



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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

TEL: (831) 384-6131 FAX: (831) 883-5995

## DIRECTORS

HOWARD GUSTAFSON  
*President*

THOMAS P. MOORE  
*Vice President*

WILLIAM Y. LEE  
JAN SHRINER  
HERBERT CORTEZ

## Agenda

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

Marina Council Chambers

211 Hillcrest Avenue, Marina, California

Monday, February 6, 2017, 6:30 p.m. PST

*This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the first and third Monday of each month. The meetings normally begin at 6:30 p.m. and are held at the City of Marina Council Chambers at 211 Hillcrest Avenue, Marina, California.*

***Our Mission:*** *We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

**1. Call to Order**

**2. Roll Call**

**3. Pledge of Allegiance**

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

**5. Public Hearing**

A. Public Hearing on Whether to Form One or Two Groundwater Sustainability Agencies for the 180/400 Foot Aquifer Subbasin

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

This agenda is subject to revision and may be amended prior to the scheduled meeting. Pursuant to Government Code section 54954.2(a)(1), the agenda for each meeting of the Board shall be posted at the City of Marina Council Chambers. The agenda shall also be posted at the following locations but those locations are not official agenda posting locations for purposes of section 54954.2(a)(1): District offices at 11 Reservation Road, Seaside City Hall, the City of Marina Library, and the City of Seaside Library. A complete Board packet containing all enclosures and staff materials will be available for public review on Thursday, February 2, 2017. Copies will also be available at the Board meeting. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5910.

- A. Adopt Resolution No. 2017-04 to Approve an Updated District Debt Management Policy
- B. Adopt Resolution No. 2017-05 to Ratify All of the Actions Taken to Secure the Funding from Holman Capital to Replace the Rabobank BLM Building Loan as Authorized on September 19, 2016

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

- A. Consider Adoption of Resolution No. 2017-06 to Elect to Become Two Separate Exclusive Groundwater Sustainability Agencies for Two Separate Portions of the 180/400 Foot Aquifer Subbasin and to Direct Staff to Submit the Required Notifications to the California Department of Water Resources

*Action: The Board will consider electing to become two separate Groundwater Sustainable Agencies for the 180/400 Foot Aquifer Subbasin and directing District staff to submit the required Notifications to the California Department of Water Resources.*

- B. Consider Adoption of Resolution No. 2017-07 to Modify MCWD's September 15, 2016 Groundwater Sustainability Agency Formation Notification for the Seaside Subbasin to Include Only Lands within MCWD's Jurisdictional Boundaries; and, Adoption of Resolution No. 2017-08 to Set a Public Hearing on Whether to Withdraw, Modify, and/or File One or More Groundwater Sustainability Agency Notifications for the Now Designated Monterey Subbasin

*Action: The Board will consider modifying MCWD's September 15, 2016 Groundwater Sustainability Agency Formation Notification for the Seaside Subbasin to include only lands within MCWD's jurisdictional boundaries; and, consider setting a Public Hearing on whether to withdraw, modify, and/or file one or more Groundwater Sustainability Agency Notifications for the now designated Monterey subbasin.*

**8. Board Workshop**

- A. Sexual Harrassment Training Workshop

**9. General Manager Update**

**10. Board Member Requests for Future Agenda Items**

**11. Director's Comments**

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

*Regular Meeting: Monday, February 21, 2017, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Public Hearing

Agenda Item: 5-A

Meeting Date: February 6, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Subject: Public Hearing on Whether to Form One or Two Groundwater Sustainability Agencies within the 180/400 Foot Aquifer Subbasin

Detailed Description: The Board will conduct a public hearing and receive public comments on the District's interest in forming one or two Groundwater Sustainability Agencies (GSA). Following the public hearing and receipt of the public comments, the Board will consider taking action on whether to form one or two GSAs within the 180/400 Foot Aquifer Subbasin.

On January 9, 2017, the Board adopted Resolution No. 2017-01 to set a public hearing on February 6, 2017 on whether to form one or two GSA's and authorized the publication of a Notice of Public Hearing. Pursuant to Government Code Section 6066, notices of a public hearing on whether or not to adopt a resolution to establish one or two GSA's were published on January 20 and 27, 2017.

In September 2014, Governor Brown signed historic legislation requiring that California's critical groundwater resources be sustainably managed by local agencies. The Sustainable Groundwater Management Act (SGMA) gives local agencies including cities, counties and water agencies, the authority to sustainably manage groundwater over the long-term. The purposes of SGMA are to provide for sustainable management of groundwater subbasins, to establish standards and regulations for local sustainable groundwater management, and to provide local agencies such as MCWD with the authority to sustainably manage its groundwater for its customers through the formation of a Groundwater Sustainability Agency (GSA).

**Salinas Valley Groundwater Basin**

In Bulletin 118 (1980), the California Department of Water Resources (DWR) officially designated the Salinas Valley Groundwater Basin (SVGB) comprised of the following eight subbasins:

Salinas Valley Groundwater Basin Subbasins	DWR Priority Ranking	GS Plan must be adopted by January 31
180/400 Foot Aquifer (Critically Overdrafted)	High	<b>2020</b>
East Side Aquifer	High	2022
Forebay Aquifer	Medium	2022
Upper Valley Aquifer	Medium	2022
Paso Robles (Critically Overdrafted)	High	<b>2020</b>
Seaside (Adjudicated)	Medium	Exempt
Langley	Medium	2022
Monterey	Medium	2022

In northern Monterey County, DWR does not consider the Pajaro Valley subbasin to be part of the SVGB. At the south end of the County, a majority of the Paso Robles Subbasin is located within

San Luis Obispo County. DWR denied a Monterey County's request to divide the Paso Robles subbasin at the county line. Thus, the entire Paso Robles Subbasin remains part of the SVGB within the two separate counties.

The District's Central Marina and Ord Community water service areas overly portions of two SVGB subbasins and part of the Seaside Adjudicated Basin. The SVGB subbasins are the Monterey Subbasin and 180/400 Foot Aquifer Subbasin. The Monterey Subbasin is ranked medium priority and the 180/400 Foot Aquifer Subbasin is ranked high priority and is designated a Critically Overdrafted Subbasin by DWR. District wells are located along the northern boundary of the medium priority Monterey Subbasin.

### **Formation of GSAs**

SGMA requires the formation by June 30, 2017 of a new GSA for each medium and high-priority groundwater subbasin as designated by DWR. Any local public agency or a combination of local agencies that has water supply, water management, or land use responsibilities within a groundwater subbasin may elect to form a GSA. A local agency or combination of local agencies that elects to form a GSA must hold a public hearing and submit a Notice of Intent to DWR within 30 days of electing to be a GSA. 90 days after posting notice with DWR, the GSA is presumed to be the exclusive GSA for that area.

If areas within a subbasin are not being managed by an exclusive GSA by July 1, 2017, then pumpers in those "unmanaged areas" will be subject to groundwater extraction reporting and payment of fees to the State Water Resources Control Board (SWRCB). This also applies to "overlap" area where two or more local agencies claim to manage the same land within a subbasin. This situation now exists with the County's recent GSA filing to manage groundwater within MCWD's Ord Community service area within the Monterey Subbasin. But for the County's "overlapping" notice, MCWD would have designated the exclusive GSA for its service area and this overlap issue would not exist. If the local agencies cannot resolve their overlap, then the SWRCB, after notice and hearing, can designate the overlap area as probationary.

### **GSA Responsibilities**

A GSA is required to assess the conditions in its local subbasin and to adopt a locally-based Groundwater Sustainability Plan (GSP). GSP's must be completed for high priority basins by January 31, 2020 (medium priority subbasins by January 31, 2022) and be designed to achieve basin sustainability within 20 years of adoption. SGMA defines sustainable management as managing and using groundwater in a way that can be sustained over a long period of time. Sustainable yield is defined as the amount of groundwater that can be withdrawn annually without causing "significant and unreasonable impacts" related to any of the following "undesirable results": chronically lowering groundwater levels, causing seawater intrusion, degrading water quality, causing land subsidence, or depleting interconnected surface water including creeks, streams and rivers.

### **GSA Authority**

SGMA empowers GSA's to use a number of management tools to achieve the sustainability goal in addition to any powers the local agency already has. GSA's may conduct investigations, require registration of groundwater wells, determine the sustainable yield of a basin, measure and limit groundwater extractions, assess fees for groundwater management, and enforce the terms of a GSP. GSA's also may request a revision of a groundwater basin boundary, including the establishment of new subbasins.

## **Discussion/Analysis:**

Many people do not realize that SGMA is founded upon DWR-designated subbasins. There is no mandatory requirement in SGMA that the Salinas Valley Groundwater Basin (SVGB) have a single GSA or a single Groundwater Sustainability Plan (Plan). SGMA provides flexibility in the governance of subbasins. SGMA does require that each of the eight SVGB subbasins be managed by a GSA or combination of individual GSAs and have a Plan or multiple coordinated Plans.

As MCWD moves forward to implement SGMA for its service areas, MCWD will continue to work cooperatively with others in the County, including the SVGB consortium, to optimize intra- and inter-subbasin coordination and public agency resources to achieve the goal of groundwater sustainability within the entire SVGB. MCWD has been participating in a countywide group over the last several months. However, the countywide group and the facilitator have refused to recognize MCWD's right to manage, control, and protect the groundwater underlying its Central Marina and Ord Community service area.

MCWD is continuing to study the groundwater within and adjoining its service area and is participating in the technical committee for the County groundwater model being led by the U.S. Geological Survey. MCWD is also participating with FORA, MRWPCA, and others to investigate new water sources, which could include new groundwater recharge projects for both north and south of the Salinas River within the 180/400 Foot Aquifer Subbasin.

MCWD staff is recommending that the Board approve the formation of two separate GSAs within the 180/400 Foot Aquifer Subbasin. The first subbasin GSA is that portion of the 180/400 Foot Aquifer Subbasin within MCWD's jurisdictional boundaries as shown in Attachment 1. The second subbasin GSA is that portion of the District's Ord Community service area within the 180/400 Foot Aquifer Subbasin as shown in Attachment 2.

### **Attachments:**

- Attachment 1 – Marina Coast Water District's jurisdictional boundaries within the 180/400 Foot Aquifer Subbasin;
- Attachment 2 – Marina Coast Water District's Ord Community Service Area within 180/400 Foot Aquifer Subbasin.

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 6

Meeting Date: February 6, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consent Calendar

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

Background: *2016 Strategic Plan Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Consent calendar consisting of:

- A) Adopt Resolution No. 2017-04 to Approve an Updated District Debt Management Policy
- B) Adopt Resolution No. 2017-05 to Ratify All of the Actions Taken to Secure the Funding from Holman Capital to Replace the Rabobank BLM Building Loan as Authorized on September 19, 2016

Discussion/Analysis: See individual transmittals.

Environmental Review Compliance: None required.

Other Considerations: The Board of Directors can approve these items together or they can pull them separately for discussion.

Material Included for Information/Consideration: Updated Debt Management Policy (redlined and final versions); Resolution No. 2017-05; and, Installment Purchase Agreement.

Action Required:     \_\_\_\_\_Resolution       X  Motion     \_\_\_\_\_Review  
(Roll call vote is required.)

---

Board Action

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

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

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 6-A

Meeting Date: February 6, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Adopt Resolution No. 2017-04 to Approve an Updated District Debt Management Policy

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-04 to approve an updated District Debt Management Policy:

Background: *2016 Strategic Plan, Strategic Element 3.3 – Fiscal Planning – Best Accounting Practices.*

On December 7, 2015, the Board adopted Resolution No. 2015-60 approving a Debt Management Policy which is in line with the District's Strategic Plan, Strategic Element 3.3.

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.

Discussion/Analysis: Beginning on January 21, 2017, all California municipal entities issuing debt will be required under Senate Bill 1029 ("SB1029") to certify as part of any debt issuance to the California Debt & Investment Advisory Committee that it has an adopted management policy that provides for, among other things, the following:

1. Purposes for which debt may be issued
2. Types of debt
3. Relationship between debt and capital plan and/or budget
4. Goals related to issuer's planning goals and objectives debt
5. Internal control procedures to ensure debt issuance proceeds are spent on intended use

On December 19, 2016, the District's municipal financial advisor Robert Porr, Senior Vice President of Fieldman, Rolapp & Associates provided a brief presentation detailing proposed changes to the District's current Debt Management Policy ("Policy") to comply with SB 1029 and other updates and revisions. Board discussion of the Policy resulted in the need for additional changes to the Policy. Those changes have been incorporated into the draft updated Policy.

Environmental Review Compliance: None.

Financial Impact:     \_\_\_Yes      X No     Funding Source/Recap: N/A

Material Included for Information/Consideration: Resolution No. 2017-04; Redlined Version of the Current District Debt Management Policy with additional Changes by the Board; and, Final Updated District Debt Reserve Policy.

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

---

Board Action

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

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

February 6, 2017

Resolution No. 2017-04  
Resolution of the Board of Directors  
Marina Coast Water District  
Approve the Updated District Debt Management Policy

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on February 6, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on December 7, 2015, the Board adopted Resolution No. 2015-60 approving a Debt Management Policy which is in line with the District’s Strategic Plan, Strategic Element 3.3; and,

WHEREAS, 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; and,

WHEREAS, beginning on January 21, 2017, all California municipal entities issuing debt will be required under Senate Bill 1029 (“SB1029”) to certify as part of any debt issuance to the California Debt & Investment Advisory Committee that it has an adopted management policy that provides for, among other things, the following:

1. Purposes for which debt may be issued
2. Types of debt
3. Relationship between debt and capital plan and/or budget
4. Goals related to issuer’s planning goals and objectives debt
5. Internal control procedures to ensure debt issuance proceeds are spent on intended use

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2017-04 to approve the Updated District Debt Management Policy.

PASSED AND ADOPTED on February 6, 2017, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors \_\_\_\_\_

Noes: Directors \_\_\_\_\_

Absent: Directors \_\_\_\_\_

Abstained: Directors \_\_\_\_\_

---

Howard Gustafson, President

ATTEST:

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

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-04 adopted February 6, 2017.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 6-B

Meeting Date: February 6, 2017

Submitted By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Adopt Resolution No. 2017-05 to Ratify All of the Actions Taken to Secure the Funding from Holman Capital to Replace the Rabobank BLM Building Loan as Authorized on September 19, 2016

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-05 to authorize and ratify all actions taken to secure financing from Holman Capital to convert the construction loan from Rabobank N.A. used to construct the BLM building at 940 2<sup>nd</sup> Avenue.

Background: *2016 Strategic Plan, Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

In September 2009, the District purchased a parcel on the Former Fort Ord in Marina CA from AMBAG by assuming AMBAG's loan with the Fort Ord Reuse Authority. The initial plan of the District was to build office space on the parcel in order to consolidate its two offices in the near future however, the Bureau of Land Management (BLM) approached the District and requested that the to-be-built office building be leased to them to house its Regional Office. In 2014, MCWD entered into a 20-year firm lease with the BLM which will fund the cost of the project over the life of the lease. The District completed construction of the building in 2016 and BLM began occupying the building in April 2016.

The District financed the construction of the building through three lending facilities from Rabobank N.A. as follows:

1. A construction loan in the amount of \$2,776,000 convertible to a 10-year term loan upon occupancy by BLM. At building completion, the interest rate would be based on 10-year LIBOR SWAP index + 2.5% amortized over 25 years with no prepayment penalty.
2. A one year commercial loan in the amount of \$389,600 secured by the assignment of the General Services Administration's obligation to reimburse the District for tenant improvements upon BLM occupancy.
3. A one year cash-secured non-revolving line of credit in the amount of \$286,880 funded the contingency balance not funded from the previously listed lending facilities.

On July 20, 2016, staff received notification from Rabobank N.A. (Bank), that it would not be able to term out the construction loan via an interest rate swap loan due to changes in Bank policy shortly after the District's loan was consummated. To remedy the situation, the Bank offered to term out the loan via a conventional fixed rate loan. The fixed rate would be based on the 10-year Treasury plus an interest rate spread such that it will reflect the same all in interest rate as a 10-year LIBOR SWAP + 2.50%. However, the Bank could not issue the fixed rate conventional loan without a pre-payment penalty clause. The prepayment penalty clause would be as follows:

The prepayment premiums on the unpaid balance of the conventional fixed rate loan as follows: Year 1: 5%; Year 2: 4%, Year 3: 3%; Year 4: 2%; Year 5: 1%; Years 6-10: none.

These changes in funding instruments and loan terms required approval by the Board due to the break in terms of the previously approved funding facility. Staff looked at other options to convert the construction loan but was unsuccessful at obtaining proposals without a prepayment penalty clause. In addition, no other proposals provided a lower all in rate that would offset the cost of issuance due to market indications that interest rates would increase by the end of September 2016.

Furthermore, until the District received the Final Notice of Occupancy from the City of Marina, Rabobank N.A. could not convert the construction loan. However, once the Final Notice of Occupancy was received by the District, the construction loan needed to be converted. Therefore, on September 19, 2016, the Board adopted Resolution No. 2016-58 amending the funding terms of the construction loan conversion, but directed the General Manager to also look into other financing options and authorized him to enter into other funding agreements in his discretion.

Discussion/Analysis: Staff continued to pursue alternative financing for the conversion of the construction loan with Rabobank N.A. and contacted Frank Gill, Vice President of Holman Capital Corporation. Holman Capital Corporation specializes in financing tax-exempt and taxable solutions issued by governments, universities, and health systems with funding amounts ranging from \$250,000.00 to \$100,000,000.00 with financing terms up to 20 years.

Through communication with Holman Capital, the District received information that the Federal Government had discontinued the 10-Year SWAP rate which meant that Rabobank could only quote the District market rates. In addition, Holman Capital provided alternative loan structures in an effort to lock in the District's costs at current market rates as the Federal Reserve raised its benchmark interest rate 0.25% in December 2016 and indicated its plans to continue to raise its rate three additional times in 2017 of at least 0.25% each time. Rabobank could only offer the 10-year fixed amortized over 25 years resulting in unpaid principal at year ten of approximately \$917,000. Holman Capital proposed an Installment Purchase Agreement (Agreement): a 20-year fixed rate loan secured by net revenues of the District in which the loan will be paid off at the end of the loan term.

The Agreement finances the conversion of the construction loan of \$2,776,000.00, the Rabobank exit fee of \$13,880.00 and the documentation and legal fee for Holman Capital of \$10,000.00 for a total of \$2,799,880.00. The interest rate is a fixed all in rate of 5.75% which is a taxable interest rate due to the private activity use of leasing the building. Commercial loan rates were at 5.00% - 7.00% for loans above \$250,000.00+ at time of offer.

In addition, there is no prepayment penalty which gives the District the ability to refinance the loan if rates were to decrease. Holman Capital also does not require the Final Notice of Occupancy in order to convert the construction loan. To date, the District has not received the Final Notice of Occupancy from the City of Marina.

Upon review of the proposed Agreement from Holman Capital by the District's Bond Counsel, General Counsel and Financial Advisor, staff determined that the Agreement was a prudent option for the District for the conversion of the Rabobank construction loan and executed the Agreement on January 20, 2017.

Environmental Review Compliance: None required.

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

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2017-05; and, Executed Installment Purchase Agreement with Holman Capital.

Action Required:      X  Resolution    \_\_\_\_\_Motion                      \_\_\_\_\_Review  
(Roll call vote is required.)

---

Board Action

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

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

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

February 6, 2017

Resolution No. 2017 - 05  
Resolution of the Board of Directors  
Marina Coast Water District

Authorizing and Ratifying All of the Actions Taken to Secure the Funding from Holman Capital to Replace the Rabobank BLM Building Loan as Authorized on September 19, 2016

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on February 6, 2017, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, in September 2009, the District purchased a parcel on the Former Fort Ord in Marina CA from AMBAG with initial plans of building space on the parcel in order to consolidate its two offices, however, the Bureau of Land Management (BLM) approached the District and requested that the to-be-built office building be leased to them to house its Regional Office; and,

WHEREAS, in 2014, MCWD entered into a 20-year firm lease with the BLM which will fund the cost of the project over the life of the lease. The District completed construction of the building in 2016 and BLM began occupying the building in April 2016; and,

WHEREAS, in order to fully fund construction, the Board adopted Resolution No. 2015-21 to fund the construction of Building E with three lending facilities from Rabobank, N.A. (Bank) for a total of \$3,452,480 including a construction loan in the amount of \$2,776,000; and,

WHEREAS, on July 20, 2016, the Bank notified the District that terms and conditions of converting the construction loan could no longer be done by the Bank due to changes in Bank policy shortly after the District’s construction loan was consummated; and,

WHEREAS, on September 19, 2016, the Board adopted Resolution No. 2016-58 amending the funding terms of the construction loan conversion but directed the General Manager to also look into other financing options and authorized him to enter into other funding agreements in his discretion; and,

WHEREAS, staff continued to pursue alternative financing for the conversion of the construction loan with Rabobank N.A. and contacted Holman Capital Corporation who specializes in financing tax-exempt and taxable solutions issued by governments, universities, and health systems with funding amounts ranging from \$250,000.00 to \$100,000,000.00 with financing terms up to 20 years; and,

WHEREAS, Holman Capital proposed an Installment Purchase Agreement (Agreement): a 20-year fixed rate loan secured by net revenues of the District in which the loan will be paid off at the end of the loan term and has no prepayment penalty; and,

WHEREAS, upon review of the proposed Agreement from Holman Capital by the District’s Bond Counsel, General Counsel and Financial Advisor, staff determined that the Agreement was a prudent option for the District for the conversion of the Rabobank construction loan and executed the Agreement on January 20, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District authorizes and ratifies all actions taken by the General Manger in the execution of the Installment Purchase Agreement between Holman Capital Corporation and Marina Coast Water District in the amount of \$2,799,880.00.

BE IT FURTHER RESOLVED, that the Board of Directors of the Marina Coast Water District also authorizes and ratifies the terms of the Installment Purchase Agreement as follows:

- Amount: \$2,799,880.00
- Term: 20 Years
- Start Date: January 20, 2017
- End Date: January 20, 2037
- Rate: Fixed 5.75%
- Installment Payments: \$118,694.06 bi-annually
- Security: District Net Revenues
- Debt Coverage Ratio: 1.25 annual debt service
- Purpose: To pay-off the construction loan from Rabobank N.A. which funded the construction of the office building at 940 2<sup>nd</sup> Avenue, Marina, CA

PASSED AND ADOPTED on February 6, 2017 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors \_\_\_\_\_

Noes: Directors \_\_\_\_\_

Absent: Directors \_\_\_\_\_

Abstained: Directors \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

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

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-05 adopted February 6, 2017.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 7-A

Meeting Date: February 6, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-06 to Elect to Become Two Separate Exclusive Groundwater Sustainability Agencies for Two Separate Portions of the 180/400 Foot Aquifer Subbasin and to Direct Staff to Submit the Required Notifications to the California Department of Water Resources

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-06 to:

1. Become the exclusive Groundwater Sustainability Agency (GSA) for two separate GSAs: (a) for those areas of the 180/400 Foot Aquifer Subbasin which are within MCWD's jurisdictional boundaries, and (b) separately for the those areas of MCWD's Ord Community service area within the 180/400 Foot Aquifer Subbasin; and,
2. Direct and authorize staff to provide separate Notices of Intent of this election to become the exclusive GSAs (a) for those areas of the 180/400 Foot Aquifer Subbasin which are within MCWD's jurisdictional boundaries, and (b) separately for the those areas of MCWD's Ord Community service area within the 180/400 Foot Aquifer Subbasin, to the California Department of Water Resources (DWR) in the manner required by law.

Background: *2016 Strategic Plan Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

In September 2014, Governor Brown signed historic legislation requiring that California's critical groundwater resources be sustainably managed by local agencies. The Sustainable Groundwater Management Act (SGMA) gives local agencies including cities, counties and water agencies, the authority to sustainably manage groundwater over the long-term. The purposes of SGMA are to provide for sustainable management of groundwater subbasins, to establish standards and regulations for local sustainable groundwater management, and to provide local agencies such as MCWD with the authority to sustainably manage its groundwater for its customers through the formation of a Groundwater Sustainability Agency (GSA).

**Salinas Valley Groundwater Basin**

In Bulletin 118 (1980), the California Department of Water Resources (DWR) officially designated the Salinas Valley Groundwater Basin (SVGB) comprised of the following eight subbasins:

Salinas Valley Groundwater Basin Subbasins	DWR Priority Ranking	GS Plan must be adopted by January 31
180/400 Foot Aquifer (Critically Overdrafted)	High	<b>2020</b>
East Side Aquifer	High	2022
Forebay Aquifer	Medium	2022
Upper Valley Aquifer	Medium	2022
Paso Robles (Critically Overdrafted)	High	<b>2020</b>
Seaside (Adjudicated)	Medium	Exempt
Langley	Medium	2022
Monterey	Medium	2022

In northern Monterey County, DWR does not consider the Pajaro Valley subbasin to be part of the SVGB. At the south end of the County, a majority of the Paso Robles Subbasin is located within San Luis Obispo County. DWR denied a Monterey County's request to divide the Paso Robles subbasin at the county line. Thus, the entire Paso Robles Subbasin remains part of the SVGB within the two separate counties.

The District's Central Marina and Ord Community water service areas overly portions of two SVGB subbasins and part of the Seaside Adjudicated Basin. The SVGB subbasins are the Monterey Subbasin and 180/400 Foot Aquifer Subbasin. The Monterey Subbasin is ranked medium priority and the 180/400 Foot Aquifer Subbasin is ranked high priority and is designated a Critically Overdrafted Subbasin by DWR. District wells are located along the northern boundary of the medium priority Monterey Subbasin.

### **Formation of GSAs**

SGMA requires the formation by June 30, 2017 of a new GSA for each medium and high-priority groundwater subbasin as designated by DWR. Any local public agency or a combination of local agencies that has water supply, water management, or land use responsibilities within a groundwater subbasin may elect to form a GSA. A local agency or combination of local agencies that elects to form a GSA must hold a public hearing and submit a Notice of Intent to DWR within 30 days of electing to be a GSA. 90 days after posting notice with DWR, the GSA is presumed to be the exclusive GSA for that area.

If areas within a subbasin are not being managed by an exclusive GSA by July 1, 2017, then pumpers in those "unmanaged areas" will be subject to groundwater extraction reporting and payment of fees to the State Water Resources Control Board (SWRCB). This also applies to "overlap" area where two or more local agencies claim to manage the same land within a subbasin. This situation now exists with the County's recent GSA filing to manage groundwater within MCWD's Ord Community service area within the Monterey Subbasin. But for the County's "overlapping" notice, MCWD would have designated the exclusive GSA for its service area and this overlap issue would not exist. If the local agencies cannot resolve their overlap, then the SWRCB, after notice and hearing, can designate the overlap area as probationary.

### **GSA Responsibilities**

A GSA is required to assess the conditions in its local subbasin and to adopt a locally-based Groundwater Sustainability Plan (GSP). GSP's must be completed for high priority basins by January 31, 2020 (medium priority subbasins by January 31, 2022) and be designed to achieve basin sustainability within 20 years of adoption. SGMA defines sustainable management as managing and using groundwater in a way that can be sustained over a long period of time. Sustainable yield is defined as the amount of groundwater that can be withdrawn annually without causing "significant and unreasonable impacts" related to any of the following "undesirable results": chronically lowering groundwater levels, causing seawater intrusion, degrading water quality, causing land subsidence, or depleting interconnected surface water including creeks, streams and rivers.

### **GSA Authority**

SGMA empowers GSA's to use a number of management tools to achieve the sustainability goal in addition to any powers the local agency already has. GSA's may conduct investigations, require registration of groundwater wells, determine the sustainable yield of a basin, measure and limit groundwater extractions, assess fees for groundwater management, and enforce the terms of a

GSP. GSA's also may request a revision of a groundwater basin boundary, including the establishment of new subbasins.

Discussion/Analysis: Many people do not realize that SGMA is founded upon DWR-designated subbasins. There is no mandatory requirement in SGMA that the Salinas Valley Groundwater Basin (SVGB) have a single GSA or a single Groundwater Sustainability Plan (Plan). SGMA provides flexibility in the governance of subbasins. SGMA does require that each of the eight SVGB subbasins be managed by a GSA or combination of individual GSAs and have a Plan or multiple coordinated Plans.

As MCWD moves forward to implement SGMA for its service areas, MCWD will continue to work cooperatively with others in the County, including the SVGB consortium, to optimize intra- and inter-subbasin coordination and public agency resources to achieve the goal of groundwater sustainability within the entire SVGB. MCWD has been participating in a countywide group over the last several months. However, the countywide group and the facilitator have refused to recognize MCWD's right to manage, control, and protect the groundwater underlying its Central Marina and Ord Community service area.

MCWD is continuing to study the groundwater within and adjoining its service area and is participating in the technical committee for the County groundwater model being led by the U.S. Geological Survey. MCWD is also participating with FORA, MRWPCA, and others to investigate new water sources, which could include new groundwater recharge projects for both north and south of the Salinas River within the 180/400 Foot Aquifer Subbasin.

MCWD staff is recommending that the Board approve the formation of two separate GSAs within the 180/400 Foot Aquifer Subbasin. The first subbasin GSA is that portion of the 180/400 Foot Aquifer Subbasin within MCWD's jurisdictional boundaries as shown in Attachment 1. The second subbasin GSA is that portion of the District's Ord Community service area within the 180/400 Foot Aquifer Subbasin as shown in Attachment 2. Staff believes that this action is necessary for the following reasons:

1. MCWD is forming the GSAs to protect its own right to pump groundwater for its customers; to protect our and the Army's groundwater allocations, which includes the Fort Ord Reuse Authority's allocations to its member agencies; to protect our water rights and water system infrastructure, which MCWD owns within both Central Marina and the Ord Community; and to protect our customers' interests and rates from outside threats. MCWD has no interest in interfering with Salinas Valley agricultural interests' right to pump for their own uses.

2. MCWD has demonstrated its environmental stewardship and its water leadership in the region through the development and implementation of its Urban Water Management Plan (UWMP); water conservation programs; water facility master planning; implementing the Regional Urban Water Augmentation Plan (RUWAP); securing 1,427 acre-feet per year of advanced treated water for the Ord Community; entering into an agreement with the MRWPCA to design, finance, construct, own, and operate the Pure Water Monterey Project transmission pipeline; and entering into the MCWD-FORA-MRWPCA study agreement to identify new water source(s) to provide 973 acre-feet of additional potable water required under the Fort Ord Base Reuse Plan. Any Groundwater Sustainability Plan must be consistent and complimentary with these efforts and that comprehensively, all of those efforts work to achieve groundwater sustainability, optimize water use efficiency, and maximize water supply reliability while

minimizing risk. All the while, MCWD is committed to a track record of keeping costs as low as possible for its customers.

3. MCWD was founded in 1960 and has been effectively managing its groundwater supply for many years. MCWD is a municipal water service district and one whose customers are socio-economically and culturally diverse. Consideration of the formation of GSAs by MCWD that will protect, safeguard, and manage MCWD’s valuable groundwater resources is the only way to ensure that our customers’ voices are heard. MCWD is directly responsive to and transparent with its ratepayers. Enhancing local management is best achieved by maintaining this direct relationship with our customers. Customer feedback is critically important to MCWD and, according to a recent survey among existing ratepayers, their strong desire is that MCWD work to identify solutions for future water supply while maintaining low rates.

Staff therefore recommends that the Board of Directors adopt Resolution No. 2017-06 to create two exclusive Groundwater Sustainability Agencies – one covering that portion of MCWD’s jurisdictional boundaries within the 180/400 Foot Aquifer Subbasin and another separate GSA covering that portion of MCWD’s Ord Community service area within the 180/400 Foot Aquifer Subbasin; and to direct staff to file the required Notifications of Intent with the California Department of Water Resources.

Environmental Review Compliance: None required.

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

Other Considerations: The Board of Directors may consider the following alternative options to the staff’s recommendation:

- (1) The formation of only one GSA including only lands within the District’s jurisdictional boundaries within the Subbasin , or
- (2) The formation of only one GSA including only lands within the District’s Ord Community service area within the Subbasin, or
- (3) The formation of one GSA including both lands within the District’s jurisdictional boundaries and within the Ord Community service area within the Subbasin.

Material Included for Information/Consideration: Resolution No. 2017-06; Attachment 1- Map showing the Marina service area of the 180/400 Aquifer Subbasin; and, Attachment 2- Map showing the Ord Community service area of the 180/400 Aquifer Subbasin; and, Exhibit 1 showing MCWD Service Area.

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

---

Board Action

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

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

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

February 6, 2017

Resolution No. 2017-06  
Resolution of the Board of Directors  
Marina Coast Water District

Election to Become Two Separate Exclusive Groundwater Sustainability Agencies  
Within Two Separate Portions of the 180/400 Foot Aquifer Subbasin

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at its regular meeting duly called and held on February 6, 2017, at 211 Hillcrest Avenue, Marina, California, as follows:

Recitals

A. The Sustainable Groundwater Management Act of 2014, Water Code Sections 10720 – 10736.6 (“SGMA”) was signed into law on September 16, 2014; and,

B. SGMA gives local agencies, such as the District, additional authorities and powers to manage groundwater in a sustainable manner and allows for limited state intervention when those local agencies fail to comply with SGMA’s requirements; and,

C. SGMA requires that each California Department of Water Resource (“DWR”)-designated groundwater subbasin be managed by a single Groundwater Sustainability Agency (“GSA”) or by a combination of GSAs and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GS Plan”), or multiple coordinated GS Plans, as the case may be; and,

D. Water Code Section 10723(a) authorizes any local agency with a service area overlying a groundwater subbasin or portion thereof to establish itself as the GSA for its service area; and,

E. Water Code Section 10721(j) defines a GSA as one or more local agencies that implement the provisions of SGMA; and,

F. The District’s jurisdictional boundaries and Ord Community service area overly portions of the Monterey Subbasin and the 180/400 Foot Aquifer Subbasin of the Salinas Valley Groundwater Basin; and,

G. The District filed a Notice of Intent to form a GSA for the District’s Central Marina and Ord Community service areas within the Monterey Subbasins (excluding the Adjudicated Seaside Basin) that were duly accepted and posted by DWR on September 28, 2016; and,

H. District staff is recommending that the District (1) form a GSA for that portion of the District’s jurisdictional boundaries within the 180/400 Foot Aquifer Subbasin as shown on the map attached hereto as Attachment 1; and (2) form a separate GSA for that portion of the District’s Ord Community service area within the 180/400 Foot Aquifer Subbasin as shown on the map attached hereto as Attachment 2; and,

I. Establishing the District as the GSA for that portion of its jurisdictional boundaries within the 180/400 Foot Aquifer Subbasin and separately for the Ord Community service area within the 180/400 Foot Aquifer Subbasin will enable the District to prepare and implement a Groundwater Sustainability Plan for those respective areas; and,

J. The District is committed to sustainable management of its groundwater resources; and,

K. Adoption of this Resolution does not constitute a "project" under California Environmental Quality Act Guidelines Section 15378(b)(5), including organizational and administrative activities of government, because there would be no direct or indirect physical change in the environment; and,

L. Prior to adopting a resolution of intent to establish the District as the GSA for the respective areas, Water Code Section 10723 requires a local agency to hold a public hearing, after publication of notice pursuant to California Government Code Section 6066, on whether or not to adopt a resolution to establish a GSA; and,

M. Pursuant to Government Code Section 6066, notices of a public hearing on whether or not to adopt a resolution to establish one or two GSAs were published on January 20 and 27, 2017; and,

N. On February 6, 2017, the District held a public hearing to consider form of one or two GSAs within the District's service areas within the 180/400 Foot Aquifer Subbasin as shown on map Attachments 1 and 2; and,

O. It is in the best interests of the District to form two GSAs for those portions of its service areas shown respectively on the Attachment 1 and 2 maps.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. All the recitals in this Resolution are true and correct and the Board of Directors so finds, determines, and represents.

2. The District hereby elects to become (a) the exclusive GSA for that portion of the 180/400 Foot Aquifer Subbasin located within the District's jurisdictional boundaries as shown on the Attachment 1 map, and (b) separately the exclusive GSA for that portion of the District's Ord Community service area within the 180/400 Foot Aquifer Subbasin as shown on the Attachment 2 map, both of which maps are incorporated herein by reference.

3. District staff is hereby directed and authorized to provide separate Notices of Intent of these elections to DWR in the manner required by law.

PASSED AND ADOPTED on February 6, 2017, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors \_\_\_\_\_

Noes: Directors \_\_\_\_\_

Absent: Directors \_\_\_\_\_

Abstained: Directors \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

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

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-06 adopted February 6, 2017.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 7-B

Meeting Date: February 6, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-07 to Modify MCWD's September 15, 2016 Groundwater Sustainability Agency Formation Notification for the Seaside Subbasin to Include Only Lands within MCWD's Jurisdictional Boundaries; and, Adoption of Resolution No. 2017-08 to Set a Public Hearing on Whether to Withdraw, Modify, and/or File One or More Groundwater Sustainability Agency Notifications for the Now Designated Monterey Subbasin

Staff recommends that the Board of Directors:

1. Adopt Resolution No. 2017-07 to modify MCWD's September 15, 2016 Groundwater Sustainability Agency Formation Notification for the Seaside Subbasin to only include MCWD's jurisdictional boundaries within the now designated Monterey Subbasin and authorize staff to submit the necessary modifications and information to the Department of Water Resources, contingent on DWR's acceptance of this action as resolution of the overlap conflict and promptly designating MCWD as the exclusive GSA within its jurisdictional boundaries. As part of the Resolution, the MCWD Board would make a finding that changing the boundary of MCWD's September 15, 2016 Groundwater Sustainability Agency Formation Notification for the Seaside Subbasin to only include MCWD's jurisdictional boundaries within the now designated Monterey Subbasin is not a material change to the posted notice; and,
2. Adopt Resolution No. 2017-08 to set a public hearing on March 6, 2017, to consider whether to withdraw, modify, and/or file one or more Groundwater Sustainability Agency Notifications for the Monterey Subbasin, and authorize the Publication of a Notice of the Public Hearing.

Background: *2016 Strategic Plan Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Pursuant to Resolution No. 2016-54 adopted September 6, 2016, the Board of Directors authorized the filing with the California Department of Water Resources (DWR) of two notices of the District's election to become the groundwater sustainability agency (GSA), excluding any portion of the District's service area within the boundaries of the Adjudicated Seaside Groundwater Basin. The first GSA was for the Central Marina and Ord Community service areas within the then designated Seaside Subbasin. The second GSA was formed for the Ord Community service area within the then designated Corral de Tierra Subbasin. District staff filed those formation notices with DWR by letter dated September 15, 2016. DWR posted the Seaside GSA notice with the MCWD GSA map (Attachment 1) on September 29, 2016. DWR officially merged the portions of the Seaside and Corral de Tierra Subbasins outside of the Adjudicated Seaside Groundwater Basin into a new subbasin designated the Monterey Subbasin. At DWR's request and subsequent to the District's two filings, the District updated the two GSA formation notifications.

On December 22, 2016, the County of Monterey Board of Supervisors adopted Resolution 16-330 to become the GSA for all of the Monterey Subbasin excluding the District's jurisdictional boundaries. The County subsequently filed a GSA formation notification and a GSA map (Attachment 2) which resulted in an overlap with the District's Ord Community service area. The County's GSA formation notification was posted by DWR on January 4, 2017. The County elected to become a GSA in MCWD's Ord Community service area based on an incorrect assumption that the term "service area" as used in SGMA is to be interpreted as "jurisdictional boundaries" under SGMA. The County incorrectly presumed:

- That lands within which a local agency provides water service by contract do not constitute a "service area" for SGMA purposes,
- The Ord Community is outside the District's service area, and
- The State would move in and overtake groundwater regulation in the areas of MCWD's GSA which are outside of its jurisdictional boundaries unless the County became the GSA.

Instead of saving the subbasin from State intervention, the County created an overlap area with the District's Ord Community Service Area, inviting State intervention. According to DWR, the local agencies involved in GSA formation overlap must seek to reach agreement to resolve the overlap by June 30, 2017, or risk potential intervention by the State Water Resources Control Board (SWRCB).

Discussion/Analysis: Water Code §10723.8(c) requires local agencies to resolve GSA notification overlap issues, which results when two or more eligible local agencies submit a notice to become separate GSAs within the same area of a basin or subbasin. If the agency creating the overlap, here the County, agrees that MCWD may be the GSA for certain lands designated in MCWD's GSA notice, then the overlap as to the uncontested lands may be resolved by modifying MCWD's DWR-posted notice to reflect that agreement. In this case, the County does not contest that MCWD may serve as the exclusive GSA for lands within MCWD's jurisdictional boundaries. As long as the modification to the posted notice eliminates the overlap and is not a material change, as determined by the local agency (MCWD), then DWR should promptly designate that local agency as the GSA. If the modification is determined to be a material change, then a new notification must be posted and the decision to become a GSA will not take effect until 90 days after the DWR posts the notice. The following are the reasons why the action to modify the GSA notice to include only MCWD's jurisdictional lands within the Monterey Subbasin is expected to eliminate the County's GSA overlap within the Monterey Subbasin and is not a material change:

- 1) This action eliminates the overlap because, based on the Board of Supervisors Resolution 16-330, the County agrees that MCWD may serve as the GSA within the District's jurisdictional boundaries. The resulting MCWD GSA map is depicted on Attachment 3. Please note that MCWD's jurisdictional boundaries do not include all lands within MCWD's designated Central Marina service area.
- 2) The action to modify the posted notice is not a material change because this is consistent with MCWD's original notification, which included its jurisdictional boundaries.

Staff is therefore recommending that the Board of Directors make the necessary findings and adopt Resolution No. 2017-07 to resolve and eliminate the overlap as to the District's jurisdictional lands GSA within the Monterey Subbasin of the Salinas Valley Groundwater Basin and to authorize staff to submit the necessary modifications and information to the Department of Water Resources.

This action is contingent on DWR's acceptance of this action as resolution of the overlap conflict and DWR promptly designating MCWD as the exclusive GSA within its jurisdictional boundaries.

Since the action above is contingent on DWR's acceptance of this action as resolution of the overlap conflict and promptly designating MCWD as the exclusive GSA within its jurisdictional boundaries, and because there still remains an overlap issue for the Ord Community Service Area and for small areas of the Central Marina Service Area outside of Marina's jurisdictional boundaries within the Monterey Subbasin, a Public Hearing will need to be set for March 6, 2017 on whether to withdraw, modify, and/or file one or more groundwater sustainability notifications for the Monterey Subbasin. Should DWR promptly designate MCWD as the exclusive GSA for MCWD's jurisdictional lands within the Monterey Subbasin based on the Board's adoption of Resolution No. 2017-07, then the Public Hearing on March 6, 2017 will only cover the modification of the GSA notification relating to lands outside of MCWD's jurisdictional boundaries. If the actions above do not lead to the prompt designation of MCWD as the exclusive GSA for MCWD's jurisdictional lands within the Monterey Subbasin, then the Public Hearing on March 6, 2017 will be for the withdrawal, modification, and/or filing of one or more GSA notifications for the Monterey Subbasin. Staff is therefore recommending that the Board of Directors adopt Resolution No. 2017-08 to set a Public Hearing for March 6, 2017 on whether to withdraw, modify, and/or file one or more Groundwater Sustainability Agency Notifications and authorize the publication of a Notice of the Public Hearing.

Environmental Review Compliance: None.

Financial Impact:     \_\_\_Yes     XNo                   Funding Source/Recap: None

Other Considerations: (1) Keep the existing GSA Notifications as they are within the Monterey Subbasin and risk potential intervention by the State Water Resources Control Board. (2) Withdraw GSA Notifications or opt out and have no direct input on the groundwater management within the subbasin.

Material Included for Information/Consideration: Resolution No. 2017-07; Resolution No. 2017-08; Attachment 1 – Map showing the Central Marina and Ord Community service areas GSA notification within the then designated Seaside Subbasin; Attachment 2 – Map showing the DWR Noticed County GSA service area; and, Attachment 3 – Map showing proposed MCWD Central Marina GSA service area modification; and, Attachment 4 – Map showing proposed MCWD Central Marina GSA service area modification within the entire original MCWD merged Monterey Subbasin Area notification.

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

---

Board Action

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

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

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

February 6, 2017

Resolution No. 2017-07  
Resolution of the Board of Directors  
Marina Coast Water District  
Modification of the Central Marina Groundwater Sustainability Agency  
Within the Monterey Subbasin

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on February 6, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

Recitals

A. The Sustainable Groundwater Management Act of 2014, Water Code Sections 10720, et seq. (“SGMA”), was signed into law on September 16, 2014, and effective January 1, 2016; and,

B. SGMA requires that each California groundwater subbasin be managed by a single Groundwater Sustainability Agency (“GSA”) or by a combination of GSAs and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GS Plan”), or coordinated multiple GS Plans; and,

C. The legislative intent of the SGMA is to provide for sustainable management of groundwater subbasins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and,

D. Water Code Section 10723(a)(1) and (d) authorizes any local agency with a service area overlying a groundwater subbasin or portion thereof to establish itself as the GSA for its service area; and,

E. A portion of the District’s Central Marina water service area, which includes lands both within and outside of the District’s jurisdictional boundaries, and a portion of its Ord Community water service area are within the Monterey Subbasin of the Salinas Valley Groundwater Basin; and,

F. The District qualifies to be a GSA under SGMA because it has water supply and water management responsibilities for both service areas within the Monterey Subbasin; and,

G. Pursuant to Resolution No. 2016-54 adopted September 6, 2016, the District elected to become the exclusive GSA for the District’s Central Marina and Ord Community water service areas overlying portions of the Monterey Subbasin of the Salinas Valley Groundwater Basin in the manner required by law and duly submitted the required notification to the California Department of Water Resources (DWR) on September 15, 2016; and,

H. DWR deemed the GSA formation notifications complete and posted them on September 29, 2016; and,

I. On December 22, 2016, the County of Monterey adopted resolution 16-330 to become the GSA for all of the Monterey Subbasin excluding only lands within the District's jurisdictional boundaries. The County subsequently filed a GSA formation notification and a GSA map which overlapped with MCWD's designation of the Ord Community service area and those portions of MCWD's Central Marina service area not within MCWD's jurisdictional boundaries in MCWD's GSA notification. The County's GSA notification was posted by DWR on January 4, 2017; and,

J. The County and the District agree that MCWD may serve as the exclusive GSA within the District's jurisdictional boundaries; and,

K. Water Code Section 10723.8(c) allows local agencies of GSAs to modify a posted notice in order to resolve jurisdictional overlap that resulted when two or more local agencies decided to become separate GSAs within the same area of a basin or subbasin; and,

L. District staff is requesting the Board of Directors to consider modifying the GSA for those portions of the District's jurisdictional lands within the Monterey Subbasin to resolve the overlap as to those jurisdictional lands; and,

M. Water Code Section 10723.8(c) allows modification of a GSA formation notification involving a change that is not material to the previously-posted notice.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby:

1. Finds that changing the boundary of MCWD's Seaside Subbasin Groundwater Sustainability Agency Formation Notification to only include lands within MCWD's jurisdictional boundaries to resolve Monterey Subbasin jurisdictional overlap with the County of Monterey is not a material change to the MCWD's DWR-posted notice; and,
2. Adopt this Resolution No. 2017-07 to modify MCWD's Groundwater Sustainability Agency Formation Notification for the Seaside Subbasin to only include MCWD's jurisdictional boundaries within the Monterey Subbasin in order to resolve Monterey Subbasin GSA boundary overlap with the County of Monterey, for filing with the Department of Water Resources.
3. Authorize and direct staff to submit the necessary modifications and information to the Department of Water Resources.

PASSED AND ADOPTED on February 6, 2017, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors \_\_\_\_\_

Noes: Directors \_\_\_\_\_

Absent: Directors \_\_\_\_\_

Abstained: Directors \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

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

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-07 adopted February 6, 2017.

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

February 6, 2017

Resolution No. 2017-08  
Resolution of the Board of Directors  
Marina Coast Water District  
Setting a Public Hearing on

Whether to Withdraw, Modify, and/or File One or More Groundwater Sustainability Agencies  
Within the Monterey Subbasin and to Authorize Publication of the Notice of Public Hearing

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on February 6, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

Recitals

A. The Sustainable Groundwater Management Act of 2014, Water Code Sections 10720, etseq. (“SGMA”), was signed into law on September 16, 2014, and effective January 1, 2016; and,

B. SGMA requires that each California groundwater subbasin be managed by a single Groundwater Sustainability Agency (“GSA”) or by a combination of GSAs and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GS Plan”), or coordinated multiple GS Plans; and,

C. The legislative intent of the SGMA is to provide for sustainable management of groundwater subbasins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater; and,

D. Water Code Section 10723(a)(1) and (d) authorizes any local agency with a service area overlying a groundwater subbasin or portion thereof to establish itself as the GSA for its service area; and,

E. A portion of the District’s Central Marina water service area, which includes lands both within and outside of the District’s jurisdictional boundaries, and a portion of its Ord Community water service area are within the Monterey Subbasin of the Salinas Valley Groundwater Basin; and,

F. The District qualifies to be a GSA under SGMA because it has water supply and water management responsibilities for both service areas within the Monterey Subbasin; and,

G. Pursuant to Resolution No. 2016-54 adopted September 6, 2016, the District elected to become the exclusive GSA for the District’s Central Marina and Ord Community water service areas overlying portions of the Monterey Subbasin of the Salinas Valley Groundwater Basin in the manner required by law and duly submitted the required notification to the California Department of Water Resources (DWR) on September 15, 2016; and,

H. DWR deemed the GSA formation notifications complete and posted them on September 29, 2016; and,

I. On December 22, 2016, the County of Monterey adopted resolution 16-330 to become the GSA for all of the Monterey Subbasin, but excluding all lands within the District's jurisdictional boundaries, and subsequently filed a GSA formation notification and a GSA map overlapping the Ord Community posted by DWR posted on January 4, 2017; and,

J. The County and the District agree that MCWD may serve as the GSA within the District's jurisdictional boundaries; and,

K. Water Code Section 10723.8(c) allows local agencies of GSAs to withdraw or modify a posted notice in order to resolve jurisdictional overlaps that resulted when two or more local agencies decided to become separate GSAs within the same area of a basin or subbasin; and,

L. District staff is requesting the Board of Directors to consider withdrawing or modifying one or more GSAs for those portions of the District's service areas within the Monterey Subbasin to resolve jurisdictional overlap; and,

M. Water Code Section 10723.8(c) requires withdrawing a formation notification and submitting a new notification for GSA modifications involving a material change in order to resolve the jurisdictional overlap; and,

N. Prior to adopting a resolution of intent to establish the District as the GSA for the material change area, Water Code Section 10723 requires a local agency to hold a public hearing, after publication of notice pursuant to California Government Code Section 6066, on whether or not to adopt a resolution to establish a GSA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2017-08 setting the required public hearing for Monday, March 6, 2017, at 7:00 PM at 211 Hillcrest Avenue, Marina, CA, and authorizing the Secretary to the Board to publish the notice in accordance with Government Code Section 6066.

PASSED AND ADOPTED on February 6, 2017, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors \_\_\_\_\_

Noes: Directors \_\_\_\_\_

Absent: Directors \_\_\_\_\_

Abstained: Directors \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

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

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-08 adopted February 6, 2017.

---

Keith Van Der Maaten, Secretary

Marina Coast Water District  
Staff Report

Agenda Item: 8-A

Meeting Date: February 6, 2017

Prepared By: Jean Premutati

Approved By: Keith Van Der Maaten

Agenda Title: Sexual Harassment Prevention Training Workshop

Background: Newly passed Assembly Bill (AB) 1661 requires local agency officials must complete sexual harassment prevention training, just like any other public employee. The training must occur within the first six (6) months of taking office or from date of hire and thereafter every two (2) years.

The training must be at least two (2) hours, include information regarding the federal and state statutes prohibiting harassment; the remedies available to victims of harassment; and practical examples to instruct the official in the prevention of sexual harassment, discrimination, and retaliation.

AB1661 aims to create uniformity, to improve health and safety, and to establish clear rules with respect to appropriate conduct in the workplace. It is also the intent to minimize loss in revenue to local agencies associated with settlement claims for sexual harassment.

As a benefit of MCWD's Employee Assistance Program (EAP), the District receives up to eight (8) hours annually of complementary training for its employees on a wide variety of topics. The EAP contracts with the Medical Health Network (MHN) and they will be presenting tonight's workshop.

Materials for the training will be available at the workshop.