & Charges	224,820	220,000	228,347	248,200	13%
<b>Operating Revenues</b>	<b>4,273,877</b>	<b>5,328,000</b>	<b>5,028,642</b>	<b>6,380,100</b>	<b>20%</b>
Capacity Charge	183,904	270,000	257,000	571,200	112%
Interest Revenue	267,319	200,100	354,390	362,000	81%
Other Revenue	130,498	244,243	213,483	234,400	-4%
2019 Bond Proceeds	1,112,148	-	221,796	-	0%
Grant Revenue	29,998	2,457,000	-	959,200	-61%
2024 Bond Proceeds	-	1,328,000	2,838,526	984,000	-26%
<b>Non-Operating Revenues</b>	<b>1,723,866</b>	<b>4,499,343</b>	<b>3,885,195</b>	<b>3,110,800</b>	<b>-31%</b>
<b>Total Revenue &amp; Other Sources</b>	<b>5,997,743</b>	<b>9,827,343</b>	<b>8,913,837</b>	<b>9,490,900</b>	<b>-3%</b>

## Marina Sewer

Revenue Categories	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Sewer Sales	1,515,053	1,708,000	1,578,623	1,978,000	16%
Developer Fees	33,227	25,000	63,324	37,500	50%
Other Fees & Charges	14,902	15,000	14,655	15,000	0%
<b>Operating Revenues</b>	<b>1,563,182</b>	<b>1,748,000</b>	<b>1,656,602</b>	<b>2,030,500</b>	<b>16%</b>
Capacity Charge	72,883	155,000	112,000	239,600	55%
Interest Revenue	52,160	28,050	149,975	156,000	456%
Other Revenue	26,692	64,290	55,807	53,900	-16%
2019 Bond Proceeds	8,402	-	-	-	0%
Grant Revenue	-	-	-	10,750	100%
2024 Bond Proceeds	-	1,671,000	460,000	2,388,000	43%
<b>Non-Operating Revenues</b>	<b>160,137</b>	<b>1,918,340</b>	<b>777,782</b>	<b>2,848,250</b>	<b>48%</b>
<b>Total Revenue &amp; Other Sources</b>	<b>1,723,319</b>	<b>3,666,340</b>	<b>2,434,384</b>	<b>4,878,750</b>	<b>33%</b>

## Ord Water

Revenue Categories	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Water Sales	9,249,122	10,320,500	10,756,071	11,821,000	15%
Developer Fees	410,803	425,000	198,322	212,500	-50%
Other Fees & Charges	817,264	743,800	817,594	629,000	-15%
<b>Operating Revenues</b>	<b>10,477,189</b>	<b>11,489,300</b>	<b>11,771,987</b>	<b>12,662,500</b>	<b>10%</b>
Capacity Charge	4,816,469	3,041,000	6,878,259	4,136,500	36%
Interest Revenue	511,698	272,700	661,462	645,000	137%
Other Revenue	208,297	444,993	366,768	397,500	-11%
2019 Bond Proceeds	2,793,503	-	273,175	-	0%
Building Removal Fund	-	916,000	477,000	441,000	-52%
Grant Revenue	44,998	5,343,000	-	2,119,250	-60%
2024 Bond Proceeds	-	4,399,000	6,749,746	4,109,000	-7%
<b>Non-Operating Revenues</b>	<b>8,374,964</b>	<b>14,416,693</b>	<b>15,406,410</b>	<b>11,848,250</b>	<b>-18%</b>
<b>Total Revenue &amp; Other Sources</b>	<b>18,852,153</b>	<b>25,905,993</b>	<b>27,178,397</b>	<b>24,510,750</b>	<b>-5%</b>

## Ord Sewer

Revenue Categories	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Sewer Sales	3,819,268	4,339,000	4,089,017	4,730,000	9%
Developer Fees	376,227	250,000	186,867	212,500	-15%
Other Fees & Charges	15,945	11,200	36,765	25,000	123%
<b>Operating Revenues</b>	<b>4,211,439</b>	<b>4,600,200</b>	<b>4,312,649</b>	<b>4,967,500</b>	<b>8%</b>
Capacity Charge	1,153,914	1,165,000	1,653,423	1,122,500	-4%
Interest Revenue	396,616	229,200	490,458	522,000	128%
Other Revenue	61,725	154,253	135,072	112,300	-27%
Internal Loan	-	-	517,735	522,912	100%
<b>Non-Operating Revenues</b>	<b>1,612,256</b>	<b>1,548,453</b>	<b>2,796,688</b>	<b>2,279,712</b>	<b>47%</b>
<b>Total Revenue &amp; Other Sources</b>	<b>5,823,695</b>	<b>6,148,653</b>	<b>7,109,337</b>	<b>7,270,862</b>	<b>18%</b>

## Recycled Water

Revenue Categories	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Recycled Water Sales	1,116,525	1,732,327	1,279,893	1,757,000	1%
Developer Fees	6,678	5,000	1,607	2,000	-60%
<b>Operating Revenues</b>	<b>1,123,203</b>	<b>1,737,327</b>	<b>1,281,500</b>	<b>1,759,000</b>	<b>1%</b>
Capacity Charge	-	-	-	-	0%
Interest Revenue	321,135	200,350	376,257	375,000	87%
Other Revenue	(5,174)	31,455	31,367	82,300	162%
Grant Revenue	40,704	-	-	2,150	100%
<b>Non-Operating Revenues</b>	<b>356,666</b>	<b>231,805</b>	<b>407,624</b>	<b>459,450</b>	<b>98%</b>
<b>Total Revenue &amp; Other Sources</b>	<b>1,479,868</b>	<b>1,969,132</b>	<b>1,689,124</b>	<b>2,218,450</b>	<b>13%</b>

## GSA

Revenue Categories	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)	Bud vs Bud % Change
Water Source Fees	874,969	1,073,659	1,073,659	1,093,522	2%
Other Fees & Charges	-	-	-	-	0%
<b>Operating Revenues</b>	<b>874,969</b>	<b>1,073,659</b>	<b>1,073,659</b>	<b>1,093,522</b>	<b>2%</b>
Grant Revenue	657,153	9,987,000	1,688,132	599,170	-94%
<b>Non-Operating</b>	<b>657,153</b>	<b>9,987,000</b>	<b>1,688,132</b>	<b>599,170</b>	<b>-94%</b>
<b>Total Revenue &amp; Other Sources</b>	<b>1,532,122</b>	<b>11,060,659</b>	<b>2,761,791</b>	<b>1,692,692</b>	<b>-85%</b>



Marina Coast Water District utilizes advanced metering technology to accurately record water usage in real time — enhancing efficiency, improving customer service, and supporting long-term conservation goals.

## FY 2026 Expenses District-Wide

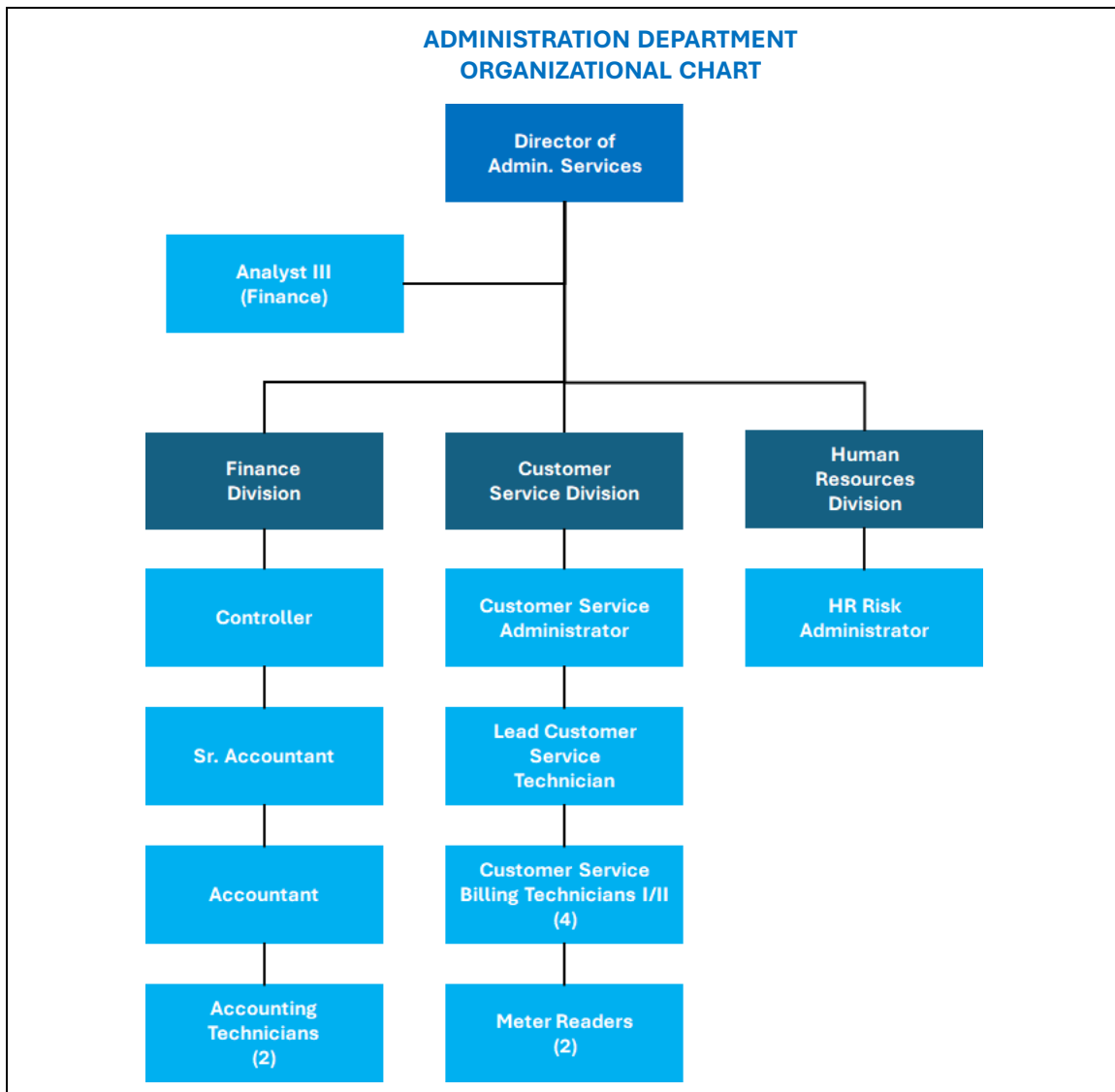
Expenses Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Estimated Actuals (\$)	25/26 Adopted Budget (\$)	Budget vs Budget % Change
<b>Operating Expenses</b>					
Salaries & Benefits	8,396,579	10,085,056	9,241,351	10,858,896	8%
Department Expense	15,592,585	15,211,474	14,604,144	19,256,246	27%
Interest Expense	1,997,792	1,964,688	2,014,502	2,959,756	51%
Franchise Fee	53,141	-	-	-	0%
<b>Non-Operating Expenses &amp; Other Uses</b>					
Capital Improvement Projects	4,173,651	38,864,000	21,475,674	22,605,000	-42%
Capital Equipment	520,708	812,594	812,594	400,000	-51%
Principal Debt Service	1,949,108	1,999,470	2,550,567	2,287,576	14%
Transfer To Capital Replacement Reserve	3,640,000	1,820,000	1,820,000	1,557,190	-14%
Transfer from Capacity Fee	-	-	-	(5,554,362)	-
Transfer To/(From) Net Reserve	(914,663)	(12,179,162)	(2,431,962)	(4,307,898)	-65%
<b>Total Expenses</b>	<b>35,408,901</b>	<b>58,578,120</b>	<b>50,086,870</b>	<b>50,062,404</b>	<b>-15%</b>

A photograph of a worker in a blue high-visibility vest and cap, working on a large industrial machine. The worker is using a wrench to adjust a component on a horizontal pipe. The machine is blue and has various pipes, valves, and gauges. The background is a brick wall. The text "DEPARTMENT FUNCTIONS AND GOALS" is overlaid in white on a semi-transparent blue background.

# DEPARTMENT FUNCTIONS AND GOALS

# ADMINISTRATION DEPARTMENT

The Administration department manages the District's operations and supports the Board. The department is responsible for functions such as finance management, human resources, public relations, regulatory compliance, water system maintenance, and interactions with relevant authorities.



## Finance Division

The Finance Department is responsible for managing the fiscal health and financial operations of the District. Its core functions include budgeting, financial planning, accounting, payroll, and financial reporting. The department ensures that public funds are managed responsibly, transparently, and in compliance with applicable laws and regulations.

Key responsibilities include preparing and monitoring the annual budget, processing accounts payable and receivable, managing investments and cash flow, overseeing audits, and ensuring accurate and timely payroll administration. The Finance team also provides critical financial analysis and forecasting to support informed decision-making by leadership and the governing board.

By maintaining sound financial practices and internal controls, the Finance Department plays a vital role in supporting the organization's strategic goals and ensuring long-term fiscal sustainability.

### FY 2025 FINANCE DIVISION ACCOMPLISHMENTS

- **Strategic Objective 2.2** – Tools, systems, processes, policies, culture, and training are up-to-date and support Staff to perform efficiently and effectively.
  - Continued enhancement of financial systems, including:
    - Migration to Springbrook Cloud financial software
    - Launch of the Employee Self-Service Portal
    - Implementation of the Project Management Module.
- **Strategic Objective 3.2** – Finances are well managed to provide adequate revenue and avoid volatile rates.
  - Bonds issued \$19.31 million in 2024 at an actual interest cost of 3.89%. Proceeds will fund capital improvement projects to replace and upgrade the District's aging infrastructure.
  - Issued \$17.85 million in 2025 Refunding Bonds to refinance the District's 2015 Bonds at an actual interest cost of 2.7%, generating a net present value savings of \$2.4 million, or 11% of the refunded bonds.
  - Resolved a \$24 million inter-fund deficit through strategic inter-fund loans and debt reallocation.
  - Saving \$13,000 through the annual prepayment of CalPERS Unfunded Liability.
  - Improved S&P Credit Rating Outlook from AA-/Stable (2019) to AA-/Positive (2024). The improved outlook reflects the District's conservative capital financing strategy, diverse water supply portfolio, adequate treatment capacity, and strengthening financial and economic position.
- **Strategic Objective 3.3** - The Board receives understandable, timely, and up-to-date financial reports on an approved schedule.
  - Completed capital asset cleanup to improve accuracy in financial reporting.
- **Strategic Objective 3.4** - A full set of financial policies are in place, reviewed, and updated on a scheduled basis.
  - Earning the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 16th consecutive year (FY23/24 Audit), with no audit findings.
  - Maintained strong investment performance aligned with District policy and market conditions.
- **Strategic Objective 1.4** - Manage water rights to ensure sustainability and resilience.
  - Conducted a water rights valuation study to update the asset value for financial statement purposes.

## FY 2026 FINANCE DIVISION GOALS

- **Strategic Objective 2.2** – Tools, systems, processes, policies, culture, and training are up-to-date and support Staff to perform efficiently and effectively.
  - Implement electronic workflows for purchase orders, journal entries, and accounts payable to improve operational efficiency, enhance internal controls, and reduce reliance on paper-based processes.
  - Fully deploy and optimize the Project Management Module to support departmental financial tracking, improve project cost monitoring, and enhance cross-departmental collaboration.
  - Develop and implement a Purchase Order/Accounts Payable (PO/AP) assessment report to streamline processes, improve reporting, and identify opportunities for efficiency.
  - Digitize financial forms to improve accessibility, streamline submissions, and support the District’s sustainability efforts.
  - Explore the implementation of ACH payments for vendors to reduce check issuance, improve payment security, and increase processing efficiency.
- **Strategic Objective 3.4** - A full set of financial policies are in place, reviewed, and updated on a scheduled basis.
  - Continue updating and modernizing finance policies to align with current regulations, best practices, and organizational needs.
  - Pursuing the GFOA Distinguished Budget Presentation Award by enhancing the quality, transparency, and usability of the District’s budget documents.
- **Strategic Objective 4.1** – A comprehensive plan guides long-term, cost-effective renewal, replacement, usage, and development of District facilities and properties.
  - Initiate a property easement inventory and valuation project to improve asset tracking and ensure accurate financial reporting.

## FY 2024/2025 FINANCE DIVISION PERFORMANCE MEASURES

Performance Measures	FY23/24	FY24/25
Accounts Payable Checks/ACH	2,009	2,014
Journal Entries Processed	5,896	4,923
Payroll Checks/ACH	1,276	1,329
Purchase Orders Issues	1,618	1,615
Accounts Payable Invoices Processed	3,132	2,965
Grants Processed	2 grants - \$997,657 collected	1 grant - \$867,814 collected
Annual Audit to the Board by October	X	X
Clean Audit/Unmodified Opinion – Annual Audit	X	X
GFOA Award – ACFR	X	X
Mid-Year Financial Report to the Board by January	X	X
Investment Report Annual Review	X	X
Qtrly. Inv. Report to the Board 2 months after Qtr. End	X	X
Operating and CIP Budget Adoption by June	X	X
Number of Agenda Reports	51	47

The District's Finance team in a water district is responsible for the MCWD's overall financial health and management, including accounting, budgeting, financial reporting, and ensuring compliance with regulations.



## Human Resources Division

The Human Resources (HR) Division manages the District's most valuable asset – its people. It is responsible for recruiting, hiring, and onboarding new employees, ensuring that the District attracts and retains top talent. HR also oversees employee relations, benefits administration, performance management, and compliance with labor laws and workplace regulations. Additionally, the division fosters a positive work environment by developing policies, supporting professional development, and promoting diversity, equity, and inclusion. Ultimately, HR serves as a strategic partner in aligning workforce capabilities with the District's goals and values.

### FY 2025 HUMAN RESOURCES DIVISION ACCOMPLISHMENTS

- **Strategic Objective 2.1** – The District attracts, onboards, and retains high-performing staff, and manages succession effectively.
  - Successfully onboarded 5 new employees, contributing to organizational growth and capacity.
  - Administered and certified 2 employees through bilingual proficiency testing, supporting language access and service equity.
- **Strategic Objective 2.2** – Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.
  - Developed and implemented a comprehensive Workplace Violence Prevention Policy to enhance employee safety and organizational preparedness.
  - Delivered two compliance training sessions:
    - Anti-Harassment
    - Workplace Violence Prevention
  - Conducted classification studies and completed job description updates, including developing and reviewing new and existing roles to ensure alignment with organizational needs.

### FY 2026 HUMAN RESOURCES DIVISION GOALS

- **Strategic Plan 2.1** – The District attracts, onboards, and retains high-performing Staff, and manages succession effectively.
  - Conduct a biennial compensation survey to ensure the District's salary and benefits packages remain competitive within the industry.
  - Strengthen and expand internship programs by partnering with local colleges and universities, participating in job fairs, and developing structured internship opportunities to attract emerging talent.
  - Develop and implement professional development initiatives, including training programs and leadership development opportunities, to support employee growth and career advancement.
  - Design and maintain a comprehensive employee recognition program that acknowledges exceptional performance through awards, incentives, and other forms of recognition.

**FY 2024/2025 HUMAN RESOURCES DIVISION PERFORMANCE MEASURES**

Performance Measures	FY23/24	FY24/25
Recruitments	25	12
Applications Processed/Screened	284	281
New Hire Processing	13	8
Job Description Development/Review	3	6
Grievances & Discipline	2	5
Personnel Action Forms	76	57
FMLA	11	11
Health Enrollments/Changes	7	10

The MCWD Finance Team conducts an internal training session to strengthen financial practices, promote accountability, and ensure accurate, transparent fiscal management across the District.



## Customer Service Division

The Customer Service and Billing Division serves as the central point of contact between the District and its customers, playing a vital role in maintaining excellent service, accurate billing, and efficient revenue collection. The division is responsible for managing all aspects of customer accounts, from service initiation and termination to billing, payments, and issue resolution.

Key responsibilities include:

- **Customer Support:** Providing responsive assistance via phone, email, and in-person for account inquiries, service requests, billing questions, and general information.
- **Billing and Payments:** Preparing and issuing accurate water and wastewater bills based on meter readings, applying current rates, processing payments, and managing delinquent accounts.
- **Meter Reading and Data Management:** Coordinating regular and reliable meter reading—either manually or via automated systems—to ensure accurate usage tracking and billing. Staff also investigate anomalies such as high usage, suspected leaks, or meter malfunctions.
- **Service Orders and Field Coordination:** Scheduling and coordinating service activations, disconnections, and field investigations in collaboration with operations and maintenance teams.
- **Customer Education and Outreach:** Supporting conservation programs and educating customers about water-saving tools, rebates, and usage patterns.
- **Regulatory Compliance:** Ensuring all billing and customer service practices adhere to local, state, and federal regulations.

### FY 2025 CUSTOMER SERVICE DIVISION ACCOMPLISHMENTS

- **Strategic Objective 2.2** - Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.
  - Migrated the billing system to a cloud-based platform, improving system security, performance, and disaster recovery capabilities.
- **Strategic Objective 3.2** - Finances are well managed to provide adequate revenue and avoid volatile rates.
  - Implemented new water and sewer rates that introduce a more balanced structure between fixed and flow-based charges, promoting fairness and financial stability.
  - Realized over \$100,000 in savings on credit card processing fees.
- **Strategic Objective 3.4** - A full set of financial policies are in place, reviewed, and updated on a scheduled basis.
  - Implemented enhanced cash handling procedures to increase transparency, strengthen internal controls, and ensure accountability.
- **Strategic Objective 5.1** - Customers understand the services the District provides, where to learn more, and how to get their questions answered.
  - Launched a fully integrated payment solution offering customers multiple, convenient payment options:
    - Bill payment through their personal bank's online payment portal
    - A new online billing portal with support for all major payment methods, including pay-by-text.
    - Enhanced pay-by-phone service with the addition of Spanish-language support
    - Streamlined mail-in check processing through the implementation of a lockbox service.

- Enabled online forms and payment options for customers initiating or terminating water service, improving convenience and processing efficiency.

#### FY 2024/2025 CUSTOMER SERVICE DIVISION PERFORMANCE MEASURES

Transaction Type	FY 2023/2024	FY 2024/2025
Customer service phone calls	10,992	15,336
Bills processed	114,012	133,104
Online and IVR transactions	40,898	42,204
Service Requests Processed	6,052	6,116
Meter Installs	620	1,512
Disconnects/Shut offs	338	407

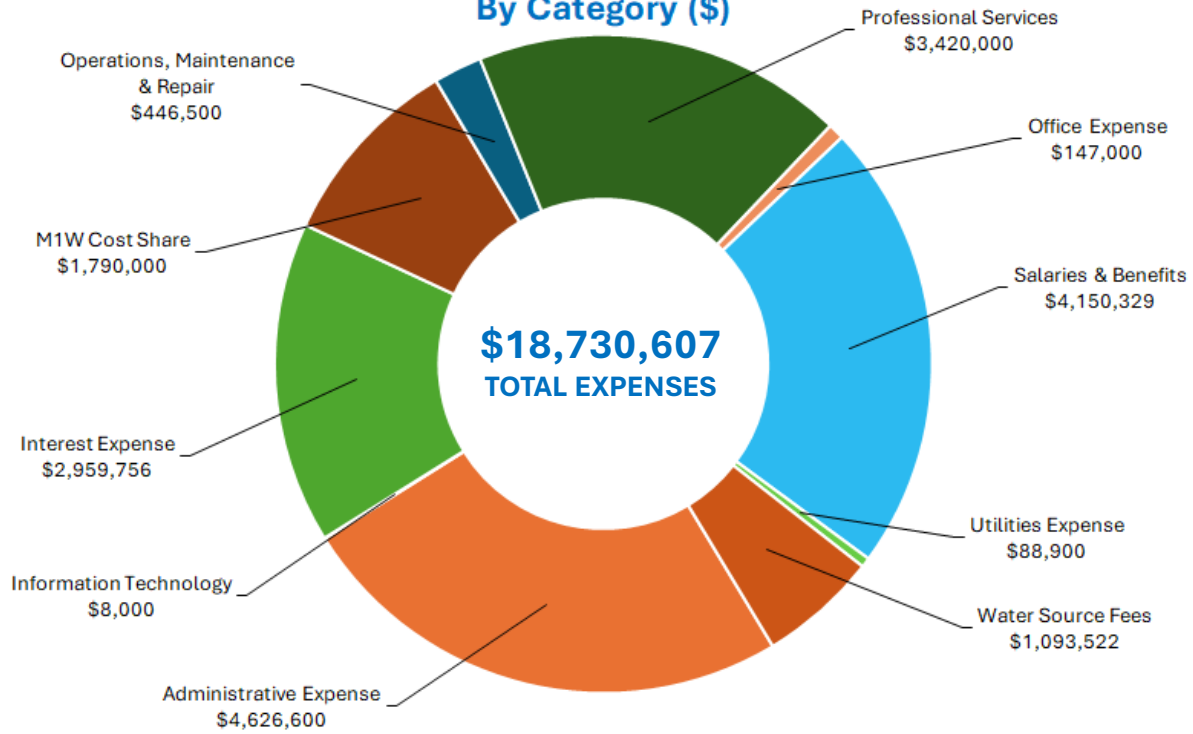
#### FY 2026 CUSTOMER SERVICE DIVISION GOALS

- **Strategic Objective 2.2** - Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.
  - Develop and implement measurable customer service performance metrics to track response times, resolution rates, and customer satisfaction.
- **Strategic Objective 3.2** - Finances are well managed to provide adequate revenue and avoid volatile rates.
  - Strengthen collection efforts for delinquent accounts, including outreach and structured payment plans to reduce outstanding balances.
  - Assess the potential for the District to assume billing responsibilities for the M1W monthly sewer service charge, aiming to simplify the billing process and generate cost savings for customers.
  - Evaluate the feasibility of transferring delinquent accounts to County tax rolls for collection, in alignment with legal and policy guidelines.
- **Strategic Objective 5.1** - Customers understand the services the District provides, where to learn more, and how to get their questions answered.
  - Expand language access by translating customer service materials into additional languages to better serve the District's diverse customer base.
  - Increase accessibility of informational materials through expanded multilingual translations across various communication platforms.
  - Enhance and update the District website to improve navigation, accessibility, and availability of customer service resources and self-service tools.

The District's Customer Service team manages customer accounts for the over 36,000 residents and customers in the District's service area, responding to questions about billing, maintenance and other important needs.



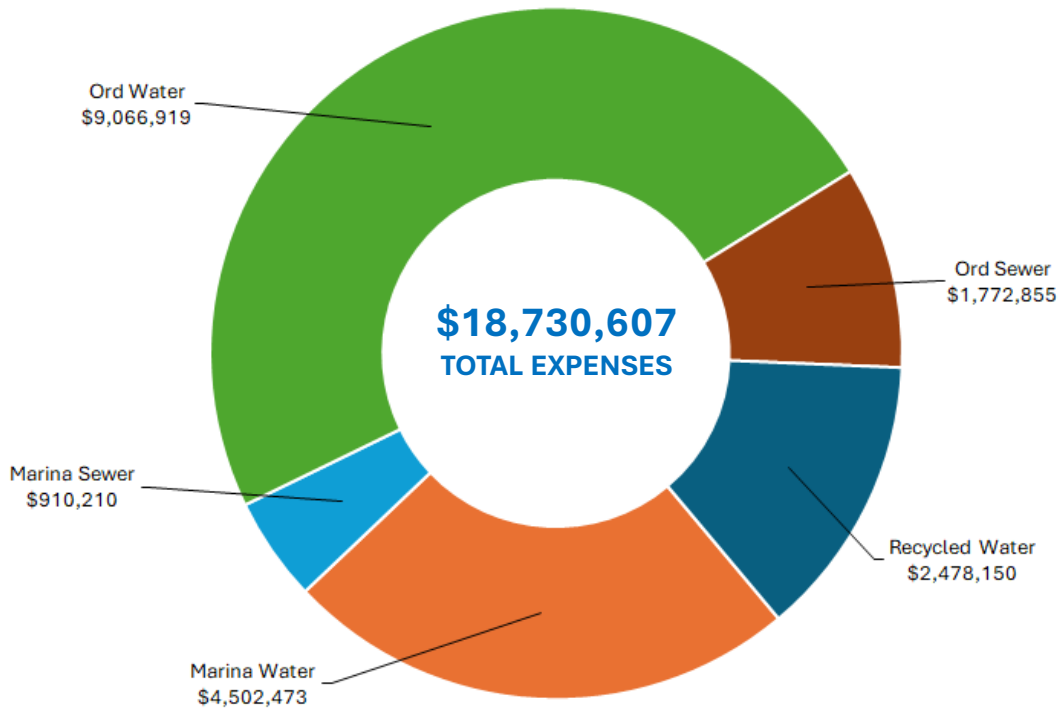
### FY 2026 Administration Department Expenses By Category (\$)



### FY 2026 ADMINISTRATION DEPARTMENT EXPENSES BY CATEGORY

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Administrative Expense	3,852,056	585,400	4,142,006	4,626,600
Franchise Fee	53,141	-	-	-
Information Technology	292	6,000	2,081	8,000
Interest Expense	1,997,792	1,964,688	2,014,502	2,959,756
M1W Cost Share	1,275,182	1,755,000	1,783,000	1,790,000
Office Expense	136,979	121,500	134,780	147,000
Operations, Maintenance, & Repair	212,429	474,000	331,983	446,500
Professional Services	4,169,034	3,450,000	1,550,085	3,420,000
Salaries & Benefits	3,058,786	3,824,621	3,430,020	4,150,329
Utilities Expense	65,951	74,500	75,701	88,900
Water Source Fees	874,969	1,073,659	1,073,659	1,093,522
<b>Total</b>	<b>15,696,612</b>	<b>13,329,368</b>	<b>14,537,817</b>	<b>18,730,607</b>

### FY 2026 Administration Department Expenses By Cost Center (\$)



### FY 2026 ADMINISTRATION DEPARTMENT EXPENSES BY COST CENTER – MARINA WATER

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	808,028	1,049,388	910,239	1,176,783
Administrative Expense	551,752	158,940	1,119,261	1,295,448
Information Technology	77	1,620	562	2,240
Interest Expense	288,400	281,576	212,458	429,171
Office Expense	34,646	32,805	36,390	41,160
Operations, Maintenance, & Repair	14,107	146,400	98,756	137,770
Professional Services	1,284,652	931,500	418,523	957,600
Utilities Expense	17,904	20,115	20,439	24,892
Water Source Fees	349,988	429,464	429,464	437,409
<b>Total</b>	<b>3,349,554</b>	<b>3,051,808</b>	<b>3,246,092</b>	<b>4,502,473</b>

**FY 2026 ADMINISTRATION DEPARTMENT EXPENSES BY COST CENTER – MARINA SEWER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	143,615	177,282	160,997	192,826
Administrative Expense	232,398	32,220	209,861	233,880
Information Technology	15	300	104	400
Interest Expense	126,800	124,421	182,968	290,734
Office Expense	20,669	6,075	6,740	7,350
Operations, Maintenance, & Repair	1,206	8,350	8,999	9,575
Professional Services	41,606	172,500	77,504	171,000
Utilities Expense	3,280	3,725	3,785	4,445
<b>Total</b>	<b>569,589</b>	<b>524,873</b>	<b>650,958</b>	<b>910,210</b>

**FY 2026 ADMINISTRATION DEPARTMENT EXPENSES BY COST CENTER – ORD WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	1,724,053	2,131,440	1,942,323	2,315,002
Administrative Expense	1,504,364	316,800	2,273,504	2,540,380
Franchise Fee	38,580	-	-	-
Information Technology	164	3,300	1,144	4,400
Interest Expense	739,274	727,254	896,823	1,264,154
Office Expense	54,217	66,825	74,129	80,850
Operations, Maintenance, & Repair	186,476	297,400	200,811	276,125
Professional Services	2,726,860	1,897,500	852,547	1,881,000
Utilities Expense	36,240	40,975	41,635	48,895
Water Source Fees	524,981	644,195	644,195	656,113
<b>Total</b>	<b>7,535,209</b>	<b>6,125,689</b>	<b>6,927,111</b>	<b>9,066,919</b>

**FY 2026 ADMINISTRATION DEPARTMENT EXPENSES BY COST CENTER – ORD SEWER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	344,672	425,475	381,855	424,213
Administrative Expense	756,481	72,580	498,880	511,476
Franchise Fee	14,561	-	-	-
Information Technology	35	720	250	880
Interest Expense	415,219	409,513	186,331	413,072
Office Expense	26,813	14,580	16,173	16,170
Operations, Maintenance & Repair	2,915	20,040	21,598	21,065
Professional Services	103,980	414,000	186,010	376,200
Utilities Expense	7,871	8,940	9,084	9,779
<b>Total</b>	<b>1,672,546</b>	<b>1,365,848</b>	<b>1,300,181</b>	<b>1,772,855</b>

**FY 2026 ADMINISTRATION DEPARTMENT EXPENSES BY COST CENTER – RECYCLED WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	38,419	41,036	34,606	41,505
Administrative Expense	806,992	4,860	40,500	45,416
Information Technology	1	60	21	80
Interest Expense	428,099	421,924	535,922	562,625
M1W Cost Share	1,275,182	1,755,000	1,783,000	1,790,000
Office Expense	635	1,215	1,348	1,470
Operations, Maintenance & Repair	7,725	1,810	1,819	1,965
Professional Services	11,269	34,500	15,501	34,200
Utilities Expense	656	745	758	889
<b>Total</b>	<b>2,568,978</b>	<b>2,261,150</b>	<b>2,413,475</b>	<b>2,478,150</b>



By cross-training operators, the Districts can ensure that multiple individuals are knowledgeable about different aspects of water treatment and distribution, allowing for smoother transitions during shifts, planned outages, and unexpected emergencies. This also leads to a more versatile workforce, capable of handling a wider range of tasks and challenges.

# OPERATIONS & MAINTENANCE DEPARTMENT

The Operations and Maintenance (O&M) Department oversees the District's water, wastewater, and recycled water systems and maintains its fleet and buildings. With a team of twenty full-time employees, the Department manages the conveyance systems by installing, repairing, and replacing water, sewer, and recycle mains and service lines.

The department operates and maintains 20 sewer lift stations, 8 water wells, 9 water storage reservoirs, 6 water booster pump stations and over 40 pressure-reducing valves. The Department also ensures regulatory compliance and reporting for various agencies, including the State Water Boards Division of Drinking Water, Central Coast Water Boards, State and Regional Air Boards, Monterey County Environmental Health, and the Department of Transportation. The Department has standby personnel available 24/7 to respond to any situation.

## FY 2025 OPERATIONS & MAINTENANCE DEPARTMENT ACCOMPLISHMENTS

- **Strategic Objective 4.1** - A comprehensive plan guides long-term, cost-effective renewal, replacement, usage, and development of District facilities and properties.
  - Completion of the lead service line inventory for the District's water services on both the customer's and the District's side of the meter.
- **Strategic Objective 4.3** - Corrective and preventive maintenance is planned and proactively implemented on schedule for cost effectiveness and the least disruption to regular operations.
  - Replacement of sewer pump bases at the Reservation Lift station
  - Complete re-wire of two sewer lift stations- Hodges and Wittenmyer.
- **Strategic Objective 4.4** - Capital improvement program renewal, replacement, and new development are planned with the longest reasonable time horizon and completed on schedule and budget.
  - Replacement of Army step-up transformer Motor Control Centers with soft starters/Variable Frequency Drives at Wells 30 and 31.
  - Installation of new Mag meters at F Booster and Marina Booster.
  - Phase 2 of the PLC Upgrade Project is on track to be completed by June 30.

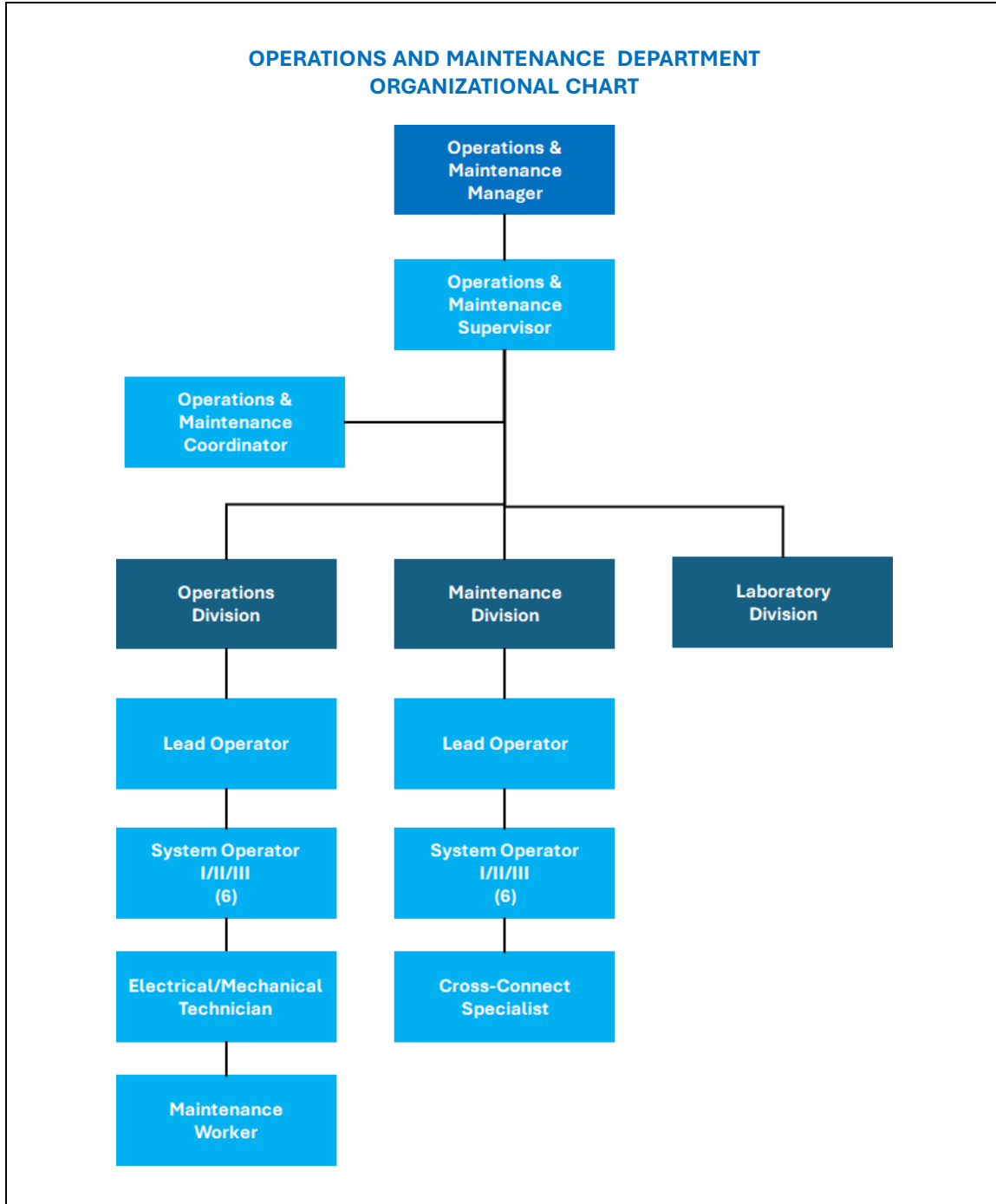
- **Strategic Objective 4.5** – The District is prepared to mitigate and recover from unplanned events and will maintain cybersecurity.
  - Security system enhancements at the District offices are scheduled to be completed by June 30.

#### FY 2026 OPERATIONS & MAINTENANCE GOALS

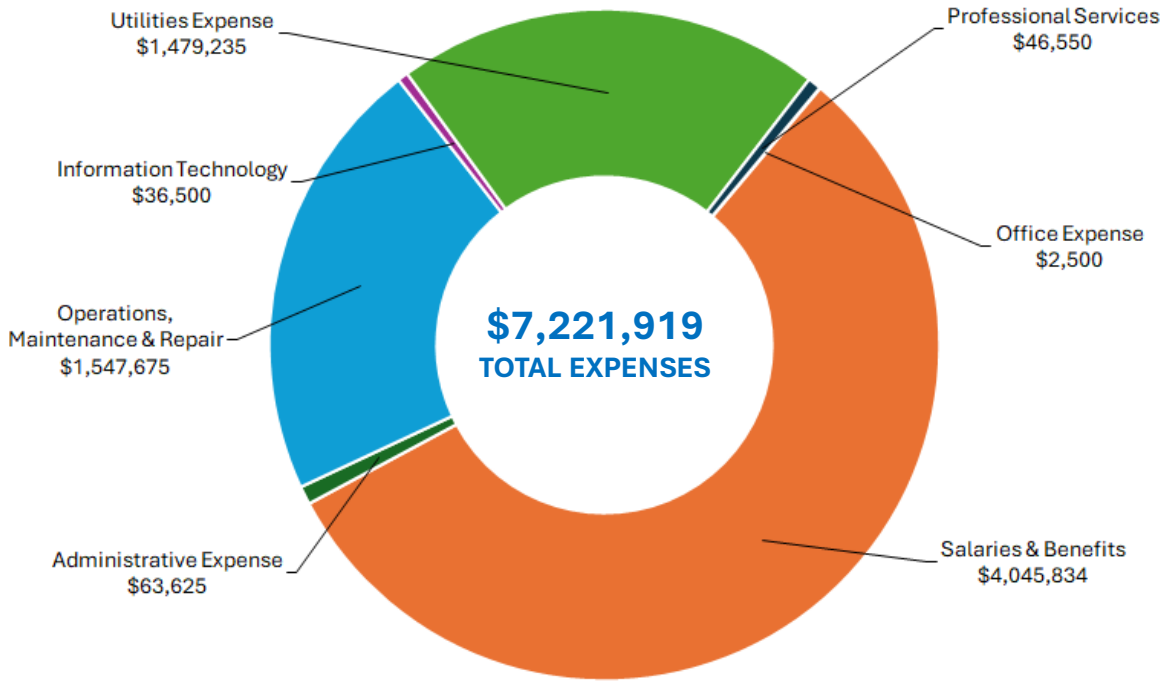
- **Strategic Objective 4.1** - A comprehensive plan guides long-term, cost-effective renewal, replacement, usage, and development of District facilities and properties.
  - Enhanced Cross-Connection Control assessments and surveys throughout the District's service area.
  - Sample station upgrades throughout the District's service area.
- **Strategic Objective 4.3** - Corrective and preventive maintenance is planned and proactively implemented on schedule for cost-effectiveness and the least disruption to regular operations.
  - Water main valve replacements throughout the City of Marina and the Ord Community.
  - Replacement of check and shut-off valves and installation of bypass connections at several large sewer lift stations.
  - Replacement of old blow-off valves within the City of Marina.
  - Enhanced CCTV of sewer system inspections

#### FY 2024/2025 OPERATIONS & MAINTENANCE PERFORMANCE MEASURES

Performance Measures	FY 2023/2024	FY 2024/2025
Miles of Sewer Main Cleaned	148.7	139.03
Miles of Sewer Main CCTV	12.6	12.2
Sewer Spills	5	7
Water Main Breaks/Repairs	13	16
Water Main Valves Exercised	766	651
Water Service Line Breaks	10	10
Water Quality Samples Taken	(waiting on data)	(waiting on data)
Call outs	(waiting on data)	(waiting on data)



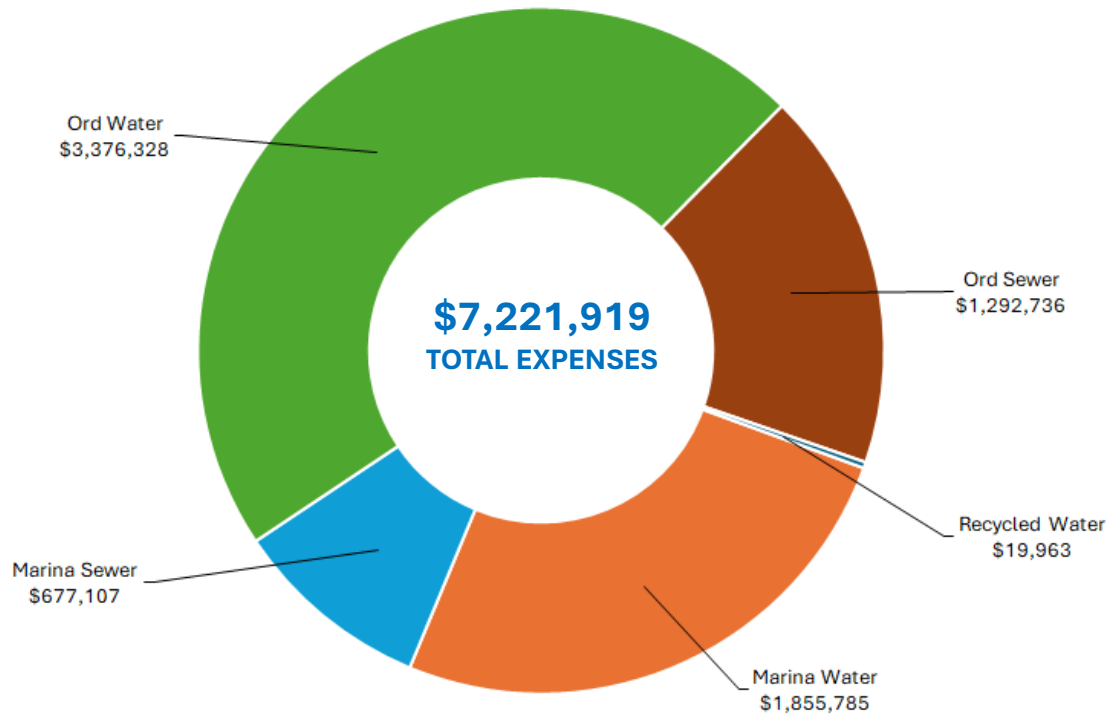
### FY 2026 Operations & Maintenance Department Expenses By Category (\$)



### FY 2026 OPERATIONS & MAINTENANCE DEPARTMENT EXPENSES BY CATEGORY

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	3,438,771	3,787,983	3,543,571	4,045,834
Administrative Expense	38,015	63,627	52,722	63,625
Information Technology	30,164	28,000	21,475	36,500
Office Expense	749	2,500	1,000	2,500
Operations, Maintenance & Repair	1,001,237	1,464,945	1,277,554	1,547,675
Professional Services	19,118	36,000	54,998	46,550
Utilities Expense	1,300,044	1,717,100	1,402,668	1,479,235
<b>Total</b>	<b>5,828,097</b>	<b>7,100,155</b>	<b>6,353,988</b>	<b>7,221,919</b>

### FY 2026 Operations & Maintenance Department Expenses By Cost Center (\$)



### FY 2026 OPERATIONS & MAINTENANCE DEPARTMENT EXPENSES BY COST CENTER – MARINA WATER

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	936,806	871,237	818,346	1,100,330
Administrative Expense	7,490	13,963	10,845	17,815
Information Technology	7,180	21,795	5,798	10,220
Office Expense	202	675	270	700
Operations, Maintenance, & Repair	269,820	346,048	325,865	381,465
Professional Services	4,736	7,000	13,728	9,950
Utilities Expense	351,564	465,955	374,755	335,305
<b>Total</b>	<b>1,577,798</b>	<b>1,726,673</b>	<b>1,549,607</b>	<b>1,855,785</b>

**FY 2026 OPERATIONS & MAINTENANCE DEPARTMENT EXPENSES BY COST CENTER – MARINA SEWER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	472,079	606,076	576,842	547,851
Administrative Expense	4,357	3,938	3,176	3,181
Information Technology	2,342	425	1,074	1,825
Office Expense	37	125	50	125
Operations, Maintenance, & Repair	46,345	90,091	77,747	96,125
Professional Services	879	4,000	6,067	4,000
Utilities Expense	20,099	26,275	20,904	24,000
<b>Total</b>	<b>546,138</b>	<b>730,930</b>	<b>685,860</b>	<b>677,107</b>

**FY 2026 OPERATIONS & MAINTENANCE DEPARTMENT EXPENSES BY COST CENTER – ORD WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	1,357,478	1,401,554	1,300,061	1,613,685
Administrative Expense	15,237	33,913	28,904	34,993
Information Technology	14,608	4,675	11,812	20,075
Office Expense	412	1,375	550	1,375
Operations, Maintenance, & Repair	443,402	675,752	572,968	712,525
Professional Services	9,647	12,500	25,976	20,100
Utilities Expense	800,489	1,066,625	870,770	973,575
<b>Total</b>	<b>2,641,272</b>	<b>3,196,394</b>	<b>2,811,041</b>	<b>3,376,328</b>

**FY 2026 OPERATIONS & MAINTENANCE DEPARTMENT EXPENSES BY COST CENTER – ORD SEWER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	666,969	909,116	848,333	782,642
Administrative Expense	10,582	9,300	8,082	6,999
Information Technology	5,769	1,020	2,577	4,015
Office Expense	90	300	120	275
Operations, Maintenance & Repair	221,845	327,624	292,058	342,115
Professional Services	3,686	10,500	9,225	10,500
Utilities Expense	127,818	158,080	136,108	146,190
<b>Total</b>	<b>1,036,758</b>	<b>1,415,940</b>	<b>1,296,503</b>	<b>1,292,736</b>

**FY 2026 OPERATIONS & MAINTENANCE DEPARTMENT EXPENSES BY COST CENTER – RECYCLED WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	5,440	-	(11)	1,326
Administrative Expense	349	2,513	1,715	637
Information Technology	265	85	214	365
Office Expense	7	25	10	25
Operations, Maintenance, & Repair	19,826	25,430	8,916	15,445
Professional Services	170	2,000	2	2,000
Utilities Expense	74	165	131	165
<b>Total</b>	<b>26,131</b>	<b>30,218</b>	<b>10,977</b>	<b>19,963</b>

The dedicated Operations & Maintenance team at Marina Coast Water District — working behind the scenes every day to ensure safe, reliable water and wastewater services for our community.





The District collects water samples to ensure the safety and quality of the water served. Sample frequency depends on State regulations and health risk factors.



## Laboratory Division

The Laboratory Division performs tests to track water quality and ensure the safety of the water supply. It examines water for pollutants and harmful microorganisms to meet regulatory standards. This process involves testing water from underground wells and after disinfection. Each year, more than 2,000 tests are conducted to uphold water quality standards.

### FY 2025 LABORATORY DIVISION ACCOMPLISHMENTS

- **Strategic Objective 1.1** – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.
  - The District performed 520 routine bacteriological samples.
  - Collected 28 raw water well samples.
  - Performed regular sampling for volatile organic compounds (VOCs), nitrates, radiological substances, general mineral content, and organic compounds across all water sources.
  - Conducted regular sampling of the District’s storage tanks to test for VOCs and general/mineral content.
  - Completed disinfection by-product sampling in the distribution system.
  - The District received a waiver for a reduction in hexavalent chromium sampling due to levels being below the maximum contaminant level.

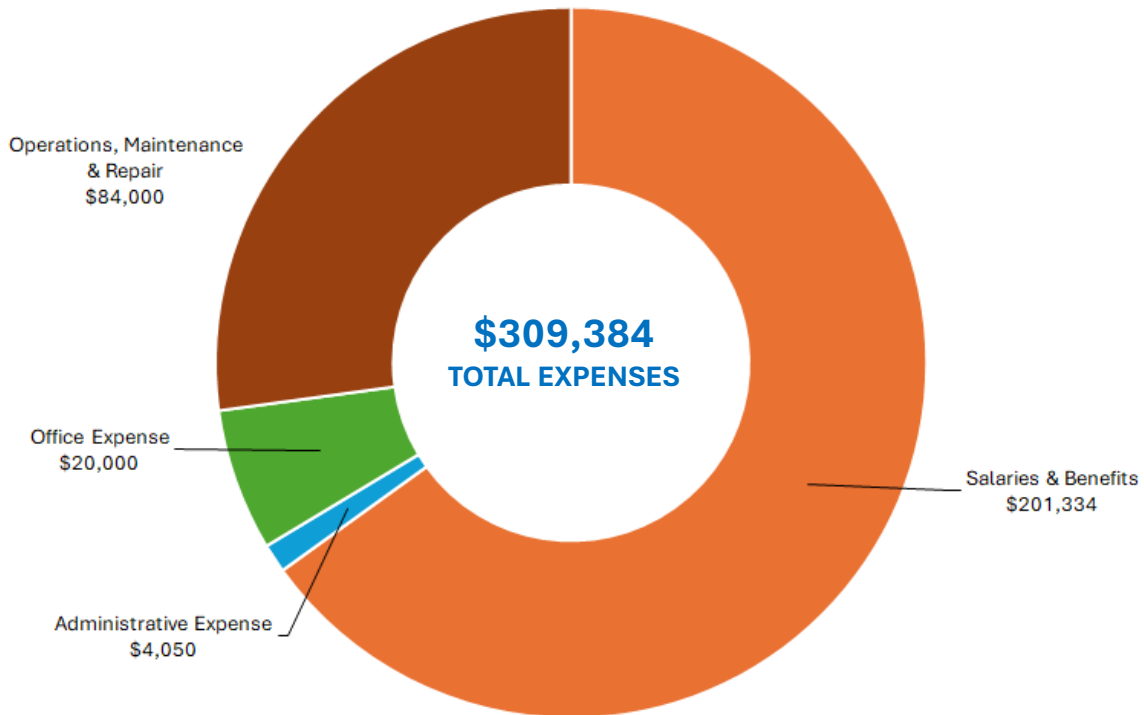
### FY 2026 LABORATORY DIVISION GOALS

- **Strategic Objective 1.1** – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.
  - Conduct 520 bacteriological samples annually to monitor water quality.
  - Complete 28 raw water well samples.
  - Perform routine sampling for VOCs, nitrates, general/mineral, and organic compounds.
  - Conduct synthetic organic compound sampling at district wells.
  - Carry out enhanced radiological sampling at district wells.
  - Sample lead and copper across the service area.
  - Test storage tanks for VOCs and mineral content.
  - Continue sampling for disinfection by-products in the distribution system.



The District uses specialized vehicles and equipment to efficiently manage water resources, ensuring reliable distribution, treatment, and maintenance of water infrastructure. This includes vehicles like water trucks, specialized maintenance vehicles, and equipment for testing water quality, all of which are vital for delivering clean, safe water.

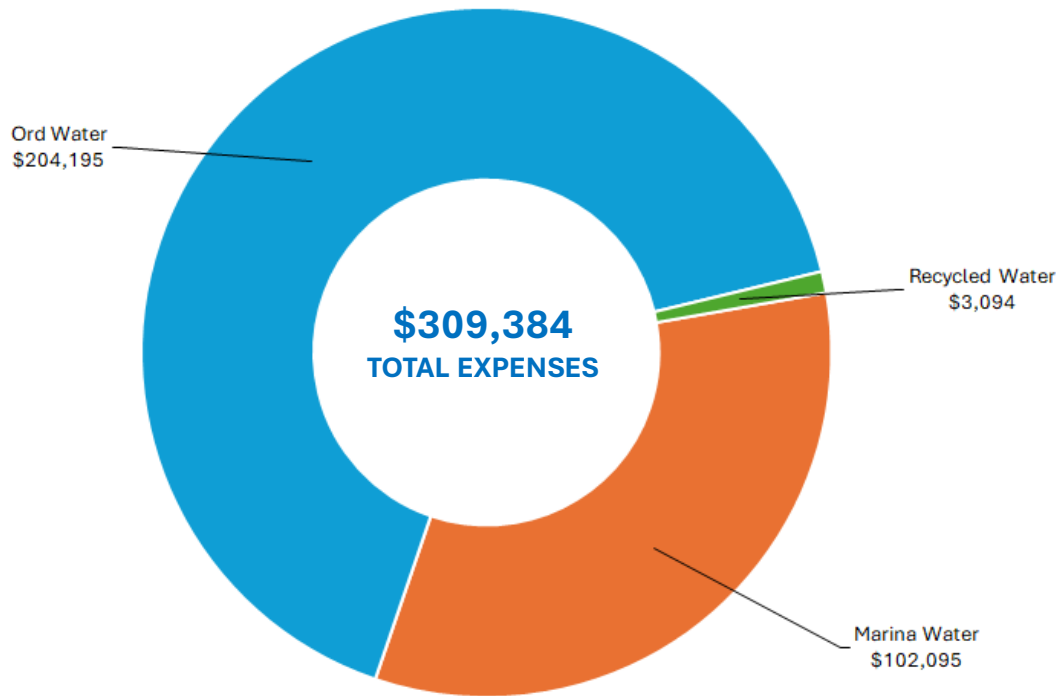
### FY 2026 Laboratory Division Expenses By Category (\$)



### FY 2026 LABORATORY DIVISION EXPENSES BY CATEGORY

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	147,433	180,790	116,278	201,334
Administrative Expense	2,529	3,150	2,935	4,050
Office Expense	18,631	17,500	-	20,000
Operations, Maintenance, & Repair	54,557	83,000	80,911	84,000
<b>Total</b>	<b>223,151</b>	<b>284,440</b>	<b>200,124</b>	<b>309,384</b>

### FY 2026 Laboratory Division Expenses By Cost Center (\$)



### FY 2026 LABORATORY DIVISION EXPENSES BY COST CENTER – MARINA WATER

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	50,146	59,662	39,548	66,438
Administrative Expense	832	1,040	969	1,337
Office Expense	6,396	5,775	-	6,600
Operations, Maintenance, & Repair	21,538	27,390	26,701	27,720
Professional Services	-	-	-	-
<b>Total</b>	<b>78,911</b>	<b>93,867</b>	<b>67,218</b>	<b>102,095</b>

**FY 2026 LABORATORY DIVISION EXPENSES BY COST CENTER – ORD WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	97,287	117,513	76,730	132,882
Administrative Expense	1,647	2,047	1,937	2,673
Office Expense	12,234	11,375	-	13,200
Operations, Maintenance, & Repair	31,942	53,950	53,401	55,440
Professional Services	-	-	-	-
<b>Total</b>	<b>143,110</b>	<b>184,885</b>	<b>132,068</b>	<b>204,195</b>

**FY 2026 LABORATORY DIVISION EXPENSES BY COST CENTER – RECYCLED WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	-	3,615	-	2,014
Administrative Expense	50	63	29	40
Office Expense	2	350	-	200
Operations, Maintenance, & Repair	1,078	1,660	809	840
<b>Total</b>	<b>1,130</b>	<b>5,688</b>	<b>838</b>	<b>3,094</b>

# WATER RESOURCES DEPARTMENT

The Water Resources Department is responsible for the measurement, tracking, and analysis of the District's Water, Sewer, and Recycled Water Resources. Water Resources Department is also responsible for implementing the District's Water Conservation programs, which involve data collection, reporting, and surveys. Conservation also offers incentives for water conservation, a conservation certification program for property transfers, and public outreach for conservation. Additionally, Water Resources manages the development of the District's Climate Action Plan, Property Management, District Lands Tracking, and Annexation activities for the District.

The Water Resources Department manages the District's Groundwater Sustainability Agency, which oversees the implementation of the Monterey Sub-basin Groundwater Sustainability Plan. The Board adopted this plan in January 2022, which spans a 50-year period. The goal is to achieve sustainability within 20 years and maintain it for the following 30 years. Sustainability is defined as meeting six indicators: preventing the lowering of groundwater levels, avoiding the reduction of groundwater storage, preventing seawater intrusion, preserving water quality, preventing land subsidence, and avoiding surface water depletion.

The Water Resources Department continues to develop and foster regional relationships with other agencies, stakeholders, and industry groups involved in managing Water Resources. Staff have been appointed to various committees and boards to contribute their insight, knowledge, and resources to planning for the region's sustainable water resource utilization into the future.

## FY 2025 WATER RESOURCES DEPARTMENT ACCOMPLISHMENTS

- **Strategic Objective 1.1** – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.
  - Staff deployed real-time monitoring equipment to monitor water levels and seawater intrusion. Water Resources developed a monitoring regime to provide the District and regional partners with the earliest warning of changes in the seawater intrusion front in the Monterey Subbasin.
- **Strategic Objective 1.2** - Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.

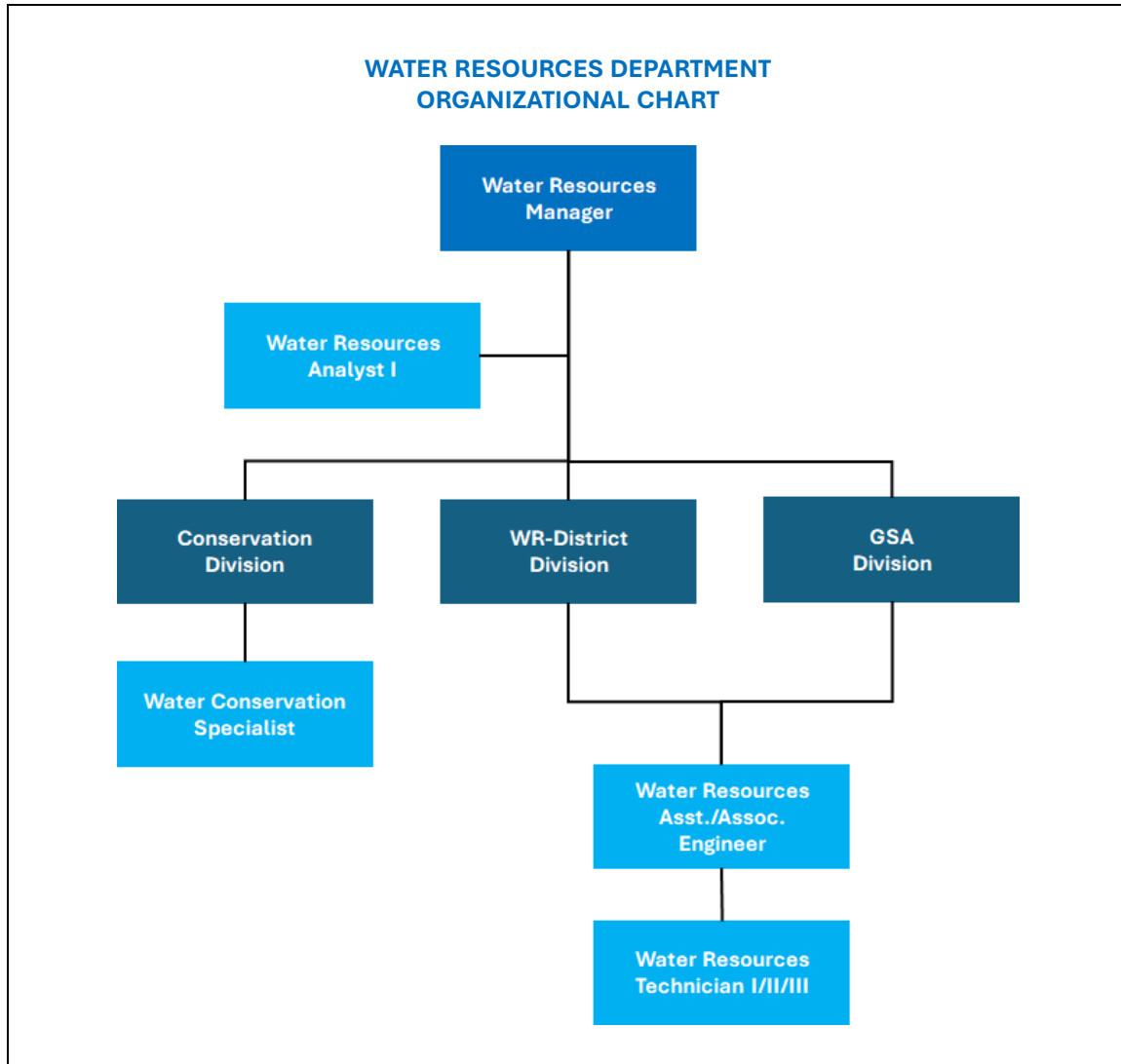
- Water Resources added staff this year, including recruiting and hiring a Water Resources Engineer. The new engineer has been working on grant-funded design and construction activities for our groundwater sustainability plan. Specifically, the engineer finalized the design and bid for two new monitoring well clusters.
- We developed various conceptual plans, including an aquifer storage project and a surface water project concept. We assisted in analyzing the regional project feasibility studies that others had completed.
- **Strategic Objective 1.4** – Manage water rights to ensure sustainability and resilience.
  - In conjunction with our hydrogeological consultants, the department developed a seawater intrusion model, refined our internal monitoring protocols, and enhanced our reporting processes.

#### FY 2026 WATER RESOURCES DEPARTMENT GOALS

- **Strategic Objective 1.1** – Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.
  - Conservation will implement a new software system to monitor and report on Urban Water Use Objectives (UWUO) mandated by the California Department of Water Resources. The UWUO requires certain residential, indoor and outdoor; commercial and institutional; and urban irrigation use objectives to be met by 2028.
- **Strategic Objective 1.2** – Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.
  - Water Resources will complete the construction of two new monitoring well clusters to provide additional data regarding our aquifers and their behavior. The installation of these facilities will also close some data gaps identified in the Monterey Subbasin Groundwater Sustainability Plan.
- **Strategic Objective 2.3** – Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance
  - Deploy a real-time Resources Data Management System (RDMS) to provide the District and the public with real-time information regarding the District’s various resources. Specifically, the RDMS will focus on groundwater monitoring, regional surface water levels, sewer flows, recycled water flows and distribution, and weather conditions.
- **Strategic Objective 6.1** – The District proactively decreases greenhouse gas emissions by following its climate action plans.
  - Resources will update the District’s Climate Action and Adaptation Plan to address climate change responses. The plan will outline actions to address environmental changes and explore options for decarbonizing operations and facilities.

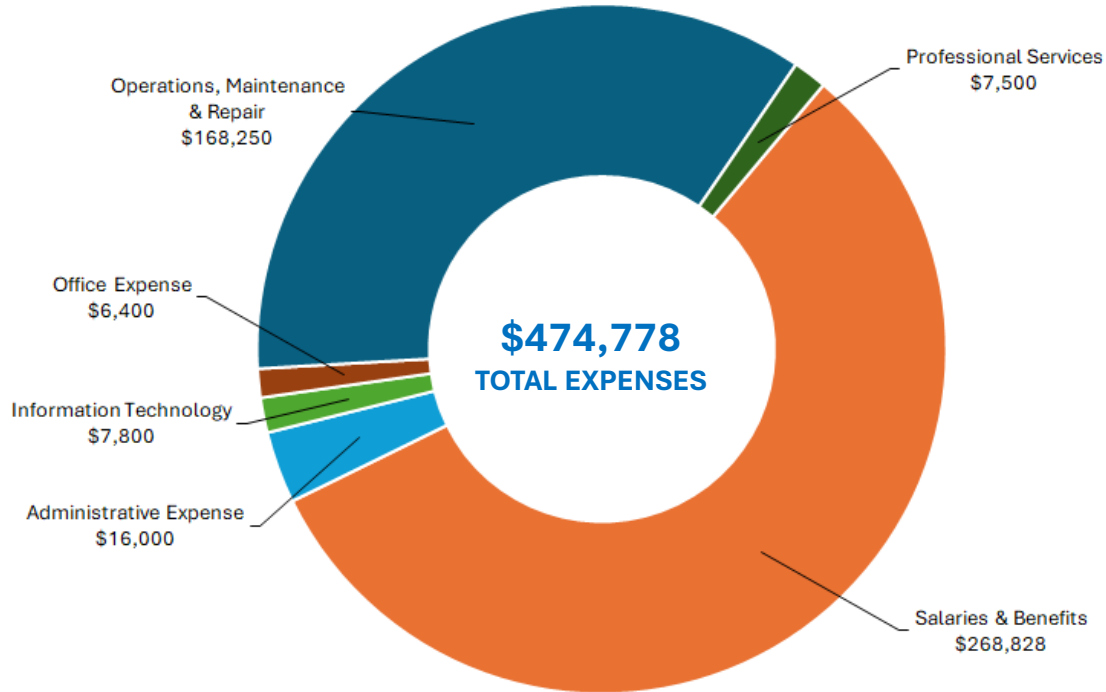
**FY 2024/2025 WATER RESOURCES DEPARTMENT PERFORMANCE MEASURES**

Performance Measures	FY 2023/2024	FY 2024/2025
GW monitoring events	60	100
Conservation In-home audits	124	130
Conservation School Events	5	10
Community Events Attended	9	12
Grant Application Submitted	3	4
Gallons per Capital per Day	78	74
GSA Annual report	X	X
Electronic Annual Report (EAR)	X	X
Annual Water Use Reporting	X	X



## Water Resources – Conservation Division

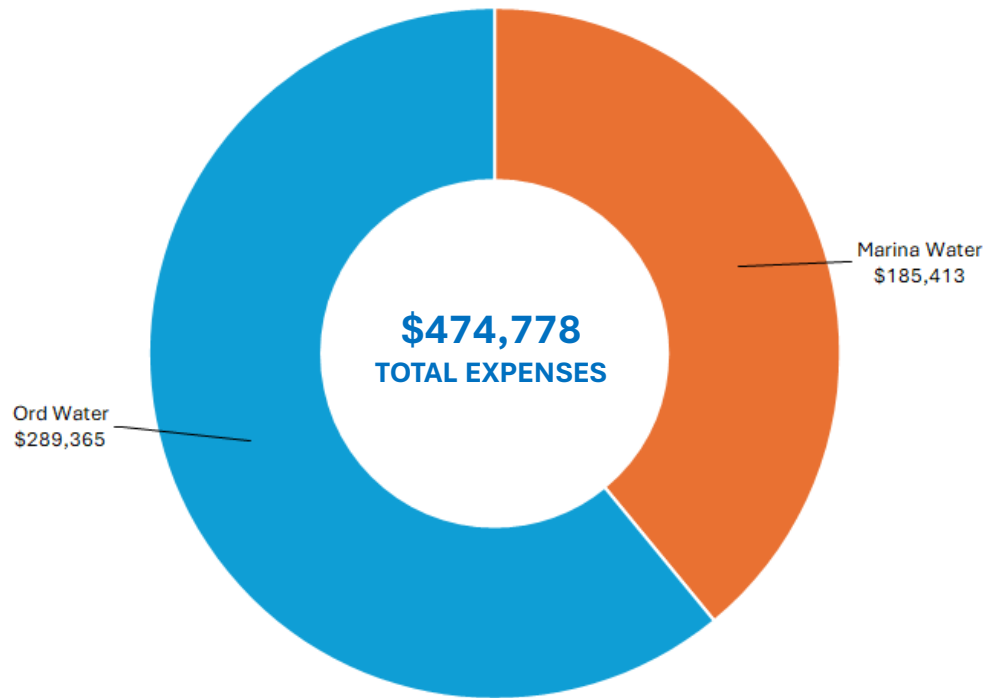
### FY 2026 Water Resources - Conservation Division Expenses By Category (\$)



### FY 2026 WATER RESOURCES - CONSERVATION DIVISION EXPENSES BY CATEGORY

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	283,188	309,337	323,074	268,828
Administrative Expense	7,839	15,650	9,134	16,000
Information Technology	1,430	7,500	3,000	7,800
Office Expense	175	6,100	4,058	6,400
Operations, Maintenance & Repair	108,417	158,250	93,172	168,250
Professional Services	14,880	52,000	52,093	7,500
<b>Total</b>	<b>415,928</b>	<b>548,837</b>	<b>484,531</b>	<b>474,778</b>

### FY 2026 Water Resources - Conservation Division Expenses By Cost Center (\$)



### FY 2026 WATER RESOURCES - CONSERVATION DIVISION EXPENSES BY COST CENTER – MARINA WATER

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	93,160	102,081	105,705	88,713
Administrative Expense	2,611	5,165	3,355	5,264
Information Technology	472	2,475	990	2,574
Office Expense	58	2,013	1,339	2,112
Operations, Maintenance & Repair	36,335	73,000	35,131	83,000
Professional Services	4,723	17,290	17,382	3,750
<b>Total</b>	<b>137,359</b>	<b>202,024</b>	<b>163,902</b>	<b>185,413</b>

**FY 2026 WATER RESOURCES - CONSERVATION DIVISION EXPENSES BY COST CENTER – ORD WATER**

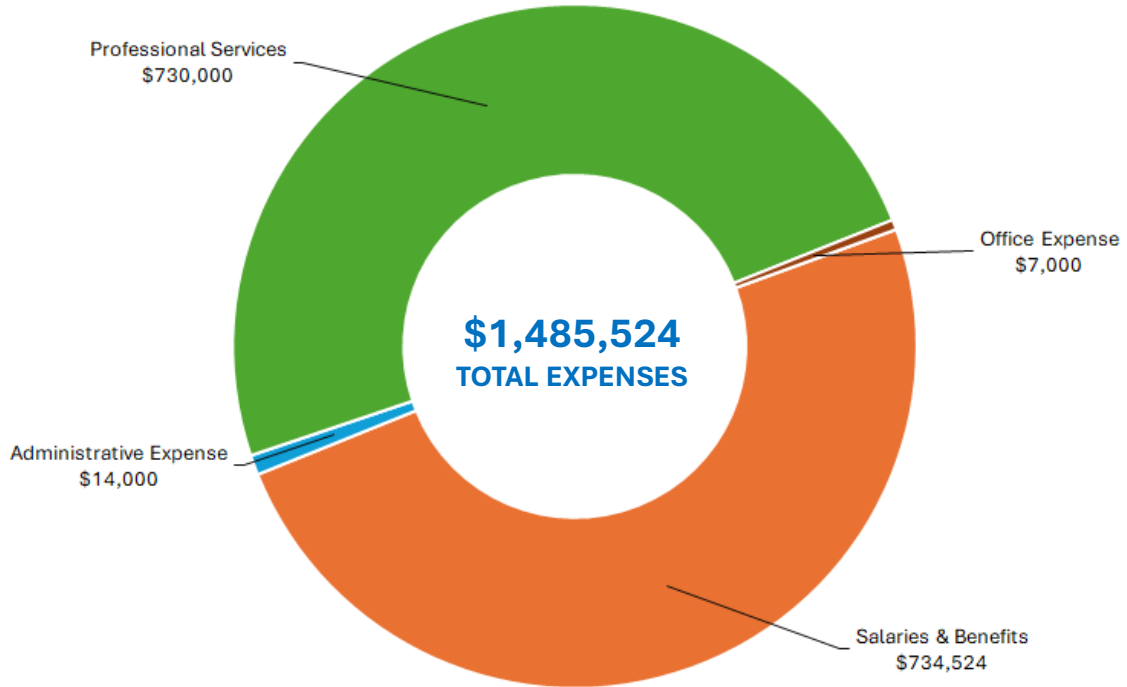
<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	190,028	207,256	217,369	180,115
Administrative Expense	5,227	10,485	5,779	10,736
Information Technology	958	5,025	2,010	5,226
Office Expense	117	4,087	2,719	4,288
Operations, Maintenance & Repair	72,082	85,250	58,041	85,250
Professional Services	10,157	34,710	34,711	3,750
<b>Total</b>	<b>278,569</b>	<b>346,813</b>	<b>320,629</b>	<b>289,365</b>



Monitoring consumption trends helps the District manage its water resources efficiently, identify leaks and inefficiencies, and optimize water usage. By analyzing patterns and trends in water consumption, the district can make informed decisions about infrastructure, rates, and conservation efforts.

## Water Resources – District Division

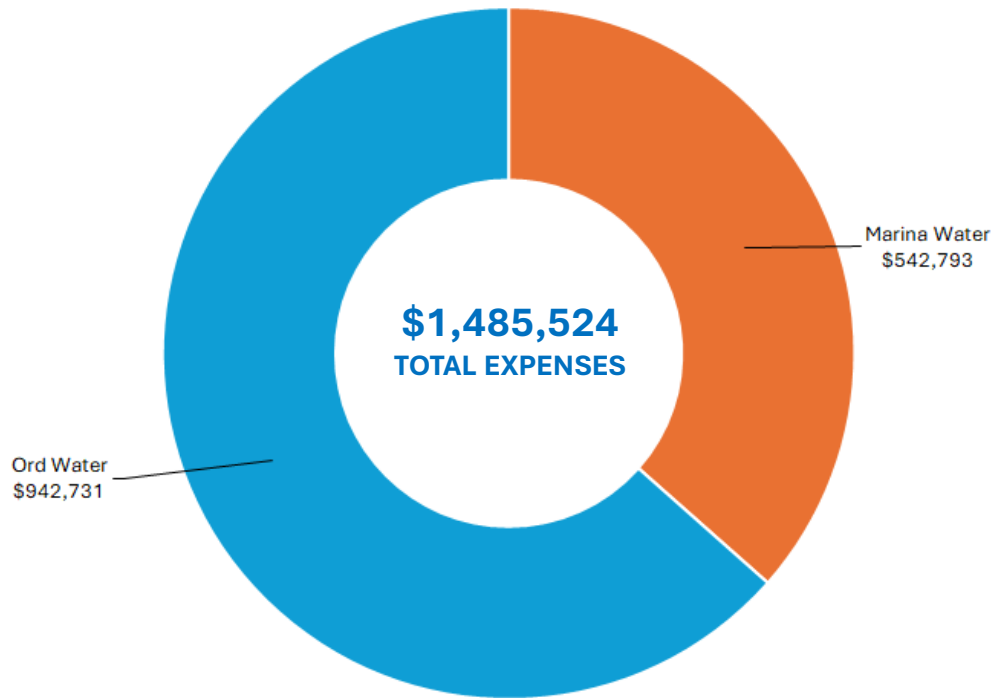
### FY 2026 Water Resources - District Division Expenses By Category (\$)



### FY 2026 WATER RESOURCES – DISTRICT DIVISION EXPENSES BY CATEGORY

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	338,558	565,813	487,273	734,524
Administrative Expense	2,174	11,500	3,250	14,000
Office Expense	43	6,000	4,500	7,000
Professional Services	5,177	695,000	309,612	730,000
<b>Total</b>	<b>345,952</b>	<b>1,278,313</b>	<b>804,635</b>	<b>1,485,524</b>

### FY 2026 Water Resources - District Division Expenses By Cost Center (\$)



#### FY 2026 WATER RESOURCES - DISTRICT DIVISION EXPENSES BY COST CENTER – MARINA WATER

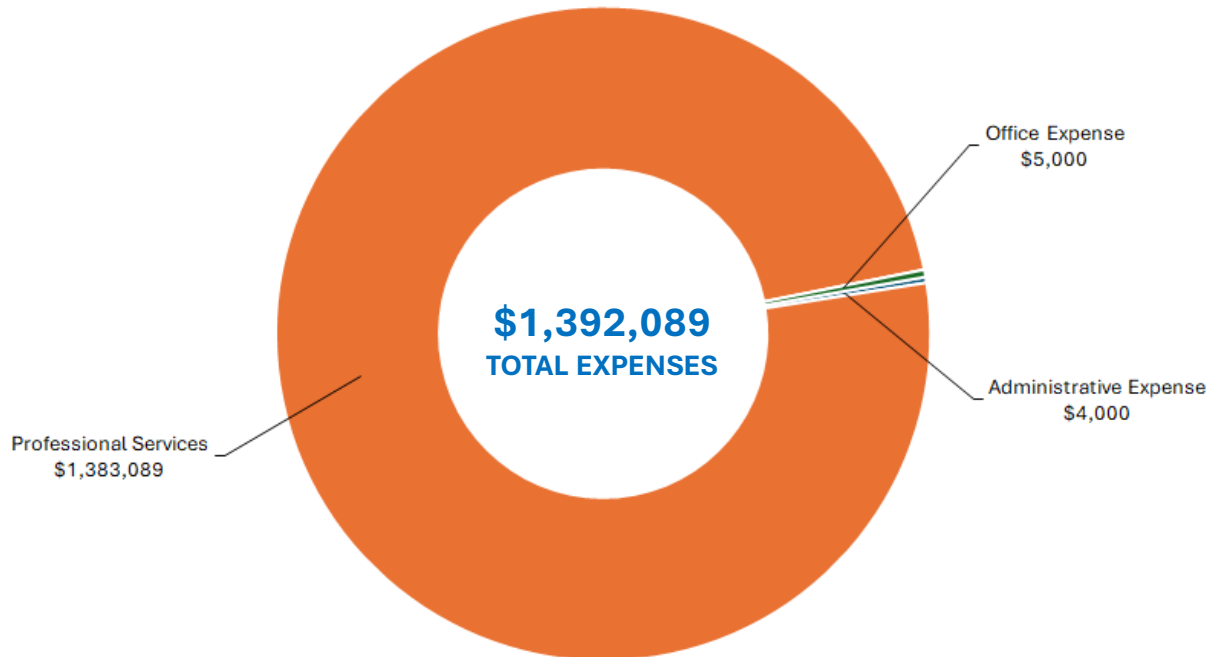
Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	118,726	226,325	161,698	242,393
Administrative Expense	718	4,600	1,300	5,600
Office Expense	14	2,400	1,800	2,800
Professional Services	-	278,000	123,845	292,000
<b>Total</b>	<b>119,458</b>	<b>511,325</b>	<b>288,643</b>	<b>542,793</b>

#### FY 2026 WATER RESOURCES - DISTRICT DIVISION EXPENSES BY COST CENTER – ORD WATER

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	219,832	339,488	325,575	492,131
Administrative Expense	1,457	6,900	1,950	8,400
Office Expense	29	3,600	2,700	4,200
Professional Services	5,176	417,000	185,767	438,000
<b>Total</b>	<b>226,494</b>	<b>766,988</b>	<b>515,992</b>	<b>942,731</b>

## Water Resources – GSA Division

### FY 2026 Water Resources - GSA Division Expenses By Category (\$)



### FY 2026 WATER RESOURCES - GSA DIVISION EXPENSES BY CATEGORY

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Administrative Expense	1,683	3,000	998	4,000
Information Technology	-	-	488	-
Office Expense	2,999	5,000	9,490	5,000
Professional Services	953,028	1,323,300	599,826	1,383,089
<b>Total</b>	<b>957,710</b>	<b>1,331,300</b>	<b>610,802</b>	<b>1,392,089</b>



The water resources team is responsible for managing and protecting the District's water resources, ensuring a safe and reliable water supply for the community. This involves various activities, including water supply planning, conservation, groundwater management, and water quality monitoring.

The Engineering Department is responsible for ensuring the safe and reliable delivery of water and sewer services by managing infrastructure, planning expansions, and overseeing capital improvement projects.



# ENGINEERING DEPARTMENT

The Engineering Department is responsible for planning, designing, and constructing the District's infrastructure to provide safe, affordable, water, as well as recycled water and wastewater collection. The Department formulates the District's Master Plans for each service to accommodate the necessary capacity for residential and commercial development demands. The Master Plans are implemented through the District's Annual and 10-Year Capital Improvement Program (CIP) Plans.

The District's Water, Sewer, and Recycled Water Master Plans and 10-Year CIP Plan guide annual CIP Plans. These plans identify and prioritize projects aimed at improving, expanding, and maintaining the District's water, recycled water, and wastewater collection systems. CIP projects include the replacement of aging infrastructure—such as pipelines, lift stations, water tanks, and manholes, as well as the design and construction of new facilities to support community growth. Through these efforts, the District remains committed to delivering reliable, cost-effective, and sustainable infrastructure across the MCWD service area.

Engineering Department staff manage the District's capital improvement projects. Project responsibilities include project planning, bidding, and construction management of District-sponsored projects and coordination and oversight for other improvement projects, ensuring they are constructed pursuant to the District plans, specifications, processes, and procedures. In addition, the Engineering Department also manages the District's system maps, models, and GIS systems, updating them as the District continues to grow.

Managing developer-driven projects constitutes a significant portion of the Engineering Department's project load. Land and housing development remains active throughout MCWD's service area, ranging from large master-planned projects in the area to smaller single-lot infill or densification projects in downtown Marina. Development projects such as parks, restaurants, roadside landscape, and designated affordable housing provide public benefit and vibrancy MCWD's communities.

MCWD reviews and approves development plans for compliance with District ordinances and specifications and coordinates construction inspection prior to connecting new assets to existing sewer, water, and recycled water systems. MCWD Engineering also collaborates with private developers to execute planned

District capital improvements located within a development tract, ensuring orderly expansion of MCWD's networks and adequate system capacity for both new and future customers.

In FY 2023, the Information Technology (IT) division became part of the Engineering Department. This change enabled a more seamless integration between the District's technological investments and strategic plans. The IT division provides support for the District's computer network, including the operation, maintenance, upgrades, and repairs of network hardware and employee workstations. It is also primarily responsible for safeguarding the District's IT infrastructure from various cybersecurity threats.

#### FY2025 ENGINEERING DEPARTMENT ACCOMPLISHMENTS

- **Strategic 4.4** - Capital improvement program renewal, replacement, and new development are planned with the longest reasonable time horizon and completed on schedule and budget.
  - Executed \$21.4 million in capital improvements and design.
  - Completed the A1/A2 Reservoirs and B/C Booster Pump Station Project.
  - Engineering staff worked diligently with the development community to oversee and activate new water, sewer, and recycled water pipelines and systems, enhancing and expanding existing facilities to build a more integrated and resilient network.
- **Strategic Objective 4.5** - The District is prepared to mitigate and recover from unplanned events and will maintain cybersecurity.
  - Finished the IOP, 920 Building, Suite B buildout, adding a new server room for enhanced cybersecurity protection and reliability.
- **Strategic Objective 2.2** - Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.
  - As part of the IOP project, a new boardroom was built for hosting public meetings, along with the consolidation of the Customer Service department with the other administrative staff at the IOP.

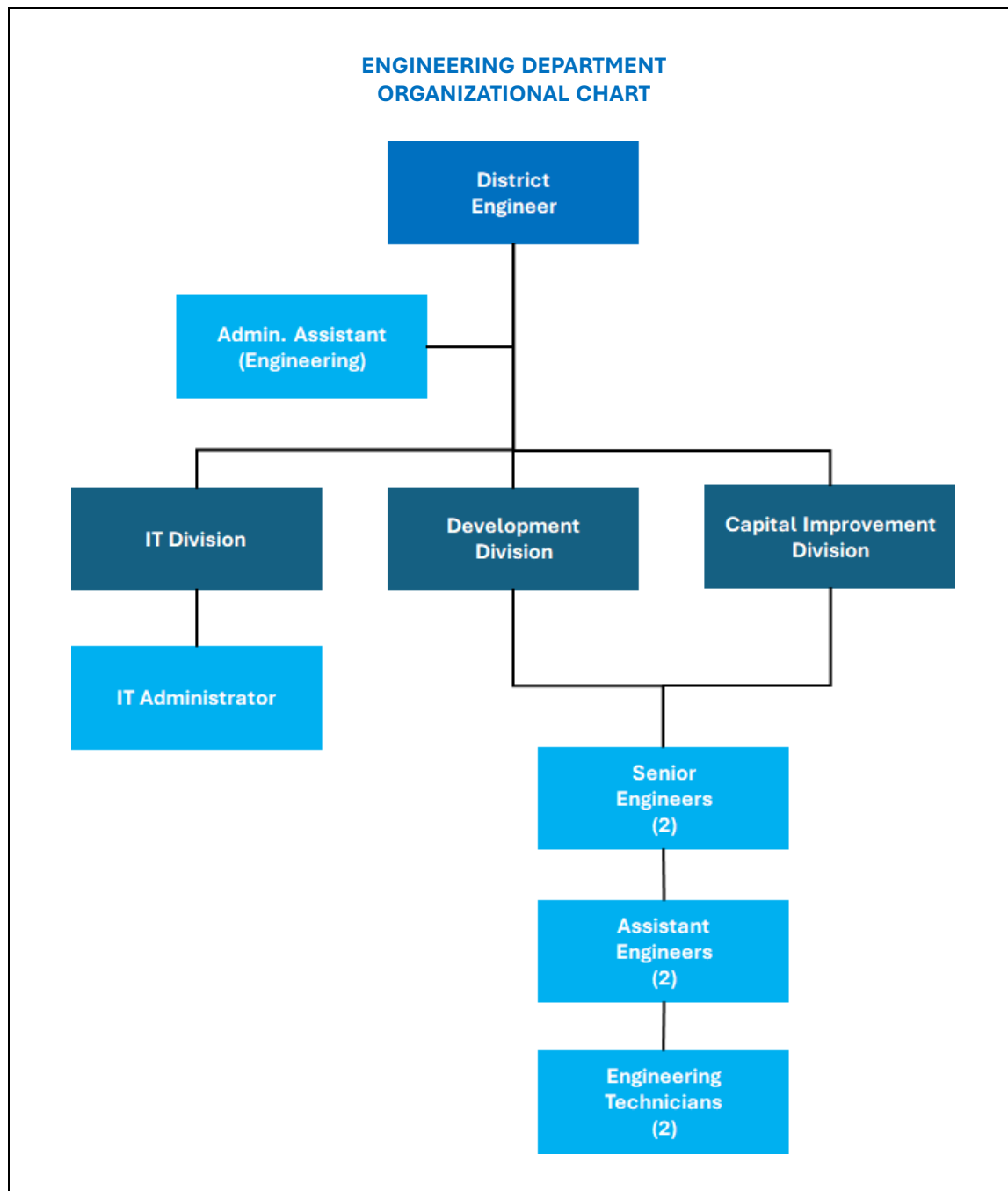
#### FY2026 ENGINEERING DEPARTMENT GOALS

- **Strategic Objective 2.2** - Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.
  - Collaborate with all departments to streamline the District's capital and operational needs by utilizing innovative platforms and solutions, including training, system integration, and implementation.
- **Strategic Objective 2.3** - Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.
  - Fully integrate and utilize the District's Geographic Information Systems (GIS) capabilities.
- **Strategic Objective 4.5** – The District is prepared to mitigate and recover from unplanned events and will maintain cybersecurity.
  - Enhance the District's cybersecurity posture by adopting best practices in the water and wastewater sector while ensuring compliance with federal and state regulations.
  - Embed cybersecurity in every procedure and system used and adopted by the District.
- **Strategic Objective 3.5** – Grant funding is obtained to help limit costs and improve services for customers.
  - Secure funding through grants for its IT and cybersecurity projects.

**FY 2024/2025 ENGINEERING DEPARTMENT PERFORMANCE MEASURES**

<b>Performance Measure</b>	<b>FY 2023/2024</b>	<b>FY 2024/2025</b>
New Pipe Dedicated and Added to the District System	500 LF*	43,069 LF
Projects Completed (with Certificate of Completion)	5	13
Accessory Dwelling Units and Renovation Projects Reviewed and Completed	No Data Available	28
Meter Requests Processed (ADUs and Water Systems)	352	302
Capital Improvement Program Projects Identified and Initiated	32	55
Percent Change Order of Completed Projects	6.2%	7%
IT Help Desk Tickets Resolved	621	691
Capital Improvement Program Budget by March	X	X

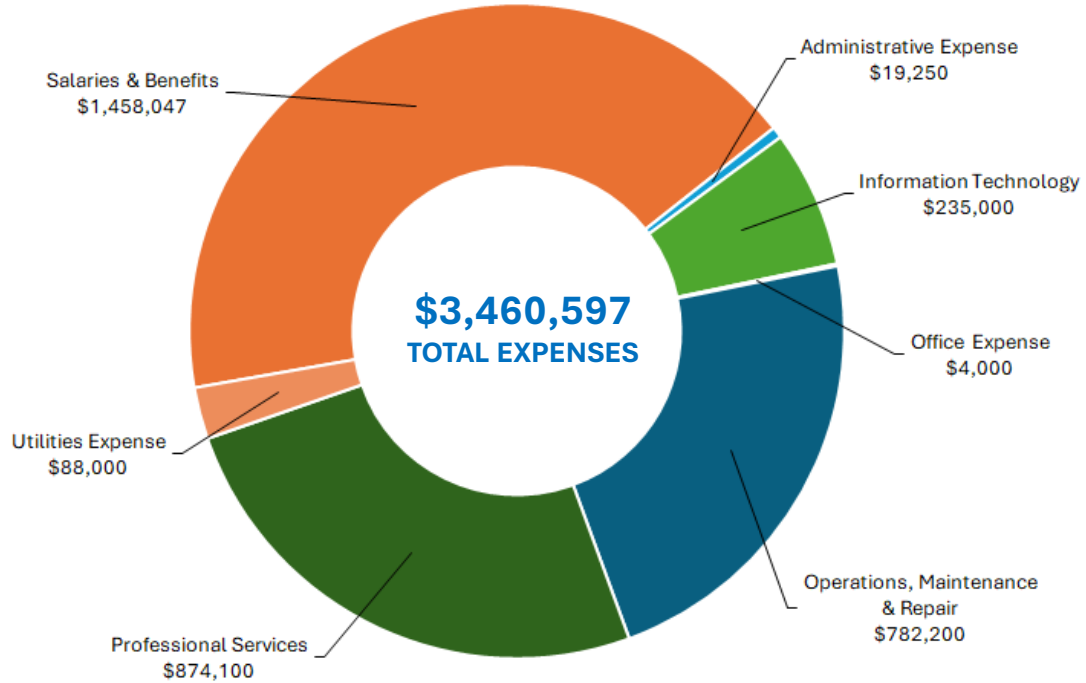
\*LF = Lineal Feet



The Engineering Department provides essential support to the District through the management of its Capital Improvement Program and the development initiatives within the community that it serves.



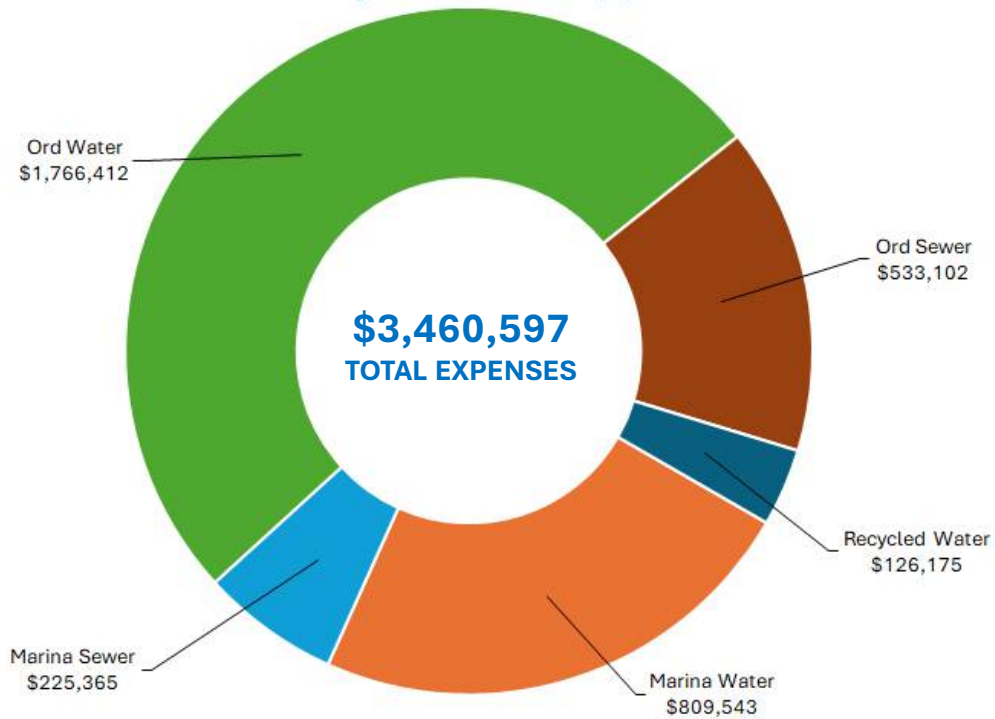
### FY 2026 Engineering Department Expenses By Category (\$)



### FY 2026 ENGINEERING DEPARTMENT EXPENSES BY CATEGORY

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	1,129,842	1,416,512	1,341,135	1,458,047
Administrative Expense	10,197	29,137	7,028	19,250
Information Technology	269,688	270,956	249,817	235,000
Office Expense	929	4,000	2,636	4,000
Operations, Maintenance & Repair	818,848	861,000	829,917	782,200
Professional Services	255,917	723,200	352,610	874,100
Utilities Expense	87,226	84,000	84,957	88,000
<b>Total</b>	<b>2,572,647</b>	<b>3,388,805</b>	<b>2,868,100</b>	<b>3,460,597</b>

### FY 2026 Engineering Department Expenses By Cost Center (\$)



### FY 2026 ENGINEERING DEPARTMENT EXPENSES BY COST CENTER – MARINA WATER

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	Adopted 25/26 Budget (\$)
Salaries & Benefits	305,582	385,856	367,608	408,254
Administrative Expense	2,871	7,867	1,898	5,389
Information Technology	72,871	73,158	67,451	65,800
Office Expense	251	1,080	712	1,120
Operations, Maintenance & Repair	50,870	89,570	121,530	110,940
Professional Services	53,543	147,414	90,775	193,400
Utilities Expense	23,551	22,680	22,938	24,640
<b>Total</b>	<b>509,538</b>	<b>727,625</b>	<b>672,912</b>	<b>809,543</b>

**FY 2026 ENGINEERING DEPARTMENT EXPENSES BY COST CENTER – MARINA SEWER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	56,607	71,455	66,761	72,902
Administrative Expense	407	1,457	351	963
Information Technology	13,730	13,548	12,491	11,750
Office Expense	46	200	132	200
Operations, Maintenance & Repair	26,236	29,550	56,908	42,900
Professional Services	8,219	86,910	20,511	92,250
Utilities Expense	4,361	4,200	4,248	4,400
<b>Total</b>	<b>109,607</b>	<b>207,320</b>	<b>161,402</b>	<b>225,365</b>

**FY 2026 ENGINEERING DEPARTMENT EXPENSES BY COST CENTER – ORD WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	619,887	786,004	736,439	801,925
Administrative Expense	5,353	16,026	3,865	10,587
Information Technology	147,573	149,025	137,399	129,250
Office Expense	511	2,200	1,449	2,200
Operations, Maintenance & Repair	440,423	475,050	448,382	400,900
Professional Services	105,349	285,510	189,645	373,150
Utilities Expense	47,974	46,200	46,726	48,400
<b>Total</b>	<b>1,367,070</b>	<b>1,760,015</b>	<b>1,563,905</b>	<b>1,766,412</b>

**FY 2026 ENGINEERING DEPARTMENT EXPENSES BY COST CENTER – ORD SEWER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	135,824	171,492	157,574	160,384
Administrative Expense	978	3,496	843	2,118
Information Technology	33,057	32,515	29,978	25,850
Office Expense	112	480	316	440
Operations, Maintenance & Repair	298,232	260,920	198,798	224,380
Professional Services	32,089	95,684	44,884	110,250
Utilities Expense	10,467	10,080	10,195	9,680
<b>Total</b>	<b>510,760</b>	<b>574,667</b>	<b>442,588</b>	<b>533,102</b>

**FY 2026 ENGINEERING DEPARTMENT EXPENSES BY COST CENTER – RECYCLED WATER**

<b>Category</b>	<b>23/24 Actuals (\$)</b>	<b>24/25 Budget (\$)</b>	<b>24/25 Est. Actuals (\$)</b>	<b>Adopted 25/26 Budget (\$)</b>
Salaries & Benefits	11,943	1,705	12,753	14,582
Administrative Expense	588	291	71	193
Information Technology	2,456	2,710	2,498	2,350
Office Expense	9	40	27	40
Operations, Maintenance & Repair	3,087	5,910	4,299	3,080
Professional Services	56,717	107,682	6,795	105,050
Utilities Expense	872	840	850	880
<b>Total</b>	<b>75,672</b>	<b>119,178</b>	<b>27,293</b>	<b>126,175</b>

# CAPITAL BUDGET



# CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is Marina Coast Water District's strategic framework for planning, funding, and executing major infrastructure investments. The CIP guides the construction, upgrade, and replacement of critical water, wastewater, and recycled water systems that support the delivery of safe, reliable, and sustainable services to our community.

Capital expenditures (Capex) represent long-term investments in physical infrastructure and are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The CIP also accounts for the long-term operational and maintenance impacts of new assets, which are evaluated and updated throughout each project phase to support sound financial planning.

## Key Components of the CIP Process

### LONG-TERM STRATEGIC PLANNING

The District develops and maintains a rolling 10-year Capital Improvement Plan, which is based on three long-range master planning documents:

- Water System Master Plan
- Sewer System Master Plan
- Urban Water Management Plan

These plans identify future infrastructure needs based on system capacity, growth projections, regulatory requirements, and overall system performance. Additionally, the need for capital projects may be driven by public health and safety concerns, environmental impacts, or compliance with evolving regulatory standards. Project costs are estimated with consideration for inflation and future increases in the Construction Cost Index (CCI).

## **ASSET CONDITION AND RISK ASSESSMENT**

Using its Computerized Maintenance Management System (CMMS), the District evaluates the condition of existing infrastructure to identify assets that are aging, underperforming, or at risk of failure. This ensures the timely rehabilitation or replacement of critical systems and supports a proactive, risk-based approach to capital planning.

## **ANNUAL CIP BUDGET DEVELOPMENT**

Each year, the District prepares an annual capital budget by aligning long-term priorities with asset condition data and funding availability. CMMS insights are integrated to help prioritize projects based on urgency, impact, and expected lifecycle costs. Funding strategies may include capacity fees, grants, loans, and internal reserves, ensuring that projects are fiscally responsible and strategically timed.

## **BOARD REVIEW AND ADOPTION**


The proposed CIP is presented to the Board of Directors for review and adoption as part of the District's annual budget process. This step ensures transparency, accountability, and alignment with the District's mission and strategic goals. Public and stakeholder feedback is also incorporated to help guide final project prioritization.

## **INTEGRATION OF CAPITAL AND OPERATING BUDGET**

The CIP Budget is developed in coordination with the District's operating budget to ensure financial alignment across all capital and operational needs. Each year, the CIP is updated based on long-term infrastructure planning, asset condition assessments, and funding availability. Projects are prioritized based on urgency, regulatory requirements, system performance, and available resources.

The impact of capital projects on the current and future operating budgets is carefully evaluated throughout the budget process. New or expanded infrastructure often results in increased operational costs, such as maintenance, staffing, utilities, and treatment expenses. In contrast, some capital projects—such as efficiency upgrades or system replacements—may reduce long-term operating costs. These financial impacts are analyzed during project planning process and incorporated into the District's long-range financial forecasts to ensure sustainability. This integrated approach allows the District to proactively manage future obligations and maintain a balanced financial position.

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A full-page photograph of a water utility worker. The worker is a man wearing a blue baseball cap with a white logo, a high-visibility yellow-green safety vest with reflective orange stripes, and a blue long-sleeved shirt. He is focused on operating a large, blue industrial valve. The valve has a handwheel and a grey cable connected to it. The background shows a green fence and a line of trees under bright, sunny conditions. The entire image is overlaid with a semi-transparent blue rectangle in the bottom-left corner, which contains white text.

Capital Improvement Projects (CIPs) are crucial for maintaining reliable and safe water systems, ensuring compliance with regulations, and preparing for future needs. They involve investing in new infrastructure, repairing existing assets, and upgrading technologies to improve water quality and supply.

## FY 2026 Capital Improvement Projects By Funding Source

CIP No	Capital Project Name	2024 Bond (\$)	Building Removal Fund(\$)	Capacity Fee (\$)	Capital Replacement(\$)	Grant(\$)	GSA Fund Balance (\$)	Grand Total
<b>WD-2405</b>	Solar - Solar Energy and Battery Storage at 920 Imjin Pkway Project	-	-	1,840,000	-	-	160,000	2,000,000
<b>GW-0123</b>	Reservoir - Zone B Tank 2 Project	-	-	300,000	-	-	-	300,000
<b>GW-0330</b>	Reservoir - Reservoir 2 Exterior Coating and Upgrades	503,000	-	-	-	-	-	503,000
<b>GW-0378</b>	Water Supply - Well 12 Supply Reliability	231,000	-	-	-	-	-	231,000
<b>GW-2310</b>	Castroville Water Pipeline Intertie - 28,300 LF, 20-inch diam.	-	-	-	-	2,900,000	-	2,900,000
<b>GW-2403</b>	Water Supply - Armstrong Ranch Comprehensive Supply Facility	-	-	125,000	-	-	-	125,000
<b>GW-2610</b>	Water Pipeline Renew/Replacement Program FY25/26	125,000	-	-	-	-	-	125,000
<b>GW-2620</b>	Fire Hydrant Replacement Program FY25/26	250,000	-	-	-	-	-	250,000
<b>MW-2580</b>	Pipeline - Armstrong Ranch Water Distribution System Installation Project - Marina Station Phases 1 & 2 - 7,575 LF, 12-inch diam	-	-	420,000	-	-	-	420,000
<b>MW-0321</b>	Pipeline - California Avenue Upsizing and Replacement - Patton Parkway to Reindollar Ave - 1,225 LF, 16-inch diam.	628,000	-	-	-	-	-	628,000

CIP No	Capital Project Name	2024 Bond (\$)	Building Removal Fund(\$)	Capacity Fee (\$)	Capital Replacement(\$)	Grant(\$)	GSA Fund Balance (\$)	Grand Total
OW-0127	Pipeline - 5th Avenue Pipeline Replacement Project - Diverty Circle to Inter-Garrison - 750LF, 12-inch diam.	75,000	-	-	-	-	-	75,000
OW-2302	Pipeline - East Garrison 2nd Supply Project - Watkins Gate and C2 Reservoir 4,000 LF, 18-inch diam.	-	-	210,000	-	-	-	210,000
OW-2402	Blight Removal - Ord Wastewater Treatment Blight Removal Project	-	441,000	-	-	-	-	441,000
OW-2404	Water Supply - RDP - Reservation Road Desal Plant Renovation Project	-	-	3,585,000	-	-	-	3,585,000
OW-2421	Pipeline-Inter-Garrison Rd Pipeline Upsizing and Replacement Project - Schoonover to East Garrison - 1,800 LF, 18-inch diam.	1,458,000	-	-	-	-	-	1,458,000
OW-2501	Booster Station - Ammo Pump Station Rehabilitation Project	300,000	-	-	-	-	-	300,000
OW-2601	Pipeline Replacement Project - C2 Reservoir to Inter-Garrison	1,523,000	-	-	-	-	-	1,523,000
GS-2531	Lift Station - Lift Station Wet Well Lining Project - Various Locations	156,000	-	-	356,000	-	-	512,000
GS-2532	Lift Station - Safety Grate Improvements Project - Various Locations	92,000	-	-	82,000	-	-	174,000
MS-2401	Lift Station - Tate Park Lift Station Project	2,140,000	-	1,112,000	-	-	-	3,252,000

<b>CIP No</b>	<b>Capital Project Name</b>	<b>2024 Bond (\$)</b>	<b>Building Removal Fund(\$)</b>	<b>Capacity Fee (\$)</b>	<b>Capital Replacement(\$)</b>	<b>Grant(\$)</b>	<b>GSA Fund Balance (\$)</b>	<b>Grand Total</b>
<b>OS-0210</b>	Pipeline - 1st Avenue Gravity Main Project CIPP Lining - 1,472 LF, 30-inch diam.	-	-	-	695,000	-	-	695,000
<b>OS-0218</b>	Lift Station - Gigling Lift Station Replacement Project	-	-	-	900,000	-	-	900,000
<b>OS-0348</b>	Lift Station - Imjin Lift Station Odor Control Project	-	-	-	150,000	-	-	150,000
<b>OS-0350</b>	Manholes - Imjin Parkway Sewer Manhole Rehab Project	-	-	-	68,000	-	-	68,000
<b>OS-2305</b>	Manholes - Lightfighter Dr. to Divarty Manhole Rehab and Lining Project - 12 Manholes	-	-	-	60,000	-	-	60,000
<b>RW-2501</b>	Pipeline - RUWAP/PWM Isolation and Metering Station Project	-	-	620,000	-	-	-	620,000
<b>GA-2402</b>	Wells - Install GSA Monitoring Wells Project	-	-	-	-	-	1,100,000	1,100,000
<b>Total</b>		<b>7,481,000</b>	<b>441,000</b>	<b>8,212,000</b>	<b>2,311,000</b>	<b>2,900,000</b>	<b>1,260,000</b>	<b>22,605,000</b>

An MCWD System Operator conducts a routine inspection at one of the District's booster pump stations, ensuring reliable water distribution and infrastructure performance.



## FY 2026 Capital Improvement Projects By Cost Center

CIP No	Project Name	Marina Water (\$)	Marina Sewer (\$)	Ord Water(\$)	Ord Sewer(\$)	Recycled Water(\$)	GSA(\$)	Total
<b>WD-2405</b>	Solar - Solar Energy and Battery Storage at 920 Imjin Pkway Project	394,000	94,000	866,000	212,000	274,000	160,000	2,000,000
<b>GW-0123</b>	Reservoir - Zone B Tank 2 Project	96,000	-	204,000	-	-	-	300,000
<b>GW-0330</b>	Reservoir - Reservoir 2 Exterior Coating and Upgrades	159,000	-	344,000	-	-	-	503,000
<b>GW-0378</b>	Water Supply - Well 12 Supply Reliability	83,000	-	148,000	-	-	-	231,000
<b>GW-2310</b>	Castroville Water Pipeline Intertie - 28,300 LF, 20-inch diam.	899,000	-	2,001,000	-	-	-	2,900,000
<b>GW-2403</b>	Water Supply - Armstrong Ranch Comprehensive Supply Facility	39,000	-	86,000	-	-	-	125,000
<b>GW-2610</b>	Water Pipeline Renew/Replacement Program FY25/26	20,000	-	105,000	-	-	-	125,000
<b>GW-2620</b>	Fire Hydrant Replacement Program FY25/26	94,000	-	156,000	-	-	-	250,000
<b>MW-2580</b>	Pipeline - Armstrong Ranch Water Distribution System Installation Project - Marina Station Phases 1 & 2 - 7,575 LF, 12-inch diam	420,000	-	-	-	-	-	420,000
<b>MW-0321</b>	Pipeline - California Avenue Upsizing and Replacement - Patton Parkway to Reindollar Ave - 1,225 LF, 16-inch diam.	628,000	-	-	-	-	-	628,000

CIP No	Project Name	Marina Water (\$)	Marina Sewer (\$)	Ord Water(\$)	Ord Sewer(\$)	Recycled Water(\$)	GSA(\$)	Total
<b>OW-0127</b>	Pipeline - 5th Avenue Pipeline Replacement Project - Diverty Circle to Inter-Garrison - 750LF, 12-inch diam.	-	-	75,000	-	-	-	75,000
<b>OW-2302</b>	Pipeline - East Garrison 2nd Supply Project - Watkins Gate and C2 Reservoir 4,000 LF, 18-inch diam.	-	-	210,000	-	-	-	210,000
<b>OW-2402</b>	Blight Removal - Ord Wastewater Treatment Blight Removal Project	-	-	441,000	-	-	-	441,000
<b>OW-2404</b>	Water Supply - RDP - Reservation Road Desal Plant Renovation Project	-	-	3,585,000	-	-	-	3,585,000
<b>OW-2421</b>	Pipeline-Inter-Garrison Rd Pipeline Upsizing and Replacement Project - Schoonover to East Garrison - 1,800 LF, 18-inch diam.	-	-	1,458,000	-	-	-	1,458,000
<b>OW-2501</b>	Booster Station - Ammo Pump Station Rehabilitation Project	-	-	300,000	-	-	-	300,000
<b>OW-2601</b>	Pipeline Replacement Project - C2 Reservoir to Inter-Garrison	-	-	1,523,000	-	-	-	1,523,000
<b>GS-2531</b>	Lift Station - Lift Station Wet Well Lining Project - Various Locations	-	156,000	-	356,000	-	-	512,000
<b>GS-2532</b>	Lift Station - Safety Grate Improvements Project - Various Locations	-	92,000	-	82,000	-	-	174,000
<b>MS-2401</b>	Lift Station - Tate Park Lift Station Project	-	3,252,000	-	-	-	-	3,252,000
<b>OS-0210</b>	Pipeline - 1st Avenue Gravity Main Project CIPP Lining - 1,472 LF, 30-inch diam.	-	-	-	695,000	-	-	695,000

CIP No	Project Name	Marina Water (\$)	Marina Sewer (\$)	Ord Water(\$)	Ord Sewer(\$)	Recycled Water(\$)	GSA(\$)	Total
<b>OS-0218</b>	Lift Station - Gigling Lift Station Replacement Project	-	-	-	900,000	-	-	900,000
<b>OS-0348</b>	Lift Station - Imjin Lift Station Odor Control Project	-	-	-	150,000	-	-	150,000
<b>OS-0350</b>	Manholes - Imjin Parkway Sewer Manhole Rehab Project	-	-	-	68,000	-	-	68,000
<b>OS-2305</b>	Manholes - Lightfighter Dr. to Divarty Manhole Rehab and Lining Project - 12 Manholes	-	-	-	60,000	-	-	60,000
<b>RW-2501</b>	Pipeline - RUWAP/PWM Isolation and Metering Station Project	-	-	-	-	620,000	-	620,000
<b>GA-2402</b>	Wells - Install GSA Monitoring Wells Project	-	-	-	-	-	1,100,000	1,100,000
<b>Total</b>		<b>2,832,000</b>	<b>3,594,000</b>	<b>11,502,000</b>	<b>2,523,000</b>	<b>894,000</b>	<b>1,260,000</b>	<b>22,605,000</b>

A photograph of a large industrial facility, possibly a water treatment plant. The foreground shows a large black pipe with a flange and a worker in a yellow safety vest standing in the distance. The ceiling is high with a complex network of steel beams and cables. A semi-transparent blue rectangle is overlaid in the center, containing the text 'CAPITAL PROJECTS DETAILS' in white.

# CAPITAL PROJECTS DETAILS

WD-2405



Project #: WD-2405

## Solar - Solar Energy and Battery Storage at 920 Imjin Pkwy Project

### Project Description

New solar array and backup power system at Imjin Office Park to increase energy grid reliability and sustainability. Subsequent year solar projects include additional buildings within the IOP, at Reservation Road, and Booster Pump Stations.

### Project Need

Project will improve the sustainable green energy portfolio of the district and provide 72 hours of emergency backup power for the District's key IT infrastructure and systems.

### Environmental Review

Mitigated negative declaration will be prepared.



Legend



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
2,000	2,000	500	2,500	1,500	1,000	5,500

GW-0123

## Reservoir - Zone B Tank 2 Project



Project #: GW-0123

### Project Description

This project consists of the construction of a new 2.2 MG storage tank, booster station improvements, and site enhancements at the existing Zone B tank site.

### Project Need

This project will add additional storage to mitigate an existing storage deficiency.

### Environmental Review

A mitigated negative declaration will be prepared.



### Legend

▲ Pump Stations    — Water Mains    + Project Tanks



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
11,008	300	10,708	0	0	0	0

## GW-0330



Project #: GW-0330

## Reservoir - Reservoir 2 Exterior Coating and Upgrades Project

### Project Description

Project will recoat the tank exterior, improve safety structures, and include other site/equipment upgrades.

### Project Need

Existing coating is failing and needs to be redone to improve protection from corrosive environment and extend life of asset. Safety structure and other site improvements will enhance the working and operational features of the facility.

### Environmental Review

Notice of exemption



#### Legend

● Wells      + Tank      ▲ Booster Station

### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
503	503	0	0	0	0	0

GW-0378

## Water Supply - Well 12 Supply Reliability Project



Project #: GW-0378

### Project Description

Hydrogeologic consultant to investigate well and determine well modifications. Design and bid recommended modifications.

### Project Need

Well 12 requires rehabilitation and treatment for high temperature and sulfates for use as a potable supply source.

### Environmental Review

A mitigated negative declaration will be prepared.



### Legend

● Wells    + Tanks    ▲ Pump Stations



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
231	231	0	0	0	0	0

## GW-2310



Project #: GW-2310

### Pipeline - Castroville Water Pipeline Intertie - 28,300 LF, 20-inch diam.

#### Project Description

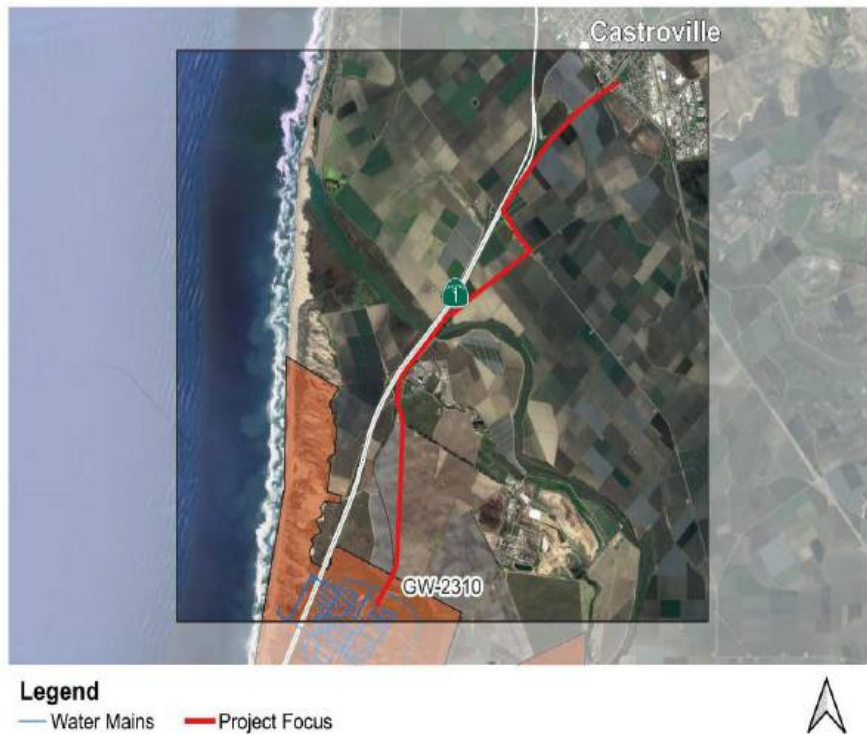
The project concept will extend the potable water system north of existing Marina service area and connect to Castroville. This connection will enhance supply availability and reliability for Castroville and areas between. This preliminary engineering phase of the project will investigate partners, project needs, and preliminary engineering. Once the first phase is completed, the next phase will begin the design and construction process.

#### Project Need

To increase water resiliency for the extended community through the expansion of the existing MCWD distribution system.

#### Environmental Review

Environmental Impact Report



#### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
7,400	2,900	4,500	0	0	0	0

## GW-2403



## Water Supply - Armstrong Ranch Comprehensive Supply Facility Project

Project #: GW-2403

### Project Description

The project will investigate supply source, treatment, and storage options for the Armstrong Ranch site. Potential options include brackish water, ocean water, recycle water, and surface water and associated treatment, permitting, storage, and operational requirements. The project will begin with a basis of design report to identify alternatives, recommendations, and associated implementation steps.

### Project Need

Adding additional supply sources into the District's portfolio enhances supply reliability and resilience.

### Environmental Review

An Environmental Impact Report will be prepared.



Legend



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
10,875	125	5,750	5,000	0	0	0

## GW-2610



## Water Pipeline Renew/Replacement Program FY25/26

Project #: GW-2610

### Project Description

Replace undersized, failing, and/or past useful life pipelines through an annual program.

### Project Need

Programmatic budgeting to provide water system pipeline replacement needs as identified to prevent systematic pipeline failures and deficiencies over time.

### Environmental Review

Notice of exemptions will be filed.



### Legend

— Water Mains    MCWD Service Area



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
125	125	132	968	1,580	1,550	5,000

## GW-2620

## Fire Hydrant Replacement Program FY25/26



Project #: GW-2620

### Project Description

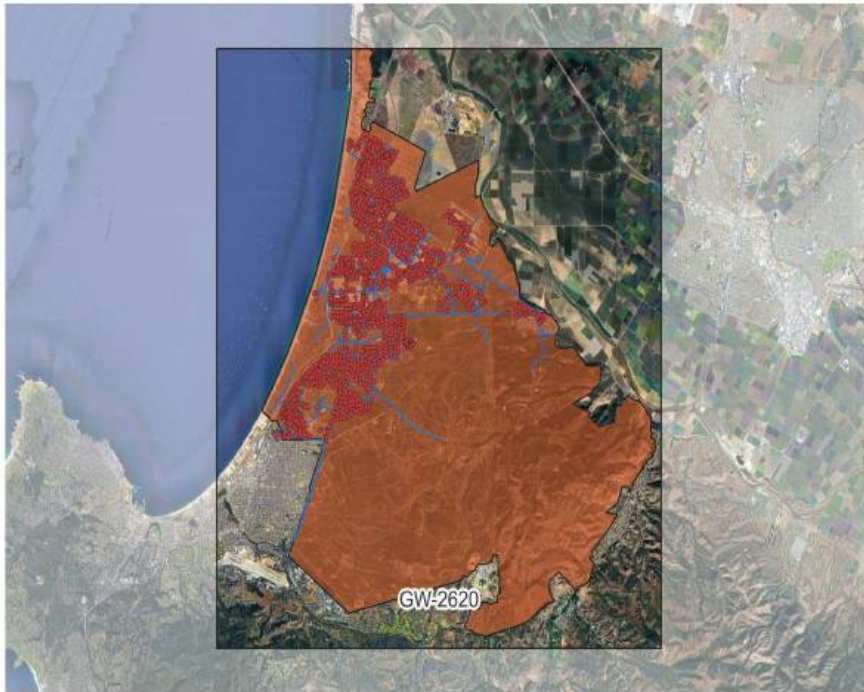
Replace fire hydrants and associated appurtenances through an annual program.

### Project Need

Many existing hydrants from the Ord and Marina systems are at end of useful life and do not have adequately sized laterals or isolation valves. This project corrects these deficiencies.

### Environmental Review

Notice of exemptions will be filed



### Legend

— Water Mains    MCWD Service Area    • Fire Hydrants



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
250	250	75	399	263	650	3,500

## MW-2580

**Pipeline - Armstrong Ranch Water Distribution  
System Installation Project -Marina Station  
Phases 1 & 2 - 7,575 LF,12-inch diam**



Project #: MW-2580

**Project Description**

This project is for reimbursement to the Marina Station developer, approved in reimbursement agreement on March 17, 2025. Project includes the construction of a new 12-inch (approx. 7,575 LF) distribution main. This pipeline is intended to serve the future Marina Station development north of the existing Marina service area.

**Project Need**

This project will serve the Marina Station area. It will resolve looping and improve system flows in the northern part of Marina.

**Environmental Review**

Project was included in the development CEQA process

**Legend**

— Water Mains — Project Focus

**Projected 5-Year CIP Budget**

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
2,970	420	1,550	1,000	0	0	0

## MW-0321

**Pipeline - California Ave. Upsizing and Replacement - Patton Parkway to Reindollar Ave - 1,225 LF, 16-inch diam.**



Project #: MW-0321

**Project Description**

This project includes replacing an existing 12-inch pipeline with a new 16-inch pipeline (approx. 1,225 LF).

**Project Need**

Project will increase the transmission main capacity from the planned Zone A tanks to the Central Marina service area.

**Environmental Review**

Notice of exemption

**Legend**

— Water Main — Project Focus

**Projected 5-Year CIP Budget**

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
628	628	0	0	0	0	0

## OW-0127

**Pipeline - 5th Avenue Pipeline  
Replacement Project - Diverty Circle to  
Inter-Garrison - 750 LF, 12-inch diam.**



Project #: OW-0127

**Project Description**

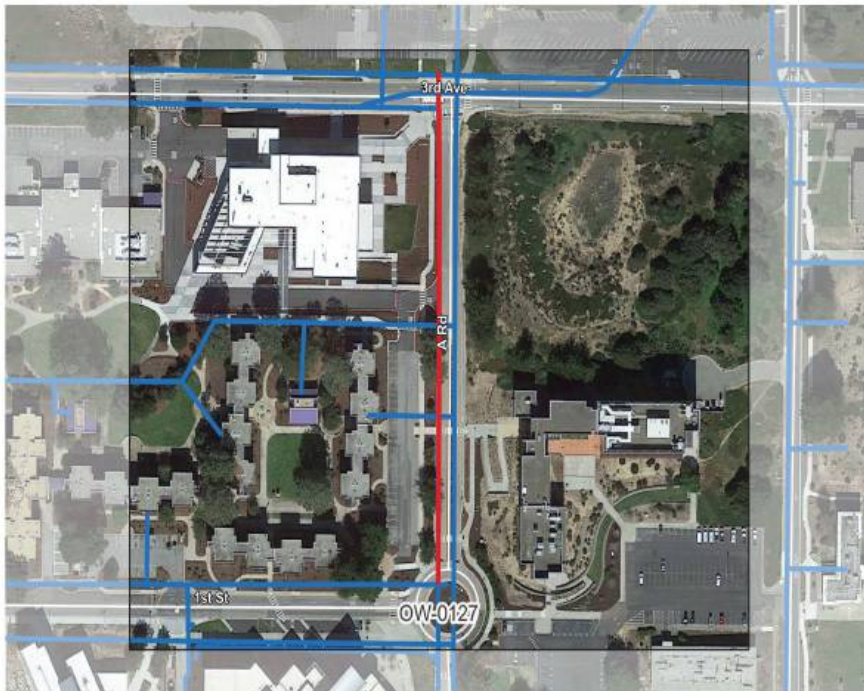
This project consists of replacing an existing 8-inch pipeline with a new 12-inch pipeline (approx. 750 LF). Initial project efforts will re-analyze fire flow requirements and further define project needs.

**Project Need**

This project is intended to improve system looping, redundancy, and flow.

**Environmental Review**

A notice of exemption will be filed.

**Legend**

— Water Mains — Project Focus

**Projected 5-Year CIP Budget**

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
575	75	0	0	500	0	0

OW-2302



Project #: OW-2302

**Pipeline - East Garrison 2nd Supply  
Project - Watkins Gate and C2 Reservoir -  
4,000 LF, 18-inch diam.**

**Project Description**

Add a second supply source to East Garrison with a pipeline from C2 Reservoir to East Garrison system via Watkins Gate alignment. Approximately 4,000 LF of 18-inch pipe with appurtenances.

**Project Need**

East Garrison system only has one supply source and needs a second source for redundancy.

**Environmental Review**

A mitigated negative declaration will be filed.



**Legend**

+ Tanks    — Water Mains    — Project Focus



**Projected 5-Year CIP Budget**

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
1,680	210	0	1,470	0	0	0

## OW-2402



Project #: OW-2402

## Blight Removal - Ord Wastewater Treatment Plant Blight Removal Project

### Project Description

This project consists of demolishing wastewater treatment structures and equipment and removing blighted buildings on the Army's main Fort Ord Wastewater Treatment Plant (WWTP) on the west side of Highway 1 on Beach Range Road between the 8th Street overcrossing and the Del Monte Boulevard overcrossing.

### Project Need

This project is contractually required, presents health and safety concerns, and increases the liability on MCWD. MCWD has received funding to conduct much of the needed demolition/ removal work.

### Environmental Review

A notice of exemption will be filed.



Legend



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
441	441	0	0	0	0	0

OW-2404



Project #: OW-2404

## Water Supply - RDP - Reservation Road Desal Plant Renovation Project

### Project Description

Renovate the existing Reservation Road desal plant to enable operations. Project includes preliminary design, permitting, and construction.

### Project Need

Including desal supply into District's portfolio enhances supply reliability and resilience.

### Environmental Review

A notice of exemption will be filed.



### Legend

● Wells



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
3,585	3,585	0	0	0	0	0

## OW-2421



Project #: OW-2421

### Pipeline - Inter-Garrison Rd Pipeline Upsizing and Replacement Project -Schoonover to East Garrison - 1,800 LF, 18-inch diam.

#### Project Description

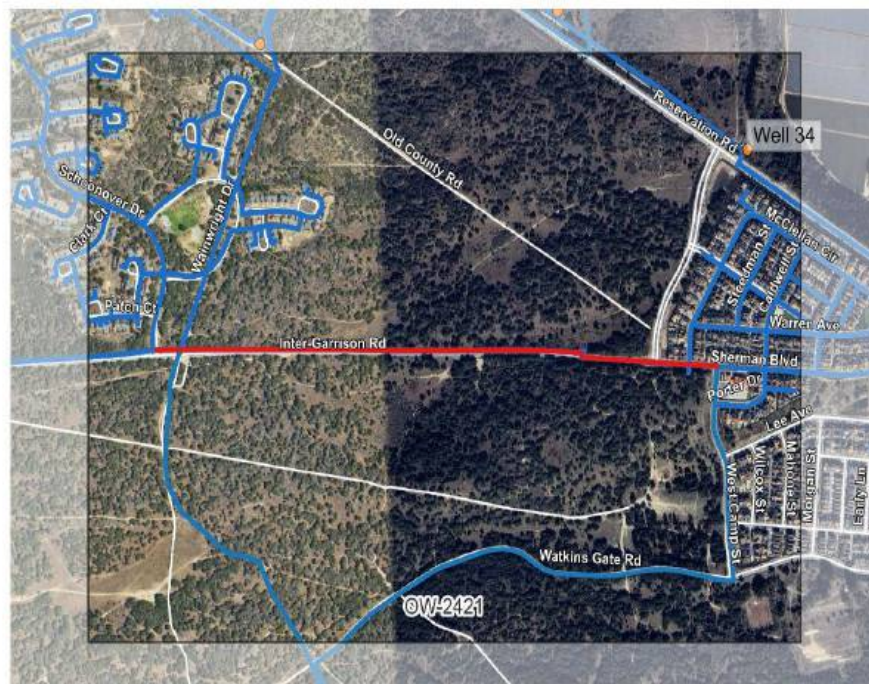
Construct a new 18-inch pipeline along Inter-Garrison from Schoonover to the existing system in East Garrison to provide increased capacity and replace aging infrastructure. Approximately 1,800 LF. Pipeline replaces an existing 12-inch line.

#### Project Need

This project is required to improve reliability of system flows for the East Garrison Community.

#### Environmental Review

A notice of exemption will be filed.



#### Legend

● Wells    — Water Mains    — Project Focus



#### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
1,458	1,458	0	0	0	0	0

OW-2501

## Booster Station - Ammo Pump Station Rehabilitation Project



Project #: OW-2501

### Project Description

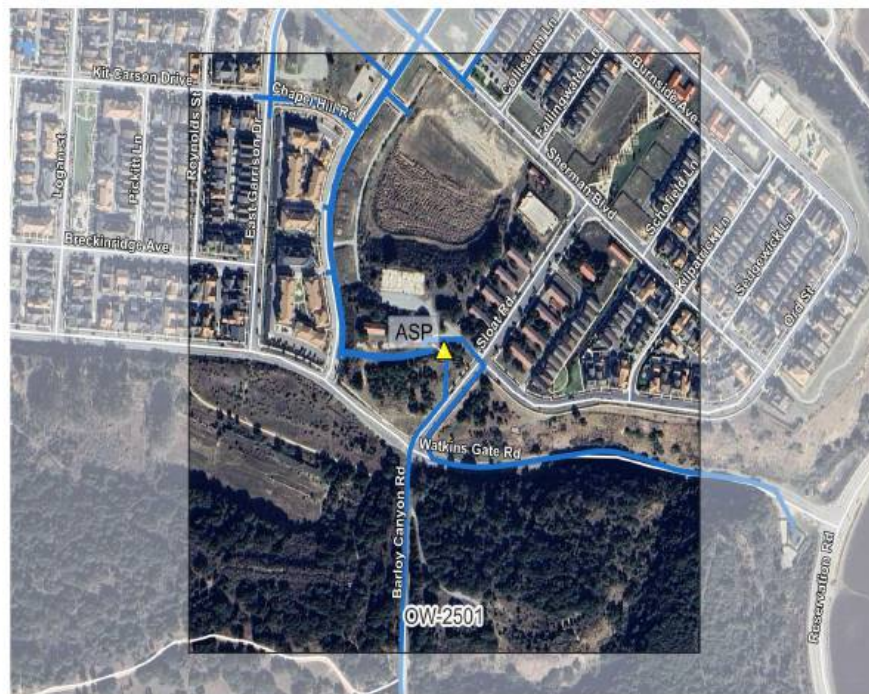
Project will refurbish the existing pumping station to reestablish water service to the Sheriff facilities at the former Fort Ord ammo supply location. An initial short-term solution will be designed and constructed to provide water service to a single location just outside the Sheriff facility. The permanent solution will be part of a larger study effort to identify supply reliability for the whole east garrison area.

### Project Need

This project is to reestablish operations and supply water service to the sites south of the currently inactive Booster Station.

## Environmental Review

A notice of exemption will be filed.



### Legend

 Pump Stations       Water Mains



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
300	300	0	0	0	0	0

## OW-2601

**Pipeline - Pipeline Replacement Project -  
C2 Reservoir to Inter-Garrison - 3,575 LF,  
18-inch diam.**



Project #: OW-2601

**Project Description**

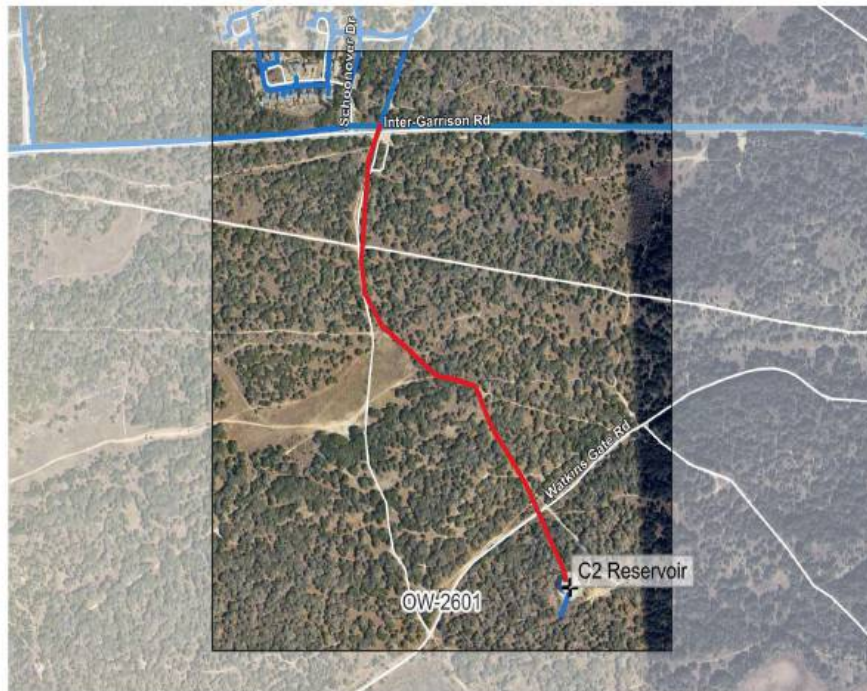
Replace existing pipeline with a larger diameter to provide additional capacity for water supply to East Garrison and East Marina areas.

**Project Need**

This project will replace an existing pipeline with a new line with additional capacity.

**Environmental Review**

A mitigated negative declaration will be filed.

**Legend**

— Water Mains    — Project Focus

**Projected 5-Year CIP Budget**

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
1,523	1,523	0	0	0	0	0

GS-2531



Project #: GS-2531

## Lift Station - Lift Station Wet Well Lining Project - Various Locations

### Project Description

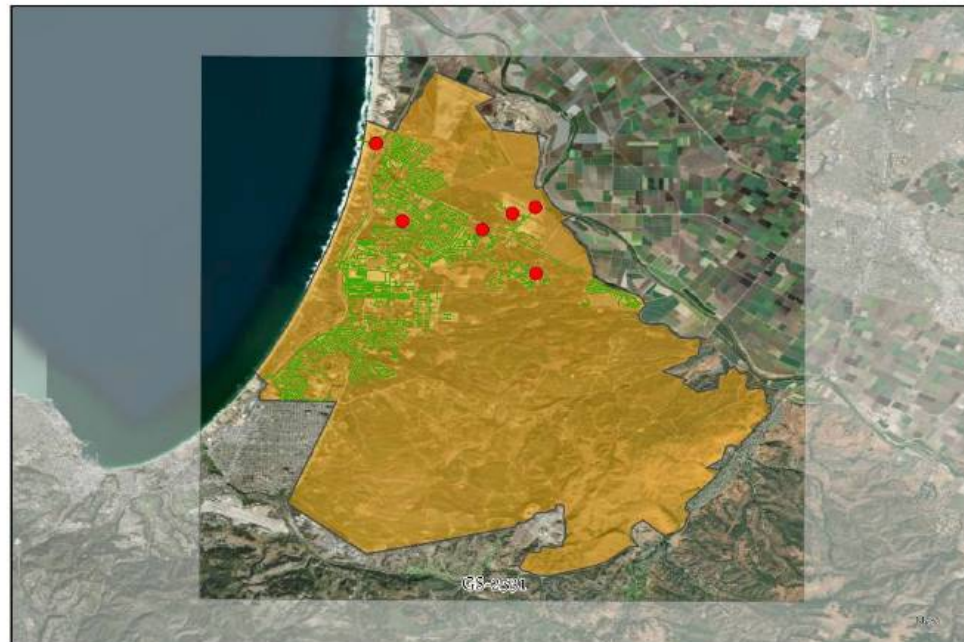
This project is for epoxy wet well lining within the existing precast concrete wet wells at six (6) sewer lift stations. This project is coordinated with lift station safety grates project to enhance project efficiency.

### Project Need

Wet well lining protects the concrete from deterioration from hydrogen sulfide gases. Severe deterioration of the wet well can lead to catastrophic failure of the lift station.

### Environmental Review

Notice of exemption



### Legend

● Lift Station — Gravity Main



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
512	512	0	0	0	0	0

GS-2532

## Lift Station - Safety Gate Improvements Project - Various Locations



Project #: GS-2532

### Project Description

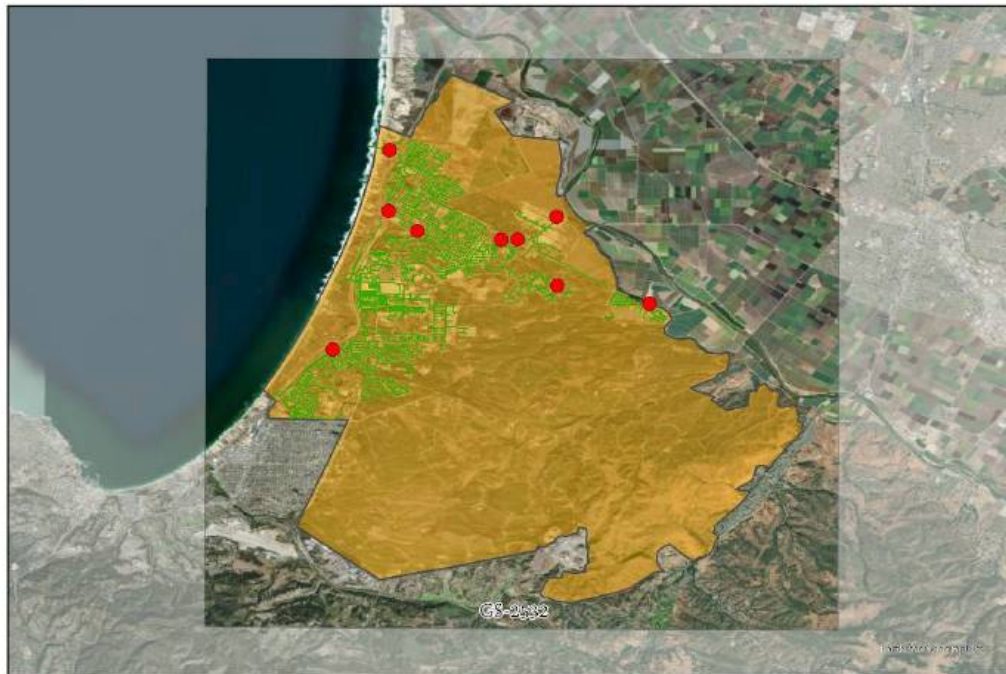
This project replaces aging safety grates and appurtenances as identified during site inspections. The project scope also includes the retrofit of six (6) existing wet well access doors with safety grates and replacement of access doors and valve access doors with new spring-assisted, dual-leaf access doors. This project is coordinated with lift station wet well lining project to enhance project efficiency.

### Project Need

Replacing safety grates and other appurtenances improves safety and ease of operations and maintenance.

### Environmental Review

Notice of exemption



### Legend

● Lift Station    — Gravity Main

### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
174	174	0	0	0	0	0

MS-2401

## Lift Station - Tate Park Lift Station Project



Project #: MS-2401

### Project Description

This project consists of the installation of a new sanitary sewer lift station and associated gravity and force-main sewer pipes. The proposed location of the lift station is on north side of park adjacent to Boy Scout hut in an area designated by the City through review of the project.

### Project Need

This project is needed to serve the Marina Station development and existing Central Marina customers. The lift station facilities are undersized for the increased sewage flow from the Marina Station development. The existing site is on ocean side of Highway 1 and the new site will improve resiliency against climate change.

### Environmental Review

Included in development CEQA process



### Legend

● Project Focus — Gravity Main



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
3,252	3,252	0	0	0	0	0

## OS-0210



Project #: OS-0210

## Pipeline - 1st Avenue Gravity Main Project - CIPP Lining - 1,472 LF, 30-inch diam.

### Project Description

This project consists of rehabilitating an existing 30-inch sanitary sewer pipeline using cured-in place pipe (CIPP) trenchless technology. Project scope has decreased since the masterplan study due to changes in the development, with length reduced to 1,472 LF.

### Project Need

The existing sewer facilities in the 1st Avenue alignment suffer from poor condition. The northern end of the facilities (north of 8th Street) have already been rehabilitated using CIPP and this project continues that rehabilitation south to approximately the location of the former 5th Street.

### Environmental Review

A notice of exemption will be filed.



### Legend

— Gravity Mains — Project Focus



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
695	695	0	0	0	0	0

OS-0218

## Lift Station - Gigling Lift Station Replacement Project



Project #: OS-0218

### Project Description

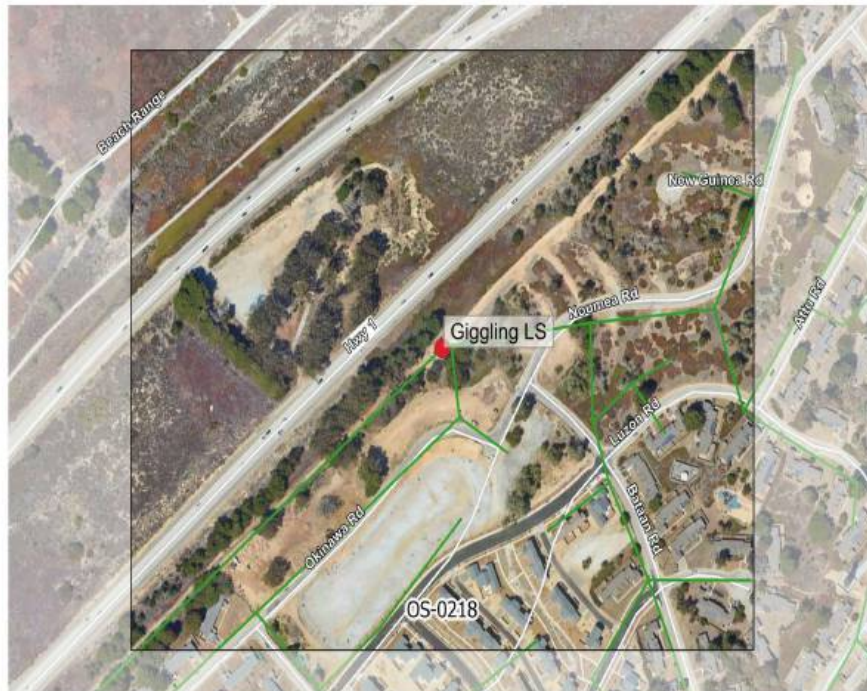
This project includes replacement of the Gigling lift station.

### Project Need

Improvements are needed to mitigate condition issues of the existing lift station.

### Environmental Review

A mitigated negative declaration will be filed.



### Legend

— Gravity Mains    ● Lift Stations



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
2,300	900	1,400	0	0	0	0

OS-0348



Project #: OS-0348

## Lift Station - Imjin Lift Station Odor Control Project

### Project Description

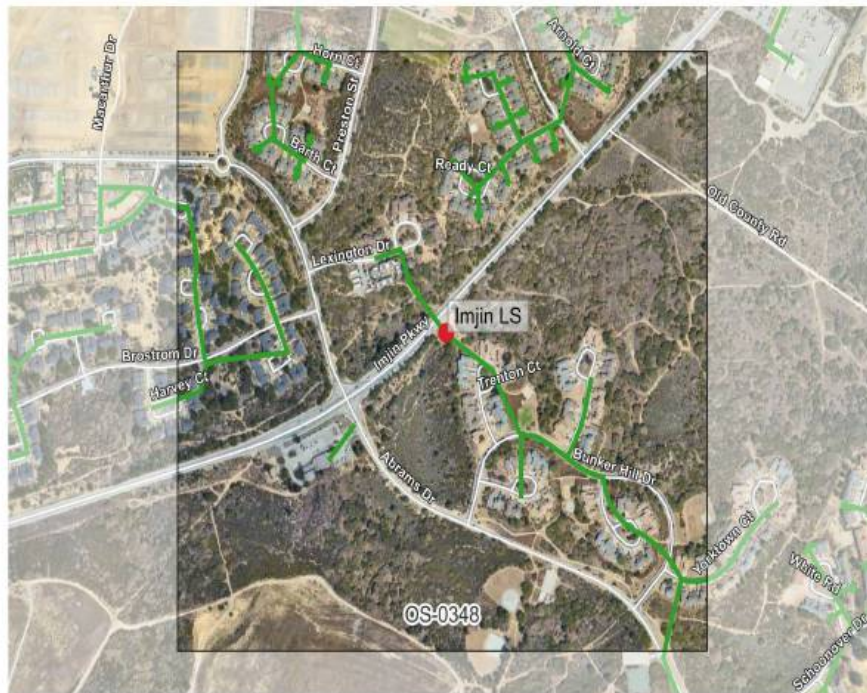
Design and construct odor and corrosion control facilities at Imjin Lift Station.

### Project Need

Odor control efforts reduce corrosive environments that deteriorate sewer infrastructure and address public nuisance concerns.

### Environmental Review

A notice of exemption will be filed.



### Legend

— Gravity Mains      ● Lift Stations



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
150	150	0	0	0	0	0

OS-350

## Manholes - Imjin Parkway Sewer Manhole Rehab Project



Project #: OS-0350

### Project Description

Rehab manholes where Imjin forcemain breaks to gravity on Imjin along 3rd to Abrams.

### Project Need

Hydrogen sulfide release as flow breaks to gravity corrodes and deteriorates the existing manhole structures. Project will improve protection and extend asset life.

### Environmental Review

A notice of exemption will be filed.



### Legend

— Gravity Mains — Force Mains



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
68	68	0	0	0	0	0

OS-2305



Project #: OS-2305

**Manholes - Lightfighter Dr. to Divarty  
Manhole Rehab and Lining Project - 12  
Manholes**

**Project Description**

Rehabilitate and line 12 sewer manholes near 1st Avenue from Lightfighter to Divarty.

**Project Need**

Manholes are deteriorated and need refurbishment to extend asset life.

**Environmental Review**

A notice of exemption will be filed.



**Legend**

— Gravity Mains    — Project Focus



**Projected 5-Year CIP Budget**

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
60	60	0	0	0	0	0

## RW-2501

## Pipeline - RUWAP/PWM Isolation and Metering Station Project



Project #: RW-2501

### Project Description

Project will design and construct a chemical injection and metering facility on the RUWAP pipeline immediately downstream of the M1W treatment facility.

### Project Need

The design and construction needs to be completed in order to implement Recycled Water as a water source to meet the needs of MCWD's customers and to augment the current groundwater supply source.

### Environmental Review

Mitigated negative declaration or notice of exemption - to be determined.



### Legend

— Recycled Water Main    ● Metering Station

### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
620	620	0	0	0	0	0

## GA-2402



## Wells - Install GSA Monitoring Wells Project

Project #: GA-2402

### Project Description

This project will install a new monitoring well with location to be determined during predesign process.

### Project Need

The project is needed to address GSP data gaps but to also analyze future feasibility of other projects that require further study of the aquifer system such as Indirect Potable Reuse (IPR) and/or Aquifer Storage and Recovery (ASR).

### Environmental Review

A mitigated negative declaration will be filed.



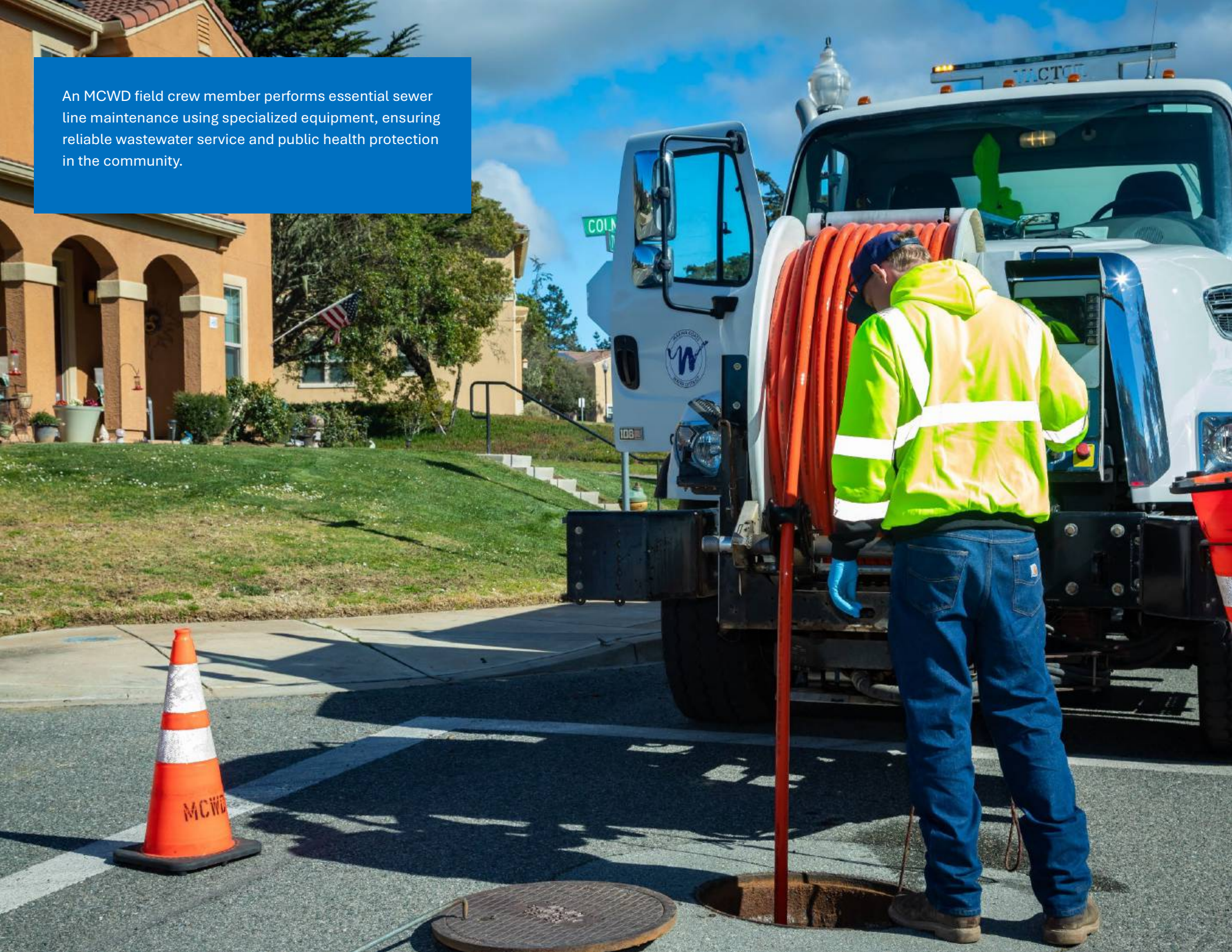
**Legend**  
 MCWD Service Area



### Projected 5-Year CIP Budget

Total Projected Budget, \$k	FY25/26 \$k	FY26/27 \$k	FY27/28 \$k	FY28/29 \$k	FY29/30 \$k	Out Years \$k
1,100	1,100	1,100	1,250	1,250	1,500	5,000

An MCWD field crew member performs essential sewer line maintenance using specialized equipment, ensuring reliable wastewater service and public health protection in the community.



MCWD's Vactor truck is on-site for sewer system maintenance, using high-powered vacuum and jetting equipment to ensure clean, efficient, and uninterrupted wastewater service for the community.



# CAPITAL EQUIPMENT

The Capital Equipment section outlines the District's planned expenditures on essential machinery, vehicles, and equipment in the upcoming budget year. These investments support the District's operations and maintenance activities, ensuring continued efficiency and service reliability. For the FY 2025-2026, the District has identified key items, including the replacement of a skid steer, which has surpassed its useful life and the purchase of light-duty fleet vehicles to replace aging units and maintain operational capacity.

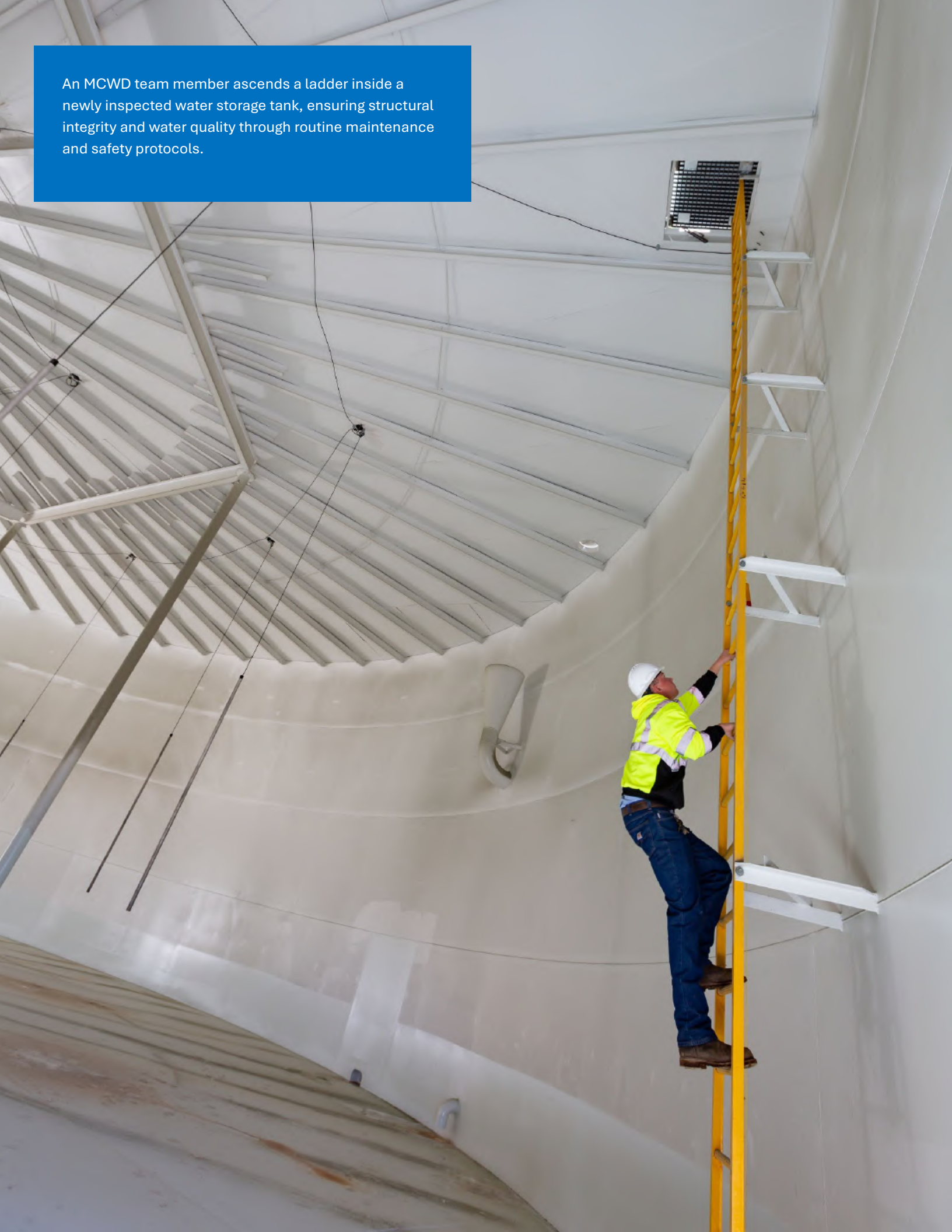
## FY 2026 CAPITAL EQUIPMENT SUMMARY (DISTRICT-WIDE)

Category	23/24 Actuals (\$)	24/25 Budget (\$)	24/25 Est. Actuals (\$)	25/26 Adopted Budget (\$)
O&M Equipment	363,508	536,000	536,000	100,000
Vehicles	157,200	276,594	276,594	300,000
<b>Total</b>	<b>520,708</b>	<b>812,594</b>	<b>812,594</b>	<b>400,000</b>

## FY 2026 CAPITAL EQUIPMENT (BY COST CENTER)

Category	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)
O&M Equipment	28,000	5,000	55,000	11,000	1,000
Vehicles	84,000	15,000	165,000	33,000	3,000
<b>Total</b>	<b>112,000</b>	<b>20,000</b>	<b>220,000</b>	<b>44,000</b>	<b>4,000</b>

An MCWD team member ascends a ladder inside a newly inspected water storage tank, ensuring structural integrity and water quality through routine maintenance and safety protocols.



# DEBT OBLIGATIONS

The Marina Coast Water District utilizes debt financing as a strategic tool to fund essential capital improvements and infrastructure projects. In alignment with the District's Debt Management Policy, debt is issued and managed prudently to ensure long-term financial sustainability, cost-effectiveness, and transparency. The following tables summarize the District's outstanding debt obligations, including loans and bonds over their full repayment terms.

## Santa Cruz Bank Installment Loan (Holman Capital)

On January 20, 2017, the District converted a construction loan that financed the construction of an office building at 940 2nd Avenue within Imjin Office Park in Marina, which is currently leased to the Bureau of Land Management, to a 20-year fixed-rate loan. The installment loan for \$2,799,880 has a fixed all-in rate of 5.75%. Commercial loan rates were 5.00% to 7.00% for loans above \$250,000 at the time of offer. The loan installment has no prepayment penalty, allowing the District to refinance it. Debt service payments are as follows:

### SANTA CRUZ BANK INSTALLMENT LOAN (HOLMAN CAPITAL)

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	121,961	115,427	237,388
2027	129,075	108,314	237,388
2028	136,603	100,785	237,388
2029	144,571	92,817	237,388
2030	153,003	84,385	237,388
2031-2037	1,352,273	309,444	1,661,717

## State Revolving Fund (SRF) Loan Agreement 1

On January 25, 2018, the District entered into a construction installment sale agreement and grant with the California State Water Resources Control Board for the construction of the Regional Urban Water Augmentation Project (“RUWAP”) transmission pipeline with a maximum amount of \$10,513,217 at an interest rate of 1.8% per annum and a completion date of September 30, 2020. The State amended the contract completion date to coincide with the completion date of the distribution system of March 30, 2022. Per the Agreement, there is a maximum grant component of \$3,595,789. Debt service payments are as follows:

### CLEAN WATER SRF LOAN (AGREEMENT 1)

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	107,721	66,656	174,378
2027	109,660	64,718	174,378
2028	111,634	62,744	174,378
2029	113,643	60,734	174,378
2030	115,689	58,689	174,378
2031 - 2035	610,440	261,447	871,888
2036 - 2040	667,394	204,494	871,888
2041 - 2045	729,661	142,227	871,888
2046 - 2050	797,737	74,150	871,888
2051 - 2052	339,560	9,195	348,755

### WATER RECYCLING FUND PROGRAM PROP 1 LOAN (AGREEMENT 1)

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	32,702	19,519	52,221
2027	33,291	18,930	52,221
2028	33,890	18,331	52,221
2029	34,500	17,721	52,221
2030	35,121	17,100	52,221
2031 - 2035	185,319	75,787	261,106
2036 - 2040	202,609	58,497	261,106
2041 - 2045	221,512	39,594	261,106
2046 - 2050	242,179	18,927	261,106
2051 - 2052	63,268	1,358	64,627

## State Revolving Fund (SRF) Loan Agreement 2

On June 27, 2018, the District entered into a second construction installment sale agreement and grant ("2nd Agreement") with the California State Water Resources Control Board for the construction of the RUWAP distribution system with a maximum amount of \$11,439,582 at an interest rate of 1.8% annum and a completion date of March 30, 2020. Due to the project's bid process issues and construction timing issues, the State amended the completion date of the 2nd Agreement to March 30, 2023. Per the Agreement, there is a maximum grant component of \$3,698,779. Estimated debt service payments are as follows:

### CLEAN WATER SRF LOAN (AGREEMENT 1)

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	53,814	34,868	88,682
2027	54,783	33,899	88,682
2028	55,769	32,913	88,682
2029	56,773	31,909	88,682
2030	57,795	30,887	88,682
2031 - 2035	304,959	138,452	443,411
2036 - 2040	333,411	110,000	443,411
2041 - 2045	364,518	78,893	443,411
2046 - 2050	398,527	44,884	443,411
2051 - 2053	256,749	9,298	266,047

### SRF 120 CLEAN WATER (AGREEMENT 2)

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	128,466	83,236	211,702
2027	130,778	80,924	211,702
2028	133,132	78,570	211,702
2029	135,528	76,173	211,702
2030	137,968	73,734	211,702
2031 - 2035	727,997	330,512	1,058,509
2036 - 2040	795,918	262,591	1,058,509
2041 - 2045	870,176	188,333	1,058,509
2046 - 2050	951,363	107,146	1,058,509
2051 - 2053	612,909	22,196	635,105

## 2019 Enterprise Revenue Certificates Of Participation (COPs)

The District issued COPs worth \$17,725,000 on December 19, 2019, to fund necessary capital improvement projects such as pipeline improvements, booster pump replacements, and reservoir tank construction. Emergency generators were also acquired for key well sites, booster stations, and sewer pumping facilities to ensure they operate during power outages. The total cost, including all annualized expenses, amounts to 2.99% over thirty years. Below is the schedule of debt service payments:

### 2019 ENTERPRISE REVENUE CERTIFICATES OF PARTICIPATION (COPs)

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	385,000	620,650	1,005,650
2027	405,000	601,400	1,006,400
2028	425,000	581,150	1,006,150
2029	445,000	559,900	1,004,900
2030	470,000	537,650	1,007,650
2031-2035	2,695,000	2,329,700	5,024,700
2036-2040	3,305,000	1,727,500	5,032,500
2041-2045	4,015,000	1,012,300	5,027,300
2046-2049	3,740,000	284,550	4,024,550

## 2024 Enterprise Revenue Certificates Of Participation (COPs)

On August 18, 2024, the District issued Certificates of Participation (COPs) amounting to \$19,310,000. The proceeds will fund the replacement and upgrade of aging assets. Projects will implement infrastructure improvements to pipelines, pumping stations, storage, groundwater wells, other water supply sources, facilities, and other operational systems. The true interest cost (TIC) for the COPs issuance is 3.89%, reflecting the overall cost of the bond over its lifetime. S&P Global Ratings assigned a municipal bond rating of "AA-". Below is the schedule of debt service payments:

### 2024 ENTERPRISE REVENUE CERTIFICATES OF PARTICIPATION (COPs)

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	-	826,100	826,100
2027	-	826,100	826,100
2028	-	826,100	826,100
2029	-	826,100	826,100
2030	-	826,100	826,100
2031-2035	-	4,130,500	4,130,500
2036-2040	3,925,000	3,940,500	7,865,500
2041-2045	7,870,000	2,487,050	10,357,050
2046-2049	7,515,000	766,200	8,281,200

## 2025 Enterprise Refunding Bonds

The District has issued bonds over the years to manage its debt obligations and improve its financial position. The 2015 bond issuance refinanced earlier debt (2006 COPs), which had been used to finance improvements to the District's water and wastewater systems, as well as refinance prior obligations. On February 6, 2025, the District took advantage of favorable market conditions to refinance the 2015 bonds. S&P Global Ratings assigned a municipal bond rating of "AA-". The true interest cost (TIC), which includes all annualized costs, is 2.7%. Below is the schedule of debt service payments:

### 2025 ENTERPRISE REVENUE REFUNDING BONDS

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	935,000	1,084,099	2,019,099
2027	1,195,000	826,350	2,021,350
2028	1,250,000	766,600	2,016,600
2029	1,310,000	704,100	2,014,100
2030	1,375,000	638,600	2,013,600
2031-2035	8,000,000	2,088,500	10,088,500
2036-2037	3,785,000	247,450	4,032,450

## Recycled Water Interfund Loan

The Recycled Water Fund (Cost Center 05) has run a negative cash balance since the early 2000s, with the deficit growing from \$33,000 in fiscal year 2001 to \$11.4 million in fiscal year 2024. Over this period, the funds have incurred significant infrastructure investment costs. Despite revenue from Capacity fees, FORA, Cost Share Agreements, and Grants, these were insufficient to cover the infrastructure cost. The purpose of the inter-fund loan is to permanently address the negative cash balance in the Recycled Water Fund by transitioning from short-term borrowing to long-term borrowing between the Recycled Water Fund and the Ord Sewer Fund. The loan has a 20-year term and an interest rate of 1%. Debt service payments are as follows:

### RECYCLED WATER INTERFUND LOAN

Year	Principal (\$)	Interest (\$)	Total (\$)
2026	522,912	108,823	631,735
2027	528,141	103,594	631,735
2028	533,422	98,312	631,735
2029	538,757	92,978	631,735
2030	544,144	87,590	631,735
2031-2035	2,803,439	355,234	3,158,673
2036-2040	2,946,443	212,230	3,158,673
2041-2044	2,458,752	61,932	2,520,684

## Debt Service Coverage

Debt Service Coverage	Estimated Debt Service Coverage as of 06/30/2026 (\$)
<b>Gross Revenue</b>	
Water Sales	17,915,400
Sewer Sales	6,708,000
Recycled Water Sales	1,757,000
Developer Fees	502,000
Other Fees and Charges	917,200
Capacity Fee/Capital Surcharge	6,069,800
Interest	2,060,000
Other Revenue	880,400
<b>Total Gross Revenue</b>	<b>36,809,800</b>
<b>Operating Expenses</b>	
Salaries & Benefits	10,858,896
Department Expense	19,256,246
<b>Total Operating Expense</b>	<b>30,115,142</b>
<b>Net Available Revenue</b>	<b>6,694,658</b>
<b>Debt Service</b>	
2019 Certificate of Participation	1,005,650
Santa Cruz County Bank Loan	237,388
State Revolving Fund Loan -110	226,599
State Revolving Fund Loan -120	300,384
2024 Certificate of Participation	826,100
2025 Enterprise Revenue Refunding Bonds	2,019,099
<b>Total Expenses</b>	<b>4,615,220</b>
<b>Debt Coverage Ratio (%)</b>	1.45
<b>Min. Coverage Ratio For All Debt Service (%)</b>	1.25

## FY 2026 Debt Service Payment - Funding Source (Principal)

Principal	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	Total
2019 Bond	100,100	38,500	107,800	138,600	-	385,000
2017 (BLM)	34,149	9,757	60,980	17,075	-	121,961
110-CWSRF	-	-	-	-	107,721	107,721
110-WRFR	-	-	-	-	32,702	32,702
120-CWSRF	-	-	-	-	128,466	128,466
120-WRFR	-	-	-	-	53,814	53,814
2024 Bond	-	-	-	-	-	-
2025 Bond	74,800	46,750	448,800	149,600	215,050	935,000
MCWD Internal Loan (Recycled Water - Ord Sewer)	-	-	-	-	522,912	522,912
<b>Total Principal</b>	<b>209,049</b>	<b>95,007</b>	<b>617,580</b>	<b>305,275</b>	<b>1,060,665</b>	<b>2,287,576</b>

## FY 2026 Debt Service Payment - Funding Source (Interest)

Interest	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	Total
2019 Bond	161,369	62,065	173,782	223,434	-	620,650
2017 (BLM)	32,320	9,234	57,714	16,159	-	115,427
110-CWSRF	-	-	-	-	66,656	66,656
110-WRFR	-	-	-	-	19,519	19,519
120-CWSRF	-	-	-	-	83,236	83,236
120-WRFR	-	-	-	-	34,868	34,868
2024 Bond	148,698	165,220	512,182	-	-	826,100
2025 Bond	86,728	54,205	520,368	173,456	249,343	1,084,100
MCWD Internal Loan (Recycled Water - Ord Sewer)	-	-	-	-	108,823	108,823
<b>Total Interest</b>	<b>429,115</b>	<b>290,724</b>	<b>1,264,046</b>	<b>413,049</b>	<b>562,445</b>	<b>2,959,379</b>



The MCWD Imjin Office—home to the District's Engineering, Water Resources, and Finance departments, supporting infrastructure planning, resource management, and fiscal stewardship for the community.

Inside one of MCWD's pump stations, precision-engineered valves and instrumentation work together to regulate and monitor the flow of finished water, ensuring efficient and safe delivery to the community.



# DISTRICT INVESTMENTS

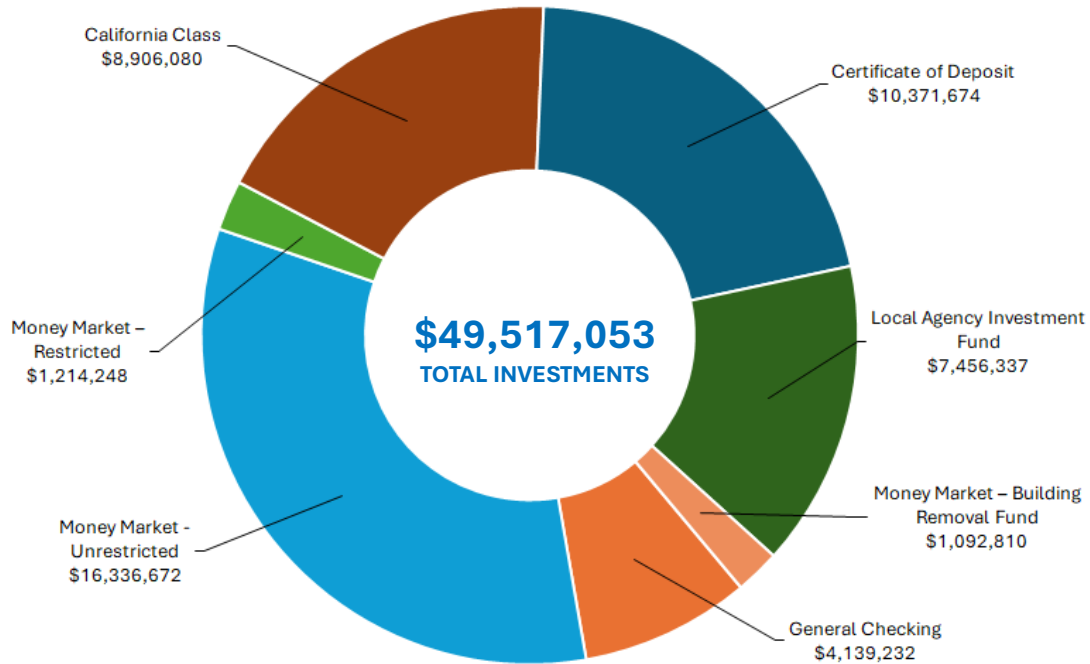
The District maintains an Investment Policy that emphasizes the protection of both principal and accrued interest, while seeking to achieve a reasonable rate of return. Safety and liquidity remain the top priorities when making investment decisions, ensuring funds are readily available to meet the District's operational needs without compromising security.

As of June 30, 2025, the District's total estimated investments are \$49,517,053. The majority of these funds, approximately \$33,154,636, are held with Mechanics Bank, distributed across three money market accounts and three certificates of deposit, each with a six-month maturity term.

A key component of the District's investment portfolio is the Local Agency Investment Fund (LAIF), managed by the California State Treasurer's Office as part of the Pooled Money Investment Account (PMIA). LAIF is widely utilized by local agencies across the state due to its convenience, cost-effectiveness, and its conservative investment strategy focused on U.S. Treasury securities and short-term instruments that ensure liquidity. The District's projected LAIF balance as of June 30, 2025, is \$7,456,337.

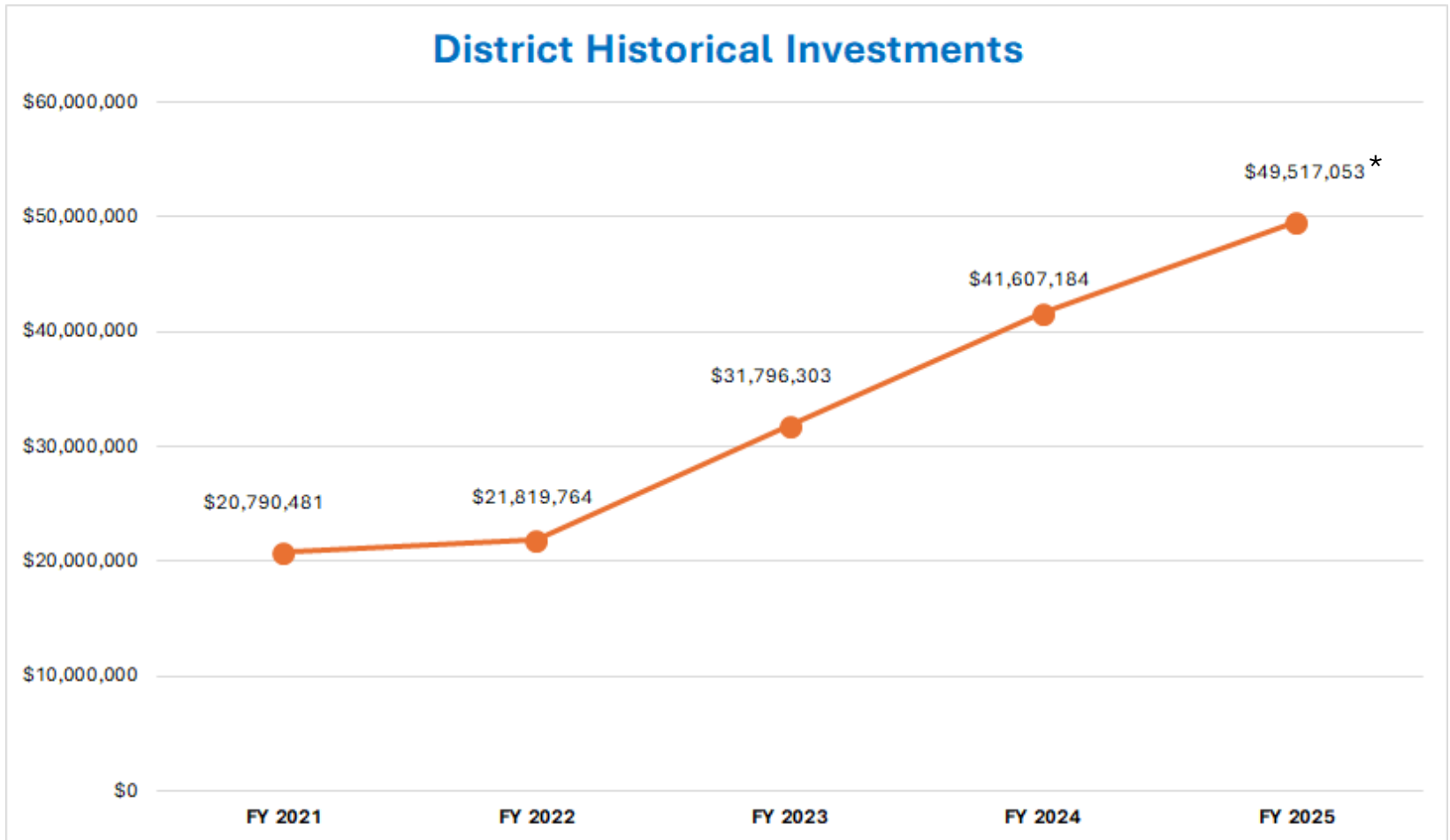
In response to changing market conditions and new opportunities, the District has diversified its portfolio by investing in California CLASS, a pooled investment program known for its competitive interest rates and risk-conscious approach through broad diversification. The estimated balance in California CLASS as of June 30, 2025, is \$8,906,080.

## FY 2025 District Investments



## FY 2024/2025 INVESTMENTS

Depository	Balance as of 6/30/2024	Balance as of 6/30/2025
<b>Mechanics Bank</b>		
General Checking	3,904,595	4,139,232
Money Market - Unrestricted	9,708,262	16,336,672
Money Market – Restricted	1,159,386	1,214,248
Money Market – Building Removal Fund	1,043,435	1,092,810
Certificate of Deposit	5,000,000	5,090,240
Certificate of Deposit	3,000,000	3,127,782
Certificate of Deposit	2,049,863	2,153,652
<b>State of California</b>		
Local Agency Investment Fund	7,093,773	7,456,337
<b>Joint Powers Authority Investments</b>		
California Class	8,647,870	8,906,080
<b>Total Investment</b>	<b>41,607,184</b>	<b>49,517,053</b>



\* Projected for FY 2025.

An MCWD field crew member performs essential sewer line maintenance using specialized equipment, ensuring reliable wastewater service and public health protection in the community.



# DISTRICT RESERVES

Adequate reserves are essential to ensure the District maintains sufficient financial resources to meet its ongoing operating, capital, and debt service obligations. In addition, healthy reserve levels provide the flexibility to address future capital needs, issue new debt, and respond to unfunded mandates, including evolving regulatory requirements.

The District maintains two categories of reserve funds: Restricted reserves and Board-designated reserves.

Restricted reserve funds consist of monies that are legally or contractually obligated for specific uses. These include proceeds from bond issuances or other forms of debt financing, governed by their respective financing agreements, as well as funds received from other agencies and capacity charges collected for infrastructure improvements.

The District's restricted reserve funds include:

- **RUWAP-110 Debt Reserve Fund** – Established in March 2022, this reserve fund was created in accordance with the loan agreement for the State Revolving Fund (SRF), which financed the construction of the recycled water transmission pipeline. As required by the agreement, both the principal balance and any accrued earnings must remain in the fund for the duration of the loan. The reserve is designated for use as the final debt service payment due in March 2052. The loan agreement predetermined the target funding level for this reserve and is currently fully funded.
- **RUWAP-120 Debt Reserve Fund** – This reserve fund was established in March 2023 in accordance with the loan agreement with the State Revolving Fund (SRF), which provided financing for the construction of the recycled water distribution system. In compliance with the terms of the agreement, both the fund balance and any accrued interest must be retained in the account for the duration of the loan. The reserve will be applied toward the

final debt service payment scheduled for March 2052. The target funding level was predetermined by the SRF agreement and is currently fully funded.

- **2024 Bond Reserve Fund** - In August 2024, the District issued Certificates of Participation (COPs) totaling \$19,310,000. The bond proceeds will be used to fund the replacement and upgrade of aging infrastructure. Planned projects include improvements to pipelines, pumping stations, storage facilities, groundwater wells, alternative water supply sources, and other critical operational systems that support the District's long-term service reliability and efficiency.
- **Capacity Fee Reserve Fund** - The monies in this fund are collected from developers and are restricted to pay for the new facilities necessary to deliver water and wastewater service to the newly developed property. The reserve fund is drawn upon as capital expenditures are made. The balance in this account fluctuates depending on the number and timing of development projects and therefore, no minimum or maximum target levels have been established.

The Board-Designated Reserve Funds are comprised of the Capital Replacement and Improvement Fund, Operating Reserve and the Rate Stabilization Fund. Currently, MCWD's Board-designated reserve funds include:

- **Capital Replacement Reserve Fund** - The Capital Replacement and Improvement Fund is designated to finance the replacement of capital assets that have reached the end of their useful life, as well as improvements to existing infrastructure and system components. Each fiscal year, Marina Coast Water District (MCWD) will strive to contribute to this fund based on the availability of resources. The target funding level is set to equal the replacement cost of the most expensive asset within each component system.
- **Operating Reserve Fund** – The Operating Reserve Fund is established to provide financial stability for the District by covering unanticipated operating expenses and addressing routine cash flow needs. Staff may use this reserve to temporarily offset cash flow shortfalls resulting from:
  - timing differences between revenue collection and expenditures,
  - unexpected decreases in revenue, or
  - unforeseen increases in operating costs.

The target minimum balance for this fund is set at 150% of the District's currently budgeted total operating expenses, excluding depreciation, to ensure sufficient liquidity and operational resilience.

- **Rate Stabilization Fund** – The Rate Stabilization Fund is established to assist in smoothing rate increases in the event actual revenues fall short of projections. The target balance for this fund is 10% of annual rate revenue. The fund is currently unfunded.

# RESTRICTED RESERVES

## RUWAP - 110 DEBT RESERVE

RUWAP - 110 Debt Reserve	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	TOTAL (\$)
Beginning Balance 6/30/25	-	-	-	-	226,599	-	226,599
Transfer In - From Capacity Fee Reserve	-	-	-	-	226,599	-	226,599
FY26 Debt Service Payment	-	-	-	-	(226,599)	-	(226,599)
<b>Estimated Ending Balance 6/30/26</b>	-	-	-	-	<b>226,599</b>	-	<b>226,599</b>

## RUWAP - 120 DEBT RESERVE FUND

RUWAP - 120 Debt Reserve	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	TOTAL (\$)
Beginning Balance 6/30/25	-	-	-	-	300,384	-	300,384
Transfer from Capacity Fees Reserve	-	-	-	-	300,384	-	300,384
FY26 Debt Service Payment	-	-	-	-	(246,419)	-	(246,419)
<b>Estimated Ending Balance 6/30/26</b>	-	-	-	-	<b>354,349</b>	-	<b>354,349</b>

**2024 BOND**

<b>2024 Bond</b>	<b>Marina Water (\$)</b>	<b>Marina Sewer (\$)</b>	<b>Ord Water (\$)</b>	<b>Ord Sewer (\$)</b>	<b>Recycled Water (\$)</b>	<b>GSA (\$)</b>	<b>TOTAL (\$)</b>
Beginning Balance 6/30/25	782,474	3,438,000	5,731,254	-	-	-	9,951,728
FY26 CIP - 2024 Bond Expenses	(984,000)	(2,388,000)	(4,109,000)	-	-	-	(7,481,000)
<b>Estimated Ending Balance 6/30/26</b>	<b>(201,526)</b>	<b>1,050,000</b>	<b>1,622,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,470,728</b>

**CAPACITY FEE RESERVE**

<b>Capacity Fee Reserve</b>	<b>Marina Water (\$)</b>	<b>Marina Sewer (\$)</b>	<b>Ord Water (\$)</b>	<b>Ord Sewer (\$)</b>	<b>Recycled Water (\$)</b>	<b>GSA (\$)</b>	<b>TOTAL (\$)</b>
Beginning Balance 6/30/25	(584,522)	(521,621)	6,727,815	4,656,138	5,975,924	-	16,253,734
FY26 Revenue - Capacity Fee/Cap. Surcharge	571,200	239,600	4,186,500	1,072,500	-	-	6,069,800
FY26 CIP - Capacity Fee Expenses	(949,000)	(1,206,000)	(4,951,000)	(212,000)	(894,000)	-	(8,212,000)
Transfer Out - To RUWAP Debt Service	-	-	-	-	(526,983)	-	(526,983)
Transfer Out - To Operating for Debt Service (2025 Bond)	(8,602)	(9,116)	(92,004)	(57,596)	(107,525)	-	(274,843)
Transfer Out - To Operating for Capacity Fee Buy-In	(196,836)	(179,604)	(2,054,038)	(179,858)	-	-	(2,610,336)
<b>Estimated Ending Balance 6/30/26</b>	<b>(1,167,760)</b>	<b>(1,676,741)</b>	<b>3,817,273</b>	<b>5,279,184</b>	<b>4,447,416</b>	<b>-</b>	<b>10,699,372</b>

An MCWD operator performs a site check at a remote well facility, ensuring critical water infrastructure remains secure, operational, and ready to meet community needs in all conditions.



# DESIGNATED RESERVES

## CAPITAL REPLACEMENT RESERVE

Capital Replacement Reserve	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	TOTAL (\$)
Beginning Balance 6/30/25	1,611,296	626,969	2,392,186	(25,255)	(10,386)	-	4,594,810
FY26 CIP - Capital Replacement Expense	-	-	(441,000)	(2,311,000)	-	-	(2,752,000)
FY26 Capital Equipment	(112,000)	(20,000)	(220,000)	(44,000)	(4,000)	-	(400,000)
Transfer In - From Operating Reserve	(499,296)	(106,969)	(731,186)	2,880,255	14,386	-	1,557,190
<b>Estimated Ending Balance 6/30/26</b>	<b>1,000,000</b>	<b>500,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>

## OPERATING RESERVE

Operating Reserve	Marina Water (\$)	Marina Sewer (\$)	Ord Water (\$)	Ord Sewer (\$)	Recycled Water (\$)	GSA (\$)	TOTAL (\$)
Beginning Balance 6/30/25	1,858,716	6,625,531	1,749,199	8,050,213	(751,990)	1,309,443	18,841,112
FY26 Operating Revenue	7,935,700	2,251,150	16,265,250	5,184,450	2,218,450	1,692,692	35,547,692
FY26 Operating Expense	(7,998,102)	(1,812,682)	(15,441,670)	(3,598,693)	(2,627,382)	(1,392,089)	(32,870,618)
FY26 CIP Expense	(899,000)	-	(2,001,000)	-	-	(1,260,000)	(4,160,000)
FY26 Debt Service Expense	(209,049)	(95,007)	(617,580)	217,637	(737,962)	-	(1,441,961)
Transfer In - From Capacity Fee for Buy-In Portion	196,836	179,604	2,054,038	179,858	-	-	2,610,336
Transfer In - From Capacity Fee for Debt Service (2025 Bond)	8,602	9,116	92,004	57,596	107,525	-	274,843
Transfer Out To Capital Replacement Reserve	499,296	106,969	731,186	(2,880,255)	(14,386)	-	(1,557,190)
<b>Estimated Ending Balance 6/30/26</b>	<b>1,392,999</b>	<b>7,264,681</b>	<b>2,831,427</b>	<b>7,210,806</b>	<b>(1,805,745)</b>	<b>350,046</b>	<b>17,244,214</b>

**RATE STABILIZATION RESERVE**

<b>Rate Stabilization Reserve</b>	<b>Marina Water (\$)</b>	<b>Marina Sewer (\$)</b>	<b>Ord Water (\$)</b>	<b>Ord Sewer (\$)</b>	<b>Recycled Water (\$)</b>	<b>GSA (\$)</b>	<b>TOTAL (\$)</b>
Beginning Balance 6/30/25	-	-	-	-	-	-	-
Transfer In - From Operating Reserve	-	-	-	-	-	-	-
Estimated Ending Balance 6/30/26	-	-	-	-	-	-	-

## District Reserve Summary

Restricted Reserve Funds			6/30/25 (\$)	6/30/26 (\$)	Target
1	Bond/Debt Reserve	Amount determined by Bond/Debt	526,983	526,983	526,983
2	2024 Bond	Bond Proceeds to fund Capital Improvement Projects	9,951,728	2,470,728	N/A
3	Capacity Fee Reserve	Collected from developers to pay for new facilities	16,253,734	10,699,372	N/A
<b>Total Restricted Reserves</b>			<b>26,732,445</b>	<b>13,697,083</b>	<b>526,983</b>

Designated Reserve Funds			6/30/25 (\$)	6/30/26 (\$)	Target
1	Capital Replacement Reserve	Set aside for capital replacement when capital reaches its useful life; Target level based on the most expensive asset per cost center to replace	4,594,810	3,000,000	3,000,000
2	Operating Reserve	To be used for unanticipated operating expense; designed for current operations to meet routine cash flow needs; Target is 150% of Operating Expense Budget	18,841,112	17,244,214	45,659,343
3	Rate Stabilization Reserve	To assist in smoothing rates; should serve as a buffer should revenue estimates not meet projections; Target level is 10% or rate revenue	Not Funded	Not Funded	2,638,040
<b>Total Restricted Reserves</b>			<b>23,435,922</b>	<b>20,244,214</b>	<b>51,297,383</b>



The District sees training and certifications are essential for its team members. They ensure that operators have the necessary knowledge and skills to safely operate and maintain water treatment and distribution systems, ultimately ensuring public health and safety by providing safe and reliable drinking water.

# STAFF POSITIONS

The District’s budgeted Full-Time Equivalent (FTE) positions have increased incrementally over the past three fiscal years—from 49 FTEs in FY2023-2024 to 50 in FY2024-2025, and 52 in FY2025-2026. This growth reflects the District’s commitment to strengthening internal capacity and addressing evolving operational and analytical demands.

In FY2024-2025, the District added a District Analyst III (Finance) position to enhance the Finance Department’s ability to support complex budgeting, reporting, and financial planning needs. Following a comprehensive assessment of the Finance Division conducted by an outside consultant, the District implemented further staffing enhancements during the current fiscal year by adding a Controller and upgrading its analytical capacity through the addition of the Analyst III role. These changes were recommended to ensure the Finance Department is well-equipped to meet the increasing demands of financial oversight, long-term planning, and regulatory compliance.

Additionally, the Water Resources Technician position was established within the Water Resources Department in FY2025-2026. As the Department expands its responsibilities in groundwater sustainability, recycled water planning, and environmental compliance, this new role provides essential support in data collection, technical reporting, and regulatory coordination.

These staffing adjustments reflect the District’s proactive approach to building organizational capacity aligned with its strategic goals and growing service requirements.

## MCWD Staff Positions

Job Title	Department	FY 2023/2024	FY 2024/2025	FY 2025/2026
General Manager	Administration	1	1	1
Director of Administrative Services	Administration	1	1	1
Human Resources/Risk Administrator	Administration	1	1	1
Executive Assistant to GM/Board	Administration	1	1	1
Controller	Administration	0	0	1
Accounting Supervisor	Administration	1	0	0
Senior Accountant	Administration	0	1	1
District Analyst I/II/III	Administration	0	1	1
Accountant	Administration	1	1	1
Accounting Technician	Administration	2	2	2
Customer Service Administrator	Administration	0	0	1
Customer Service Supervisor	Administration	1	1	0
Lead Customer Service Billing Technician	Administration	0	1	1
Customer Service/Billing Technician I/II	Administration	5	4	4
Meter Reader	Administration	2	2	2
Water Conservation Specialist	Conservation	1	1	1

Job Title	Department	FY 2023/2024	FY 2024/2025	FY 2025/2026
District Engineer	Engineering	1	1	1
Senior Civil Engineer	Engineering	2	2	2
Associate Engineer	Engineering	2	2	2
Engineering Technician	Engineering	2	2	2
Administrative Assistant	Engineering	1	1	1
IT Administrator	Engineering	1	1	1
O&M Manager	Operations & Maintenance	1	1	1
O&M Supervisor	Operations & Maintenance	1	1	1
O&M Coordinator	Operations & Maintenance	1	1	1
Electrical/Mechanical Technician	Operations & Maintenance	1	1	1
System Operator Lead	Operations & Maintenance	2	2	2
Cross-Connection Control Specialist	Operations & Maintenance	1	1	1
System Operator I/II	Operations & Maintenance	12	12	12
Maintenance Worker	Operations & Maintenance	1	1	1
Water Resources Manager	Water Resources	1	1	1
Assistant Engineer	Water Resources	1	1	1
District Analyst I/II/III	Water Resources	1	1	1

Job Title	Department	FY 2023/2024	FY 2024/2025	FY 2025/2026
Water Resources Technician I/II	Water Resources	0	0	1
<b>Total</b>		<b>49</b>	<b>50</b>	<b>52</b>



These reviews help identify potential issues early on, leading to better design, construction, and long-term operation of water systems.

## FY 2026 MCWD Salary Schedules

### Employees Association

Percentage between Ranges = 2.5%

Percentage between Steps = 5.0%

07/01/2025

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
	1	59,111.60	62,067.18	65,170.54	68,429.07	71,850.52	75,443.05
		4,925.97	5,172.27	5,430.88	5,702.42	5,987.54	6,286.92
		2,273.52	2,387.20	2,506.56	2,631.89	2,763.48	2,901.66
		28,419.04	29,839.99	31,331.99	32,898.59	34,543.52	36,270.70
	2	60,589.39	63,618.86	66,799.81	70,139.80	73,646.79	77,329.13
		5,049.12	5,301.57	5,566.65	5,844.98	6,137.23	6,444.09
		2,330.36	2,446.88	2,569.22	2,697.68	2,832.57	2,974.20
		29,129.52	30,585.99	32,115.29	33,721.06	35,407.11	37,177.46
	3	62,104.13	65,209.34	68,469.80	71,893.29	75,487.96	79,262.35
		5,175.34	5,434.11	5,705.82	5,991.11	6,290.66	6,605.20
		2,388.62	2,508.05	2,633.45	2,765.13	2,903.38	3,048.55
		29,857.75	31,350.64	32,918.17	34,564.08	36,292.29	38,106.90
	4	63,656.73	66,839.57	70,181.55	73,690.62	77,375.16	81,243.91
		5,304.73	5,569.96	5,848.46	6,140.89	6,447.93	6,770.33
		2,448.34	2,570.75	2,699.29	2,834.25	2,975.97	3,124.77

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		30.60420	32.13441	33.74113	35.42818	37.19959	39.05957
	5	65,248.15	68,510.56	71,936.09	75,532.89	79,309.53	83,275.01
		5,437.35	5,709.21	5,994.67	6,294.41	6,609.13	6,939.58
		2,509.54	2,635.02	2,766.77	2,905.11	3,050.37	3,202.89
		31.36930	32.93777	34.58466	36.31389	38.12958	40.03606
<b>Customer Service/ Billing Technician I</b>	6	66,879.35	70,223.32	73,734.49	77,421.21	81,292.27	85,356.89
		5,573.28	5,851.94	6,144.54	6,451.77	6,774.36	7,113.07
		2,572.28	2,700.90	2,835.94	2,977.74	3,126.63	3,282.96
		32.15354	33.76121	35.44927	37.22174	39.08282	41.03696
	7	68,551.34	71,978.90	75,577.85	79,356.74	83,324.58	87,490.81
		5,712.61	5,998.24	6,298.15	6,613.06	6,943.71	7,290.90
		2,636.59	2,768.42	2,906.84	3,052.18	3,204.79	3,365.03
		32.95737	34.60524	36.33550	38.15228	40.05989	42.06289
<b>Maintenance Worker</b>	8	70,265.12	73,778.38	77,467.30	81,340.66	85,407.69	89,678.08
<b>Meter Reader</b>		5,855.43	6,148.20	6,455.61	6,778.39	7,117.31	7,473.17
		2,702.50	2,837.63	2,979.51	3,128.49	3,284.91	3,449.16
		33.78131	35.47037	37.24389	39.10609	41.06139	43.11446
	9	72,021.75	75,622.84	79,403.98	83,374.18	87,542.89	91,920.03
		6,001.81	6,301.90	6,617.00	6,947.85	7,295.24	7,660.00

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		2,770.07	2,908.57	3,054.00	3,206.70	3,367.03	3,535.39
		34.62584	36.35713	38.17499	40.08374	42.08793	44.19232
<b>Customer Service/Billing Technician II</b>	10	73,822.29	77,513.41	81,389.08	85,458.53	89,731.46	94,218.03
		6,151.86	6,459.45	6,782.42	7,121.54	7,477.62	7,851.50
		2,839.32	2,981.28	3,130.35	3,286.87	3,451.21	3,623.77
		35.49149	37.26606	39.12936	41.08583	43.14012	45.29713
	11	75,667.85	79,451.24	83,423.80	87,595.00	91,974.74	96,573.48
		6,305.65	6,620.94	6,951.98	7,299.58	7,664.56	8,047.79
		2,910.30	3,055.82	3,208.61	3,369.04	3,537.49	3,714.36
		36.37877	38.19771	40.10760	42.11298	44.21863	46.42956
	12	77,559.55	81,437.52	85,509.40	89,784.87	94,274.11	98,987.82
		6,463.30	6,786.46	7,125.78	7,482.07	7,856.18	8,248.98
		2,983.06	3,132.21	3,288.82	3,453.26	3,625.93	3,807.22
		37.28824	39.15266	41.11029	43.16580	45.32409	47.59030
	13	79,498.54	83,473.46	87,647.14	92,029.49	96,630.97	101,462.51
		6,624.88	6,956.12	7,303.93	7,669.12	8,052.58	8,455.21
		3,057.64	3,210.52	3,371.04	3,539.60	3,716.58	3,902.40
		38.22045	40.13147	42.13805	44.24495	46.45720	48.78006
<b>Administrative Assistant</b>	14	81,486.00	85,560.30	89,838.31	94,330.23	99,046.74	103,999.08

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		6,790.50	7,130.02	7,486.53	7,860.85	8,253.90	8,666.59
		3,134.08	3,290.78	3,455.32	3,628.09	3,809.49	3,999.96
		39.17596	41.13476	43.19150	45.35107	47.61863	49.99956
<b>Accounting Technician</b>	15	83,523.15	87,699.31	92,084.27	96,688.48	101,522.91	106,599.05
<b>Engineering Technician</b>		6,960.26	7,308.28	7,673.69	8,057.37	8,460.24	8,883.25
<b>Lead Customer Service/Billing Tech</b>		3,212.43	3,373.05	3,541.70	3,718.79	3,904.73	4,099.96
<b>System Operator I</b>		40.15536	42.16313	44.27128	46.48485	48.80909	51.24955
<b>Water Resources Technician I</b>							
	16	85,611.23	89,891.79	94,386.38	99,105.70	104,060.98	109,264.03
		7,134.27	7,490.98	7,865.53	8,258.81	8,671.75	9,105.34
		3,292.74	3,457.38	3,630.25	3,811.76	4,002.35	4,202.46
		41.15924	43.21721	45.37807	47.64697	50.02932	52.53078
<b>District Analyst I</b>	17	87,751.51	92,139.08	96,746.04	101,583.34	106,662.51	111,995.63
		7,312.63	7,678.26	8,062.17	8,465.28	8,888.54	9,332.97
		3,375.06	3,543.81	3,721.00	3,907.05	4,102.40	4,307.52
		42.18822	44.29764	46.51252	48.83814	51.28005	53.84405
<b>O&amp;M Coordinator</b>	18	89,945.30	94,442.56	99,164.69	104,122.92	109,329.07	114,795.52
<b>Cross Connection Control Specialist</b>		7,495.44	7,870.21	8,263.72	8,676.91	9,110.76	9,566.29
		3,459.43	3,632.41	3,814.03	4,004.73	4,204.96	4,415.21
		43.24293	45.40508	47.67533	50.05910	52.56205	55.19016

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
<b>Water Resources Technician II</b>	19	92,193.93	96,803.62	101,643.81	106,726.00	112,062.30	117,665.41
		7,682.83	8,066.97	8,470.32	8,893.83	9,338.52	9,805.45
		3,545.92	3,723.22	3,909.38	4,104.85	4,310.09	4,525.59
		44.32400	46.54020	48.86721	51.31057	53.87610	56.56991
<b>Project Manager I</b>	20	94,498.78	99,223.72	104,184.90	109,394.15	114,863.85	120,607.05
<b>System Operator II</b>		7,874.90	8,268.64	8,682.08	9,116.18	9,571.99	10,050.59
		3,634.57	3,816.30	4,007.11	4,207.47	4,417.84	4,638.73
		45.43210	47.70371	50.08889	52.59334	55.22301	57.98416
<b>Accountant</b>	21	96,861.25	101,704.31	106,789.52	112,129.00	117,735.45	123,622.22
<b>Assistant Engineer</b>		8,071.77	8,475.36	8,899.13	9,344.08	9,811.29	10,301.85
<b>District Analyst II</b>		3,725.43	3,911.70	4,107.29	4,312.65	4,528.29	4,754.70
<b>Electrical/Mechanical Technician</b>		46.56791	48.89630	51.34112	53.90817	56.60358	59.43376
	22	99,282.78	104,246.92	109,459.26	114,932.22	120,678.84	126,712.78
		8,273.56	8,687.24	9,121.61	9,577.69	10,056.57	10,559.40
		3,818.57	4,009.50	4,209.97	4,420.47	4,641.49	4,873.57
		47.73210	50.11871	52.62464	55.25588	58.01867	60.91960
<b>Lead Operator</b>	23	101,764.85	106,853.09	112,195.74	117,805.53	123,695.81	129,880.60
<b>Water Conservation Specialist</b>		8,480.40	8,904.42	9,349.65	9,817.13	10,307.98	10,823.38
		3,914.03	4,109.73	4,315.22	4,530.98	4,757.53	4,995.41

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		48.92541	51.37168	53.94026	56.63727	59.46914	62.44259
	24	104,308.97	109,524.42	115,000.64	120,750.67	126,788.20	133,127.61
		8,692.41	9,127.03	9,583.39	10,062.56	10,565.68	11,093.97
		4,011.88	4,212.48	4,423.10	4,644.26	4,876.47	5,120.29
		50.14854	52.65597	55.28877	58.05321	60.95587	64.00366
<b>District Analyst III</b>	25	106,916.69	112,262.53	117,875.65	123,769.44	129,957.91	136,455.80
<b>Senior Accountant</b>		8,909.72	9,355.21	9,822.97	10,314.12	10,829.83	11,371.32
		4,112.18	4,317.79	4,533.68	4,760.36	4,998.38	5,248.30
		51.40226	53.97237	56.67099	59.50454	62.47976	65.60375
<b>Project Manager II</b>	26	109,589.61	115,069.09	120,822.54	126,863.67	133,206.85	139,867.20
		9,132.47	9,589.09	10,068.55	10,571.97	11,100.57	11,655.60
		4,214.98	4,425.73	4,647.02	4,879.37	5,123.34	5,379.51
		52.68731	55.32168	58.08776	60.99215	64.04176	67.24384
	27	112,329.35	117,945.82	123,843.11	130,035.26	136,537.03	143,363.88
		9,360.78	9,828.82	10,320.26	10,836.27	11,378.09	11,946.99
		4,320.36	4,536.38	4,763.20	5,001.36	5,251.42	5,514.00
		54.00449	56.70472	59.53996	62.51695	65.64280	68.92494
	28	115,137.58	120,894.46	126,939.18	133,286.14	139,950.45	146,947.97
		9,594.80	10,074.54	10,578.27	11,107.18	11,662.54	12,245.66

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		4,428.37	4,649.79	4,882.28	5,126.39	5,382.71	5,651.85
		55.35461	58.12234	61.02845	64.07988	67.28387	70.64806
<b>Laboratory Supervisor</b>	29	118,016.02	123,916.82	130,112.66	136,618.30	143,449.21	150,621.67
		9,834.67	10,326.40	10,842.72	11,384.86	11,954.10	12,551.81
		4,539.08	4,766.03	5,004.33	5,254.55	5,517.28	5,793.14
		56.73847	59.57540	62.55417	65.68187	68.96597	72.41427
<b>O&amp;M Supervisor</b>	30	120,966.42	127,014.74	133,365.48	140,033.76	147,035.44	154,387.22
		10,080.54	10,584.56	11,113.79	11,669.48	12,252.95	12,865.60
		4,652.55	4,885.18	5,129.44	5,385.91	5,655.21	5,937.97
		58.15693	61.06478	64.11802	67.32392	70.69012	74.22462
	31	123,990.58	130,190.11	136,699.62	143,534.60	150,711.33	158,246.90
		10,332.55	10,849.18	11,391.63	11,961.22	12,559.28	13,187.24
		4,768.87	5,007.31	5,257.68	5,520.56	5,796.59	6,086.42
		59.61086	62.59140	65.72097	69.00702	72.45737	76.08024
	32	127,090.35	133,444.87	140,117.11	147,122.96	154,479.11	162,203.07
		10,590.86	11,120.41	11,676.43	12,260.25	12,873.26	13,516.92
		4,888.09	5,132.49	5,389.12	5,658.58	5,941.50	6,238.58
		61.10113	64.15619	67.36399	70.73219	74.26880	77.98224
	33	130,267.61	136,780.99	143,620.04	150,801.04	158,341.09	166,258.14

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		10,855.63	11,398.42	11,968.34	12,566.75	13,195.09	13,854.85
		5,010.29	5,260.81	5,523.85	5,800.04	6,090.04	6,394.54
		62.62866	65.76009	69.04809	72.50050	76.12552	79.93180
	34	133,524.30	140,200.51	147,210.54	154,571.06	162,299.62	170,414.60
		11,127.02	11,683.38	12,267.54	12,880.92	13,524.97	14,201.22
		5,135.55	5,392.33	5,661.94	5,945.04	6,242.29	6,554.41
		64.19437	67.40409	70.77430	74.31301	78.02866	81.93010



An MCWD System Operator approaches a standby generator site for routine inspection, ensuring backup power systems are ready to maintain water and wastewater services during emergencies and outages.

## Teamsters Unit (Management &amp; Confidential)

Percentage between Ranges = 2.5%

Percentage between Steps = 5.0%

07/01/2025

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
	T20	104,841.62	110,083.70	115,587.88	121,367.28	127,435.64	133,807.42
		8,736.80	9,173.64	9,632.32	10,113.94	10,619.64	11,150.62
		4,032.37	4,233.99	4,445.69	4,667.97	4,901.37	5,146.44
		50.40462	52.92485	55.57110	58.34965	61.26713	64.33049
	T21	107,462.66	112,835.79	118,477.58	124,401.46	130,621.53	137,152.61
		8,955.22	9,402.98	9,873.13	10,366.79	10,885.13	11,429.38
		4,133.18	4,339.84	4,556.83	4,784.67	5,023.91	5,275.10
		51.66474	54.24798	56.96037	59.80839	62.79881	65.93875
	T22	110,149.22	115,656.68	121,439.52	127,511.50	133,887.07	140,581.42
		9,179.10	9,638.06	10,119.96	10,625.96	11,157.26	11,715.12
		4,236.51	4,448.33	4,670.75	4,904.29	5,149.50	5,406.98
		52.95636	55.60418	58.38438	61.30360	64.36878	67.58722
<b>Executive Assistant to GM/Board</b>	T23	112,902.95	118,548.10	124,475.51	130,699.28	137,234.25	144,095.96
		9,408.58	9,879.01	10,372.96	10,891.61	11,436.19	12,008.00
		4,342.42	4,559.54	4,787.52	5,026.90	5,278.24	5,542.15
		54.28027	56.99428	59.84399	62.83619	65.97800	69.27690

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
	T24	115,725.53	121,511.80	127,587.39	133,966.76	140,665.10	147,698.36
		9,643.79	10,125.98	10,632.28	11,163.90	11,722.09	12,308.20
		4,450.98	4,673.53	4,907.21	5,152.57	5,410.20	5,680.71
		55.63727	58.41914	61.34009	64.40710	67.62745	71.00883
	T25	118,618.67	124,549.60	130,777.08	137,315.93	144,181.73	151,390.82
		9,884.89	10,379.13	10,898.09	11,442.99	12,015.14	12,615.90
		4,562.26	4,790.37	5,029.89	5,281.38	5,545.45	5,822.72
		57.02821	59.87962	62.87360	66.01728	69.31814	72.78405
	T26	121,584.13	127,663.34	134,046.51	140,748.83	147,786.27	155,175.59
		10,132.01	10,638.61	11,170.54	11,729.07	12,315.52	12,931.30
		4,676.31	4,910.13	5,155.63	5,413.42	5,684.09	5,968.29
		58.45391	61.37661	64.44544	67.66771	71.05109	74.60365
<b>Customer Service Administrator</b>	T27	124,623.74	130,854.92	137,397.67	144,267.55	151,480.93	159,054.98
		10,385.31	10,904.58	11,449.81	12,022.30	12,623.41	13,254.58
		4,793.22	5,032.88	5,284.53	5,548.75	5,826.19	6,117.50
		59.91526	62.91102	66.05657	69.35940	72.82737	76.46874
<b>Senior Project Manager</b>	T28	127,739.33	134,126.30	140,832.61	147,874.24	155,267.95	163,031.35
		10,644.94	11,177.19	11,736.05	12,322.85	12,939.00	13,585.95
		4,913.05	5,158.70	5,416.64	5,687.47	5,971.84	6,270.44

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		61.41314	64.48380	67.70799	71.09339	74.64805	78.38046
<b>Associate Engineer</b>	T29	130,932.81	137,479.45	144,353.43	151,571.10	159,149.65	167,107.14
<b>IT Administrator</b>		10,911.07	11,456.62	12,029.45	12,630.92	13,262.47	13,925.59
		5,035.88	5,287.67	5,552.05	5,829.66	6,121.14	6,427.20
		62.94847	66.09589	69.40069	72.87072	76.51426	80.33997
	T30	134,206.13	140,916.44	147,962.26	155,360.38	163,128.39	171,284.81
		11,183.84	11,743.04	12,330.19	12,946.70	13,594.03	14,273.73
		5,161.77	5,419.86	5,690.86	5,975.40	6,274.17	6,587.88
		64.52218	67.74829	71.13570	74.69249	78.42711	82.34847
	T31	137,561.29	144,439.35	151,661.32	159,244.38	167,206.60	175,566.93
		11,463.44	12,036.61	12,638.44	13,270.37	13,933.88	14,630.58
		5,290.82	5,555.36	5,833.13	6,124.78	6,431.02	6,752.57
		66.13523	69.44200	72.91410	76.55980	80.38779	84.40718
	T32	141,000.32	148,050.33	155,452.85	163,225.49	171,386.77	179,956.11
		11,750.03	12,337.53	12,954.40	13,602.12	14,282.23	14,996.34
		5,423.09	5,694.24	5,978.96	6,277.90	6,591.80	6,921.39
		67.78861	71.17805	74.73695	78.47380	82.39749	86.51736
<b>Controller</b>	T33	144,525.33	151,751.59	159,339.17	167,306.13	175,671.44	184,455.01
<b>Senior Civil Engineer</b>		12,043.78	12,645.97	13,278.26	13,942.18	14,639.29	15,371.25

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		5,558.67	5,836.60	6,128.43	6,434.85	6,756.59	7,094.42
		69.48333	72.95750	76.60537	80.43564	84.45742	88.68029
<b>Water Resources Manager</b>	T34	148,138.46	155,545.38	163,322.65	171,488.78	180,063.22	189,066.39
		12,344.87	12,962.12	13,610.22	14,290.73	15,005.27	15,755.53
		5,697.63	5,982.51	6,281.64	6,595.72	6,925.51	7,271.78
		71.22041	74.78143	78.52051	82.44653	86.56886	90.89730
	T35	151,841.92	159,434.02	167,405.72	175,776.00	184,564.80	193,793.04
		12,653.49	13,286.17	13,950.48	14,648.00	15,380.40	16,149.42
		5,840.07	6,132.08	6,438.68	6,760.62	7,098.65	7,453.58
		73.00092	76.65097	80.48352	84.50769	88.73308	93.16973
	T36	155,637.97	163,419.87	171,590.86	180,170.40	189,178.92	198,637.87
		12,969.83	13,618.32	14,299.24	15,014.20	15,764.91	16,553.16
		5,986.08	6,285.38	6,599.65	6,929.63	7,276.11	7,639.92
		74.82595	78.56724	82.49561	86.62039	90.95141	95.49898
<b>O&amp;M Manager</b>	T37	159,528.92	167,505.36	175,880.63	184,674.66	193,908.40	203,603.82
		13,294.08	13,958.78	14,656.72	15,389.56	16,159.03	16,966.98
		6,135.73	6,442.51	6,764.64	7,102.87	7,458.02	7,830.92
		76.69660	80.53143	84.55800	88.78590	93.22519	97.88645
	T38	163,517.14	171,693.00	180,277.65	189,291.53	198,756.11	208,693.91

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		13,626.43	14,307.75	15,023.14	15,774.29	16,563.01	17,391.16
		6,289.12	6,603.58	6,933.76	7,280.44	7,644.47	8,026.69
		78.61401	82.54471	86.67195	91.00554	95.55582	100.33361
	T39	167,605.07	175,985.32	184,784.59	194,023.82	203,725.01	213,911.26
		13,967.09	14,665.44	15,398.72	16,168.65	16,977.08	17,825.94
		6,446.35	6,768.67	7,107.10	7,462.45	7,835.58	8,227.36
		80.57936	84.60833	88.83875	93.28068	97.94472	102.84195
	T40	171,795.20	180,384.96	189,404.20	198,874.42	208,818.14	219,259.04
		14,316.27	15,032.08	15,783.68	16,572.87	17,401.51	18,271.59
		6,607.51	6,937.88	7,284.78	7,649.02	8,031.47	8,433.04
		82.59384	86.72354	91.05971	95.61270	100.39333	105.41300
<b>Director of Admin Services</b>	T41	176,090.08	184,894.58	194,139.31	203,846.28	214,038.59	224,740.52
		14,674.17	15,407.88	16,178.28	16,987.19	17,836.55	18,728.38
		6,772.70	7,111.33	7,466.90	7,840.24	8,232.25	8,643.87
		84.65869	88.89163	93.33621	98.00302	102.90317	108.04833
	T42	180,492.33	189,516.95	198,992.79	208,942.43	219,389.55	230,359.03
		15,041.03	15,793.08	16,582.73	17,411.87	18,282.46	19,196.59
		6,942.01	7,289.11	7,653.57	8,036.25	8,438.06	8,859.96
		86.77516	91.11392	95.66961	100.45309	105.47575	110.74953

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
	T43	185,004.64	194,254.87	203,967.61	214,165.99	224,874.29	236,118.01
		15,417.05	16,187.91	16,997.30	17,847.17	18,739.52	19,676.50
		7,115.56	7,471.34	7,844.91	8,237.15	8,649.01	9,081.46
		88.94454	93.39176	98.06135	102.96442	108.11264	113.51827
<b>District Engineer</b>	T44	189,629.75	199,111.24	209,066.80	219,520.14	230,496.15	242,020.96
		15,802.48	16,592.60	17,422.23	18,293.35	19,208.01	20,168.41
		7,293.45	7,658.12	8,041.03	8,443.08	8,865.24	9,308.50
		91.16815	95.72656	100.51289	105.53853	110.81546	116.35623



An MCWD System Operator inspects the access hatch, performing routine maintenance to ensure safe and efficient operation of the District's wastewater system.

## Unrepresented (Exempt) Management Classification

Percentage between Ranges = 2.5%

Percentage between Steps = 5.0%

07/01/2025

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
	U30	134,205.79	140,916.08	147,961.88	155,359.98	163,127.98	171,284.38
		11,183.82	11,743.01	12,330.16	12,946.66	13,594.00	14,273.70
		5,161.76	5,419.85	5,690.84	5,975.38	6,274.15	6,587.86
		64.52201	67.74812	71.13552	74.69230	78.42691	82.34826
	U31	137,560.94	144,438.98	151,660.93	159,243.98	167,206.18	175,566.49
		11,463.41	12,036.58	12,638.41	13,270.33	13,933.85	14,630.54
		5,290.81	5,555.35	5,833.11	6,124.77	6,431.01	6,752.56
		66.13507	69.44182	72.91391	76.55960	80.38758	84.40696
<b>HR/Risk Administrator</b>	U32	140,999.96	148,049.96	155,452.45	163,225.08	171,386.33	179,955.65
		11,750.00	12,337.50	12,954.37	13,602.09	14,282.19	14,996.30
		5,423.08	5,694.23	5,978.94	6,277.89	6,591.78	6,921.37
		67.78844	71.17786	74.73676	78.47359	82.39727	86.51714
	U33	144,524.96	151,751.21	159,338.77	167,305.70	175,670.99	184,454.54
		12,043.75	12,645.93	13,278.23	13,942.14	14,639.25	15,371.21
		5,558.65	5,836.58	6,128.41	6,434.83	6,756.58	7,094.41
		69.48315	72.95731	76.60518	80.43543	84.45721	88.68007

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
	U34	148,138.08	155,544.99	163,322.23	171,488.35	180,062.76	189,065.90
		12,344.84	12,962.08	13,610.19	14,290.70	15,005.23	15,755.49
		5,697.62	5,982.50	6,281.62	6,595.71	6,925.49	7,271.77
		71.22023	74.78124	78.52031	82.44632	86.56864	90.89707
	U35	151,841.53	159,433.61	167,405.29	175,775.56	184,564.33	193,792.55
		12,653.46	13,286.13	13,950.44	14,647.96	15,380.36	16,149.38
		5,840.06	6,132.06	6,438.67	6,760.60	7,098.63	7,453.56
		73.00074	76.65077	80.48331	84.50748	88.73285	93.16950
	U36	155,637.57	163,419.45	171,590.42	180,169.94	189,178.44	198,637.36
		12,969.80	13,618.29	14,299.20	15,014.16	15,764.87	16,553.11
		5,986.06	6,285.36	6,599.63	6,929.61	7,276.09	7,639.90
		74.82576	78.56704	82.49540	86.62017	90.95117	95.49873
	U37	159,528.51	167,504.94	175,880.18	184,674.19	193,907.90	203,603.30
		13,294.04	13,958.74	14,656.68	15,389.52	16,158.99	16,966.94
		6,135.71	6,442.50	6,764.62	7,102.85	7,458.00	7,830.90
		76.69640	80.53122	84.55778	88.78567	93.22495	97.88620
	U38	163,516.72	171,692.56	180,277.19	189,291.05	198,755.60	208,693.38
		13,626.39	14,307.71	15,023.10	15,774.25	16,562.97	17,391.11
		6,289.10	6,603.56	6,933.74	7,280.42	7,644.45	8,026.67

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		78.61381	82.54450	86.67173	91.00531	95.55558	100.33336
	U39	167,604.64	175,984.87	184,784.12	194,023.32	203,724.49	213,910.71
		13,967.05	14,665.41	15,398.68	16,168.61	16,977.04	17,825.89
		6,446.33	6,768.65	7,107.08	7,462.44	7,835.56	8,227.34
		80.57915	84.60811	88.83852	93.28044	97.94447	102.84169
	U40	171,794.75809	180,384.49599	189,403.72079	198,873.90683	208,817.60217	219,258.48228
		14,316.22984	15,032.04133	15,783.64340	16,572.82557	17,401.46685	18,271.54019
		6,607.49070	6,937.86523	7,284.75849	7,648.99642	8,031.44624	8,433.01855
		82.59363	86.72332	91.05948	95.61246	100.39308	105.41273
	U41	176,089.63	184,894.11	194,138.81	203,845.75	214,038.04	224,739.94
		14,674.14	15,407.84	16,178.23	16,987.15	17,836.50	18,728.33
		6,772.68	7,111.31	7,466.88	7,840.22	8,232.23	8,643.84
		84.65847	88.89140	93.33597	98.00277	102.90290	108.04805
	U42	180,491.87	189,516.46	198,992.28	208,941.90	219,388.99	230,358.44
		15,040.99	15,793.04	16,582.69	17,411.82	18,282.42	19,196.54
		6,941.99	7,289.09	7,653.55	8,036.23	8,438.04	8,859.94
		86.77494	91.11368	95.66937	100.45284	105.47548	110.74925
	U43	185,004.16	194,254.37	203,967.09	214,165.45	224,873.72	236,117.40
		15,417.01	16,187.86	16,997.26	17,847.12	18,739.48	19,676.45

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		7,115.54	7,471.32	7,844.89	8,237.13	8,648.99	9,081.44
		88.94431	93.39153	98.06110	102.96416	108.11236	113.51798
	U44	189,629.27	199,110.73	209,066.27	219,519.58	230,495.56	242,020.34
		15,802.44	16,592.56	17,422.19	18,293.30	19,207.96	20,168.36
		7,293.43	7,658.11	8,041.01	8,443.06	8,865.21	9,308.47
		91.16792	95.72631	100.51263	105.53826	110.81517	116.35593
	U45	194,370.00	204,088.50	214,292.93	225,007.57	236,257.95	248,070.85
		16,197.50	17,007.38	17,857.74	18,750.63	19,688.16	20,672.57
		7,475.77	7,849.56	8,242.04	8,654.14	9,086.84	9,541.19
		93.44712	98.11947	103.02544	108.17672	113.58555	119.26483
	U46	199,229.25	209,190.71	219,650.25	230,632.76	242,164.40	254,272.62
		16,602.44	17,432.56	18,304.19	19,219.40	20,180.37	21,189.38
		7,662.66	8,045.80	8,448.09	8,870.49	9,314.02	9,779.72
		95.78329	100.57246	105.60108	110.88114	116.42519	122.24645
	U47	204,209.98	214,420.48	225,141.50	236,398.58	248,218.51	260,629.43
		17,017.50	17,868.37	18,761.79	19,699.88	20,684.88	21,719.12
		7,854.23	8,246.94	8,659.29	9,092.25	9,546.87	10,024.21
		98.17788	103.08677	108.24111	113.65316	119.33582	125.30261
	U48	209,315.23	219,780.99	230,770.04	242,308.54	254,423.97	267,145.17

CLASSIFICATION	RANGE	STEP 1 (\$)	STEP 2 (\$)	STEP 3 (\$)	STEP 4 (\$)	STEP 5 (\$)	STEP 6 (\$)
		17,442.94	18,315.08	19,230.84	20,192.38	21,202.00	22,262.10
		8,050.59	8,453.12	8,875.77	9,319.56	9,785.54	10,274.81
		100.63232	105.66394	110.94714	116.49449	122.31922	128.43518
<b>Deputy GM/DE*</b>	U49	214,548.11	225,275.52	236,539.29	248,366.26	260,784.57	273,823.80
<b>District Legal Counsel*</b>		17,879.01	18,772.96	19,711.61	20,697.19	21,732.05	22,818.65
		8,251.85	8,664.44	9,097.67	9,552.55	10,030.18	10,531.68
		103.14813	108.30554	113.72081	119.40685	125.37720	131.64606

\* These positions are approved by the Board but are currently unfunded.

As your water district, we are committed to managing and distributing water resources responsibly. Our mission is to ensure that you have reliable and sustainable water supplies while also protecting the environment and the community. We strive to meet both your present and future water needs, all while balancing environmental protection with long-term water supply reliability.



## List Of Budget Changes

No.	Subject	Description of change	Page No.
1	About the District	Added water and sewer historical data such as water connections, water production and wastewater enterprise usage in daily average flow	11
2	Message from the General Manager	Updated the General Manager's Message to enhance clarity and presentation. Added content to include the District's key priorities, current issues and long term goals.	25
3	Earth Day 2025	Added the 2025 Earth Day with photos and brief narratives highlighting District's activities and engagement.	37
4	Executive Budget Summary	Added Executive Budget Summary providing high-level overview of the District's FY2025 financial performance, proposed revenues and expenses with new graphs and charts.	41
5	Basis of Budgeting and Budget Timeline	Added a definition of balanced budget under Basis of Budgeting and updated budget timeline from a table to arrow chart for improved visualization.	49-50
6	Key Significant Financial Policies	Added a new section for the District's key Financial Policies (Debt Management, Procurement, Investment and Reserve).	51
7	Statement of Net Position	Added a new section for Statement of Net Position.	75
8	CIP# MS-2401 Budget Amendment	Budget adjusted from \$3,500,000 to \$3,252,000	149, 153 & 175
	CIP# OS-0218 Budget Amendment	Budget adjusted from \$1,300,000 to \$900,000	150, 154 & 177
	CIP# GS-2531 New Project	Added a new project with a proposed FY2026 budget of \$512,000	149, 153 & 173
9	CIP#MW-0304	Updated CIP# from MW-0304 to MW-2580	148, 152 & 164
10	Capital Equipment	Added a brief narrative to the Capital Equipment section to support the financial tables.	185
11	Debt Obligations	Added a brief narrative to the Debt Obligations section.	,

**Note:** Restructuring of sections and Table of Contents not listed here but was completed as part of the overall update.

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**MARINA COAST WATER DISTRICT**

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