



MARINA COAST WATER DISTRICT

ANNUAL COMPLIANCE REPORT FOR REQUIREMENTS OF GOVERNMENT CODE SECTION 66013

Fiscal Year Ending June 30, 2025

Overview

This report is prepared in accordance with California Government Code Section 66013(d), which mandates the annual reporting of capacity charge activities. This includes information on fees collected, investment earnings, expenditures and ending balance of the fund.

Description	California Govt Code Section	Amount
Beginning balance	66013(d)(2)	\$ 19,034,667.87
Sources - Deposits:		
Capacity Charge	66013 (d)(1) and (3)	\$ 6,915,824.78
Capital Surcharge	66013 (d)(1) and (3)	\$ 280,287.81
Investment Interest Earned	66013(d)(2)	\$ 981,872.52
Repayment of Internal Loan	66013(d)(2)&(5)	\$ -
Uses:		
Capital Improvement Projects	66013(d)(4)	\$ (3,590,541.02)
Debt Service	66013 (d)(4)	\$ (1,322,716.22)
Buy-In Portion	66013 (d)(1) and (4)	\$ (3,068,777.56)
Ending Balance	66013 (d)(2)	\$ 19,230,618.18

Requirements from California Government Section 66013(d)(note below):

(1) A description of the charges deposited in the fund.

Water and Sewer Capacity Charge - The District collects capacity charges from developers or customers to connect to existing water and sewer systems. Capacity charges help cover the costs associated with extending or enhancing infrastructure to accommodate new demand.

Capital Surcharge - These are the fees that comes from water and sewer accounts connected to the Ord Community between July 1, 2005 to July 1, 2014.

(2) The beginning and ending balance of the fund and the interest earned from investment moneys in the fund.

2a. Beginning balance - \$19,034,667.87

2b. Interest earned - \$981,872.52

2c. Ending balance - \$19,230,618.18

(3) The amount of charges collected in that fiscal year.

3a. Fees collected from Water and Sewer Capacity Charge - \$6,915,824.78

3b. Fees collected from Capital Surcharge - \$280,287.81

(4) An identification of all the following:

- a. Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used. [Attachment A]
- b. Each public improvement on which charges were expended was completed during that fiscal year. [Attachment A]
- c. Each public improvement that is anticipated to be undertaken in the following fiscal year. [Attachment B]

Buy-In Portion: New connections buy into the District's current system based on an average share of the total system, including the value of each enterprise's assets escalated to current dollars and the present value of Capital Improvement Projects (CIP) benefiting all users. This ensures that new connections also pay for the future cost of expansion by incorporating the present value of future CIP into the fee basis. Please refer to the [2020 Water, Wastewater, and Recycled Water Capacity Fee Study](#) for details regarding buy in approach.

(5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

Not applicable for fiscal year 2024-25

Attachment A

Marina Coast Water District

Capacity Charge Capital Project List for the Year Ended June 30, 2025 (§66013 (d)(4)(A) (B))

Project No. (Ongoing)	Project Description	2024-2025 Current Year Expenses (All Funding Sources)	% of Project Paid by Capacity Charges	Capacity Charge Current Year Expenses
WD-2401	The project will include a fully functional Board Room complete with close session chambers, secure and accessible customer service facilities, and a District server room for onsite assets	\$1,740,528.10	92%	\$1,601,706.41
WD-2405	New solar array and backup power system at Imjin office Park to increase energy grid reliability and sustainability.	\$17,841.85	92%	\$16,414.50
GW-0123	This project consists of the construction of a new 2.2 MG storage tank adjacent to the existing Zone B storage tank. Pressure Zone is "Zone B".	\$248,886.35	100%	\$248,886.35
GW-2403	Project investigate issues, develops alternatives, and designs and constricts a brine line discharge system to allow existing and potentially future small-scale desalination plants to discharge brine through the M1W ocean outfall.	\$76,464.55	100%	\$76,464.55
GW-2404	Renovate the existing Reservation Road desal plant to enable operations. Project includes preliminary design, permitting, and construction.	\$190,464.74	100%	\$190,464.74
GW-2504	Analyze and select alternatives to improve system reliability and efficiency to fill A Zone reservoir and provide a second supply source connection to East Garrison. Results will inform the other existing planned projects design and to construct the supply redundancy connections.	\$8,374.50	100%	\$8,374.50
MW-2515	Water Pipeline in Bayer Street from Carmel avenue to Reservation road	\$45,419.79	100%	\$45,419.79
MW-2580	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 distribution main. This pipeline is intended to serve the future Marina Station development north of the existing Marina service area.	\$217.74	100%	\$217.74
GS-2512	Study to investigate and assessment of rerouting sewer flows from East service area directly into the interceptor near Armstrong Ranch.	\$55,351.80	65%	\$36,000.00
RW-2401	Construction of recycled water turnouts including but not limited to a concrete pad, meter, and water quality sensors. Turnouts shall be constructed off an existing stub-outs off the RUWAP distribution mainline.	\$34,035.59	100%	\$34,035.59
Total		\$2,417,585.01	93%	\$2,257,984.17

Attachment A

Marina Coast Water District

Capacity Charge Capital Project List for the Year Ended June 30, 2025 (§66013 (d)(4)(A) (B))

Project No. (Completed in FY 2025)	Project Description	2024-2025 Current Year Expenses (All Funding Sources)	% of Project Paid by Capacity Charges	Capacity Charge Current Year Expenses
WD-2404	The project includes the installation of systems that will improve outside and on-premises security.	\$710,122.23	100%	\$710,122.23
OW-0341	Replacement of the aging water main 1,080-foot section of pipeline adjacent to Coe Ave within the public right of way and add a pressure reducing valve (PRV) station to provide service to Seaside resort.	\$668,220.77	87%	\$583,220.77
OS-2386	This project is a reimbursement agreement to upsize the sewer main within the newly constructed extension of 2nd Avenue to the North of Imjin Parkway in order to accommodate future flows from the realignment of Del Monte Ave to connect to 2nd Ave.	\$39,213.85	100%	\$39,213.85
Total		\$1,417,556.85	94%	\$1,332,556.85

Attachment B

Marina Coast Water District

Capacity Charge Capital Project List Anticipated to be Undertaken in the following Fiscal Year

(§66013 (d)(4)(C))

Project No.	Project Description
OW-2404	Renovate the existing Reservation Road desal plant to enable operations. Project includes preliminary design, permitting, and construction.
OW-2302	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.
MS-2401	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
RW-2501	Project will design and construct a chemical injection and metering facility on the RUWAP pipeline immediately downstream of the M1W treatment facility.