



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

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DIRECTORS

HOWARD GUSTAFSON
President

THOMAS P. MOORE
Vice President

WILLIAM Y. LEE
JAN SHRINER

Agenda

Regular Board Meeting, Board of Directors

Marina Coast Water District

Marina Council Chambers

211 Hillcrest Avenue, Marina, California

Monday, August 1, 2016, 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. Public Comment on Closed Session Items *Anyone wishing to address the Board on matters appearing on Closed Session may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

4. Closed Session

A. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Existing Litigation

1) Ag Land Trust v. Marina Coast Water District, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case Nos. H038550 and H039559

2) In the Matter of the Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, California Public Utilities Commission No. A.12-04-019 & A.13-05-017 Settlement Agreement

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 Wednesday, July 27, 2016. 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.

- 3) Marina Coast Water District v. California Public Utilities Commission, California Supreme Court Case No. S230728, Writ of Review
- 4) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, San Francisco Superior Court Case No. CGC-13-528312 (Complaint for Declaratory Relief); First Appellate District Court of Appeals Case No. A145604
- 5) Marina Coast Water District vs. California-American Water Company, Monterey County Water Resources Agency, and Does 1 through 50, San Francisco Superior Court Case No. CGC-15-547125 (Complaint for Breach of Warranties, etc.)
- 6) Marina Coast Water District v, California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180839 (Petition for Writ of Mandate). Sixth District Court of Appeal Case No. H042742
- 7) Marina Coast Water District v, California State Lands Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180895 (Petition for Writ of Mandate)
- 8) In the Matter of the Unauthorized Diversion and Use of Water by the California American Water Company, State Water Resources Control Board Cease and Desist Order WR 2009-0060

B. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Sewer Infrastructure
Negotiating parties: Howard Gustafson, Thomas Moore
Under Negotiation: Price and Terms

7:00 p.m. Reconvene Open Session

- 5. Reportable Actions Taken During Closed Session** *The Board will announce any reportable action taken during closed session and the vote or abstention on that action of every director present, and may take additional action in open session as appropriate. Any closed session items not completed may be continued to after the end of all open session items.*
- 6. Pledge of Allegiance**
- 7. Oral Communications** *Anyone wishing to address the Board on matters not appearing on the Agenda may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

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

A. Adopt Resolution No. 2016-42 to Amend the Marina Coast Water District Conflict of Interest Code

B. Receive and File the Check Register for the Month of June 2016

C. Approve the Draft Minutes of the Regular Board Meeting of July 5, 2016

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

A. Consider Adoption of Resolution No. 2016-43 to Declare Water Conservation Stage 2

Action: The Board of Directors will consider declaring Water Conservation Stage 2.

B. Consider Adoption of Resolution No. 2016-44 to Approve The First Amendment to The Property Transfer and Hydrant Maintenance Agreement with the City of Marina and the Monterey Regional Water Pollution Control Agency

Action: The Board of Directors will consider approving The First Amendment to The Property Transfer and Hydrant Maintenance Agreement with the City of Marina and the Monterey Regional Water Pollution Control Agency.

C. Consider Adoption of Resolution No. 2016-45 to Amend the Professional Services Agreement with Harris & Associates for Inspection and Construction Support Services for the Dunes on Monterey Bay Development Phase 1C-1, 1B and 1C-2

Action: The Board of Directors will consider amending the Harris & Associates contract for inspection and construction support services for the Dunes 1C-1, 1B, and 1C-2 development project.

10. Staff Report

A. Receive an Update on the Developer Account Report

B. Receive the 2nd Quarter 2016 MCWD Water Consumption and Sewer Flow Report

11. Informational Items *Informational items are normally provided in the form of a written report or verbal update and may not require Board action. The public may address the Board on Informational Items as they are considered by the Board. Please limit your comments to four minutes.*

A. General Manager's Report

B. Counsel's Report

C. Committee and Board Liaison Reports

- | | |
|-----------------------------------|-----------------------------------|
| 1. Water Conservation Commission | 7. LAFCO Liaison |
| 2. Joint City-District Committee | 8. FORA |
| 3. Executive Committee | 9. WWOC Report |
| 4. Community Outreach Committee | 10. JPIA Liaison |
| 5. Budget and Personnel Committee | 11. Special Districts Association |
| 6. MRWPCA Board Member Liaison | |

12. Correspondence

13. Board Member Requests for Future Agenda Items

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

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

*Regular Meeting: Monday, August 15, 2016, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: August 1, 2016

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: *2015 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. 2016-42 to Amend the Marina Coast Water District Conflict of Interest Code
- B) Receive and File the Check Register for the Month of June 2016
- C) Approve the Draft Minutes of the Regular Board Meeting of July 5, 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: Resolution No. 2016-42; 2016 Local Agency Biennial Notice; Conflict of Interest Code; Check register for June 2016; and, draft minutes of July 5, 2016.

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: 8-A

Meeting Date: August 1, 2016

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Adopt Resolution No. 2016-42 to Amend the Marina Coast Water District Conflict of Interest Code

Staff Recommendation: The Board of Directors is requested to adopt Resolution No. 2016-42 amending the Marina Coast Water District (District) Conflict of Interest Code.

Background: *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.*

The Political Reform Act of 1974, Government Code Section 81000, et seq., requires state and local government agencies to adopt a Conflict of Interest Code. It is necessary for the District to periodically update its Conflict of Interest Code. The Monterey County Board of Supervisors requires a Local Agency Biennial Report on even numbered years. The last amendment was made in 2012 to update position titles. This amendment will also update position titles required to file statements of economic interests as well as differentiate positions that manage public investments (i.e. Board members, General Manager, and Director of Administrative Services).

Discussion/Analysis: When the Board approved the new position of Human Resource/Customer Service Relations Manager in the budget process, it necessitated the need to update the Conflict of Interest Code. In reviewing the designated positions, it was noticed that the Water Conservation Specialist III, and Lab Supervisor positions needed to be added as well.

Legal Counsel reviewed the Conflict of Interest Code and suggested adding a new exhibit listing positions that need to file under Section 87200. Section 87200 requires public officials who manage public investments to be listed separately from the employees designated in the Conflict of Interest Code, and those positions are subject to full disclosure requirements. Since the District already requires all positions to file a full disclosure, the only change would be to list the positions in two exhibits, one for the positions filing under Section 87200 and the other for positions filing under Section 81008.

Environmental Review Compliance: None required.

Financial Impact: _____ Yes X No Funding Source/Recap: N/A

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2016-42; 2016 Local Agency Biennial Report; and, the revised Conflict of Interest Code of the Marina Coast Water District.

August 1, 2016

Resolution No. 2016 - 42
Resolution of the Board of Directors
Marina Coast Water District
Amending the Marina Coast Water District
Conflict of Interest Code

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 1, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the Political Reform Act of 1974, Government Code Section 81000, et seq., requires state and local government agencies to adopt a Conflict of Interest Code; and,

WHEREAS, Government Code Section 87200 requires that public officials who manage public investments file a full disclosure Form 700, and that they are not included as designated employees under the Conflict of Interest Code, but rather included on a separate exhibit to it; and,

WHEREAS, it is necessary for the District to periodically update its Conflict of Interest Code, with the last update in 2012, for review by the District’s code filing body, the Monterey County Board of Supervisors; and,

WHEREAS, a review of said Code has indicated the list of Designated Positions set forth on Exhibit A should be revised; and,

WHEREAS, the existing Exhibit B (Disclosure Category) is now Exhibit C, and a list of the Designated Positions filing under Section 87200 will now be set forth as a new Exhibit B; and,

WHEREAS, the Fair Political Practices Commission describes a Designated Employee as an officer, employee, member or consultant of an agency whose position is designated in the code because the position entails the making or participation in the making of governmental decisions that may foreseeably have a material effect on any financial interest; and,

WHEREAS, the District wishes to add the position titles of Human Resource/Customer Service Manager, Water Conservation Specialist III, and Lab Supervisor to the list of Designated Positions set forth on Exhibit A to the District’s Conflict of Interest Code; and,

WHEREAS, the District wishes to remove the positions of Members of the Board of Directors, General Manager, and Director of Administrative Services from the list of Designated Positions in Exhibit A and place them under the list of Designated Positions filing under Section 87200 in Exhibit B.

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

1. Amend the Marina Coast Water District Conflict of Interest Code to add the position titles of Human Resource/Customer Service Manager, Water Conservation Specialist III, and Lab Supervisor to the list of Designated Positions set forth on Exhibit A to the District's Conflict of Interest Code, in the form attached to this Resolution; and,
2. Amend the Marina Coast Water District Conflict of Interest Code to move the positions of Members of the Board of Directors, General Manager, and Director of Administrative Services from the list of Designated Positions in Exhibit A and place them under the list of Designated Positions filing under Section 87200 in Exhibit B to the District's Conflict of Interest Code, in the form attached to this Resolution.

PASSED AND ADOPTED on August 1, 2016, 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. 2016-42 adopted August 1, 2016.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: August 1, 2016

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive and File the Check Register for the Month of June 2016

Staff Recommendation: The Board of Directors receive and file the June 2016 expenditures totaling \$1,432,677.18.

Background: *2015 Strategic Plan, Objective No. 3 – Our objective is to manage public funds to assure financial stability, prudent rate management and demonstrate responsible stewardship. Our fiscal strategy is to forecast, control and optimize income and expenditures in an open and transparent manner. We will efficiently use our financial resources to assure availability to fund current and future demands.*

Discussion/Analysis: These expenditures were paid in June 2016 and the Board is requested to receive and file the check register.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Expenditures are allocated across the six cost centers; 01-Marina Water, 02-Marina Sewer, 03- Ord Water, 04-Ord Sewer, 05-Recycled Water, 06-Regional Water.

Other Consideration: None.

Material Included for Information/Consideration: June 2016 Summary Check Register.

Action Required: Resolution 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: 8-C

Meeting Date: August 1, 2016

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of July 5, 2016

Staff Recommendation: The Board of Directors approve the draft minutes of the July 5, 2016 regular Board meeting.

Background: *2015 Strategic Plan, Mission Statement – We Provide 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.*

Discussion/Analysis: The draft minutes of July 5, 2016 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Financial Impact: ___Yes __X___No Funding Source/Recap: None

Other Considerations: The Board can suggest changes/corrections to the minutes.

Material Included for Information/Consideration: Draft minutes of July 5, 2016.

Action Required: ___Resolution __X___Motion ___Review

Board Action

Motion By_____ Seconded By_____ No Action Taken_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: August 1, 2016

Prepared By: Paul Lord
Reviewed By: Jean Premutati

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2016-43 to Declare Water Conservation Stage 2

Staff Recommendation: The Board of Directors adopt Resolution No. 2016-43 to declare water conservation Stage 2.

Background: *2016 Strategic Plan – We will review and update our water conservation program.*

On November 3, 2014, in response to the State Water Resources Control Board's (SWRCB) Emergency Mandatory Water Conservation Regulations, that went into effect on July 29, 2014, the District declared Stage 3 mandatory water use restrictions would go into effect. At that time, the District moved from Stage 1 to Stage 3 water use restrictions because the SWRCB's regulations mandated that local water districts declare a stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water. The Stage 3 water use restrictions adopted by the District met that mandate by restricting the permitted landscape watering days to only Wednesdays and Saturdays.

On May 18, 2016, in recognition of differing water supply conditions across the state, the SWRCB approved a new, temporary and optional statewide water conservation approach that replaces the prior mandatory percentage reduction-based water conservation standard with an optional, localized "stress test" approach (an analysis of their water supply/demand balance). For water purveyors, like the Marina Coast Water District, that choose the option to forego the "stress test" and to not declare an estimate of water supply deficit, the existing conservation standard applies through the end of January 2017, when new water use efficiency targets may be announced if the drought persists. For Marina Coast Water District, the existing conservation standard is a cumulative 11% reduction in water production compared to 2013 levels.

In response to the drought, and since Governor Brown's April 1, 2015 Executive Order mandating a state-wide 25% water use reduction by users, the District's customers have achieved unprecedented water conservation. District water production has been reduced 32% cumulatively since June 2015 compared to usage during the same months in 2013. As of the end of June, the District has far exceeded the adjusted, state mandated conservation standard of 11% in each of the past thirteen months. In addition, the District has exceeded its own Stage 3 reduction goal of 30% in ten of the past thirteen months.

Although there has been significant growth in our service area over the past few years, water production, water consumption, and gallons per capita daily (GPCD) usage are all illustrated by downward trend lines. In 2015, water production was down 22.5% compared to 2008. GPCD

has been dropping, and the 2015 GPCD figure of 89 surpasses the State mandated 2020 target of 117 GPCD by 23.9%.

The District's current water supply is produced through groundwater pumping from the large Salinas Valley Groundwater Basin. Supply availability from this basin has not historically varied due to short term hydrologic conditions. Throughout this statewide drought period, the District's water production has remained steady, and reliable. The District's water supply is not experiencing a severe or moderate water shortage that requires demand reductions of 25% to 35% as targeted in Stage 3 of the District's Water Shortage Contingency Plan.

As a result of four years of heightened water conservation education and targeted conservation programs, the SWRCB estimates that suppliers and their customers will continue to save water in response to the extended regulation from June 2016 through January 2017. It is believed that customers have learned to become more efficient water users, and that water use levels should continue to be lower than in past years.

Since the new Emergency Regulations no longer require each urban water supplier to implement a stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water, and because Stage 2 is still expected to far exceed conservation goals, staff is recommending a declaration of Stage 2 voluntary water use restrictions, with a Demand Reduction Goal of 20% and no mandatory restrictions on landscape watering.

At the past two monthly Water Conservation Commission meetings, commissioners considered staff's proposal that a recommendation be made to the Board of Directors to adopt Stage 2 water use restrictions. The Commissioners expressed concerns of a possible increase in landscape water use without the mandatory two day per week restrictions. Therefore, they recommended that the District take no action at this time, and continue with the existing mandatory Stage 3 water use restrictions until February of 2017, when the SWRCB is scheduled to announced new water use efficiency targets. Since Stage 3 was adopted to meet State requirements, and since those State requirements have been lifted and conservation goals are expected to far exceed targets at Stage 2, staff's recommendation is to instead go to Stage 2 and re-evaluate any changes once the SWRCB announces any changes in the future.

Environmental Review Compliance: None required.

Financial Impact: ___ Yes X No Funding Source/Recap: None

- Other Considerations:
1. Remain at Stage 3 mandatory restrictions with no changes
 2. Increase Stage 3 permitted landscape watering days from two to three

Material Included for Information/Consideration: Resolution No 2016-43; Water Production and Consumption Charts and Graphs and, the current District Water Shortage Contingency Plan, adopted July 6, 2015.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

August 1, 2016

Resolution No. 2016-43
Resolution of the Board of Directors
Marina Coast Water District
Declaring Water Conservation Stage 2 as Allowed by the State Water Resource Control Board's
Emergency Mandatory Water Conservation Regulations

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("MCWD"), at a regular meeting duly called and held on August 1, 2016, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on May 9, 2016, Governor Brown issued Executive Order B-37-16 calling on the Water Board to adjust emergency water conservation regulations through the end January 2017 in recognition of differing water supply conditions across the state; and,

WHEREAS, under the May 5, 2015 emergency regulation, as revised February 2, 2016, the Marina Coast Water District has reduced potable water production thirty-two percent cumulatively since June of 2015 compared to usage during the same months in 2013; and,

WHEREAS, the District water production savings have far exceeded the mandated eleven percent conservation standard assigned to the District under the emergency regulations; and,

WHEREAS, the State Water Resources Control Board estimates that suppliers and their customers will continue to save water in response to the extended regulation from June 2016 through January 2017; and,

WHEREAS, the District's current water supply is produced through groundwater pumping from the large Salinas Valley Groundwater Basin and supply availability from this basin has not historically varied due to short term hydrologic conditions; and,

WHEREAS, the District' water supply is not experiencing a severe water shortage; and,

WHEREAS, the Emergency Regulations no longer specifically requires each urban water supplier to implement a stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water; and,

WHEREAS, a declaration of Stage 2 voluntary water use restrictions is expected to far exceed the conservation goals of the District.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby declare a Water Conservation Stage 2 under the District's Water Shortage Contingency Plan.

PASSED AND ADOPTED on August 1, 2016 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, Deputy Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2016-43 adopted August 1, 2016.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: August 1, 2016

Prepared by: Michael Wegley

Approved by: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2016-44 to Approve The First Amendment to The Property Transfer and Hydrant Maintenance Agreement with the City of Marina and the Monterey Regional Water Pollution Control Agency

Staff Recommendation: That the Board of Directors Adopt Resolution No. 2016-44 to approve The First Amendment to the Property Transfer and Hydrant Maintenance Agreement with the City of Marina and the Monterey Regional Water Pollution Control Agency and for the payment of \$9,516.67 to the City of Marina relieving the Marina Coast Water District of Storm Drain Maintenance.

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.”*

On July 14, 1992, the Marina Coast Water District (MCWD) entered into an Agreement with the City of Marina (City) and the Monterey Regional Water Pollution Control Agency (MRWPCA, formerly the Monterey Regional Water Pollution Management District) for the Central Marina Wastewater System. The Agreement provided for the transfer of property ownership for the Percolation Lot identified as 180 Reservation Road from the City to the MRWPCA for the construction of a new sewer pump station. MRWPCA owns and operates the pump station serving Central Marina. The agreement also assigned MCWD maintenance responsibilities for all public fire hydrants within the City.

The agreement similarly recognized that the property to be transferred was a working percolation basin and a new drainage system would be installed by the MRWPCA to divert the basin drainage to Locke Paddon Park. The design and construction of the storm water system improvements (i.e., the “Existing Drainage System” in the proposed Amendment) was included in the 1992 design plans for the Pump Station constructed on the percolation lot. Under the agreement, MCWD became responsible for maintenance of the Existing Drainage System. The Agreement further provided for the subsequent construction of an alternate system (i.e., the “Alternative Drainage System” in the proposed Amendment) to the Existing Drainage System to be constructed in the future to eliminate the diversion of flows into Locke Paddon Park.

The Reservation Road roundabout construction project undertaken by the City of Marina included improvements to the drainage system on Reservation Road from Del Monte to north of Seaside Circle. The project presented an opportunity to replace and modify the Existing Drainage System. However, it lacked an infiltration gallery to eliminate the diversion of flows into Locke Paddon Park that would complete the Alternative Drainage System.

Discussion/Analysis: The proposed Amendment sets forth the maintenance responsibilities for the Alternative Drainage System in respects to the City's property and MRWPCA's property. The First Amendment will relieve MCWD of any further maintenance responsibilities for the Existing or Alternative Drainage Systems. The cost of the infiltration pipe basin is \$28,550 to be equally divided between the City, MCWD and MRWPCA. Given that a majority of the cost for the Alternate Storm Drain was absorbed by the roundabout project, MCWD's share of \$9,516.67 is a worthwhile expenditure to relieve the District of the liability and risk exposures associated with storm drain maintenance resulting from the 1992 Agreement.

Financial Impact: Yes No Funding Source/Recap: The Marina Sewer Administrative Services Department budget will fund MCWD's share of \$9,516.77.

Other Considerations:

1. Refer back to staff with direction
2. Continue to a future meeting (date and time to be specified in the motion)

Material Included for Information/Consideration: Resolution No. 2016-44; First Amendment to Property Transfer and Hydrant Maintenance Agreement; City of Marina Staff Report to Council.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

August 1, 2016

Resolution No. 2016-44
Resolution of the Board of Directors
Marina Coast Water District
Approving The First Amendment
to the Property Transfer and Hydrant Maintenance Agreement
With the City of Marina and The Monterey Regional Water Pollution Control Agency

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 1, 2016, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on July 14, 1992, the Marina Coast Water District (MCWD) entered into an Agreement with the City of Marina (City) and the Monterey Regional Water Pollution Control Agency (MRWPCA, formerly the Monterey Regional Water Pollution Management District) for the Central Marina Wastewater System; and,

WHEREAS, the Agreement provided for the transfer of property ownership for the Percolation Lot identified as 180 Reservation Road from the City to the MRWPCA for the pump station serving Central Marina MRWPCA owns and operates; and,

WHEREAS, the Agreement provided for the design and construction of the storm water system improvements in the 1992 design plans for the Pump Station constructed on the percolation lot referred to as the “Existing Drainage System”; and,

WHEREAS, the Agreement assigned storm drainage maintenance responsibilities to MCWD for the Existing Drainage System and the District is legally obligated for flooding and stormwater pollution control arising from maintenance of the storm drain; and,

WHEREAS, the Agreement provided for the subsequent construction of an alternate system (i.e., the “Alternative Drainage System” in the proposed Amendment) to the Existing Drainage System to be constructed in the future to eliminate the diversion of flows into Locke Paddon Park; and,

WHEREAS, the City of Marina replaced and modified a major portion of the Existing Drainage System for the Reservation Road Roundabout construction project contributing toward construction of the “Alternative Drainage System”; and,

WHEREAS, an essential element for the completion of the Alternative Drainage System is an infiltration gallery to eliminate diversion flows into Locke Paddon Park.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby Adopt Resolution 2016-44 to approve The First Amendment to the Property Transfer and Hydrant Maintenance Agreement with the City of Marina and the Monterey Regional Water Pollution Control Agency and for the payment of \$9,516.67 to the City of Marina relieving the Marina Coast Water District of Storm Drain Maintenance.

PASSED AND ADOPTED on August 1, 2016, 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. 2016-44 adopted August 1, 2016.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: August 1, 2016

Submitted By: Brian True

Approved By: Keith Van Der Maaten

Reviewed By: Michael Wegley

Agenda Title: Consider Adoption of Resolution No. 2016-45 to Amend the Professional Services Agreement with Harris & Associates for Inspection and Construction Support Services for the Dunes on Monterey Bay Development Phase 1C-1, 1B and 1C-2

Staff Recommendation: The Board adopt Resolution No. 2016-45 amending the Professional Services Agreement with Harris & Associates for the Dunes on Monterey Bay Development Phase 1C-2 to provide remaining inspection and construction support services for Phases 1B and 1C-1.

Background: *Strategic Element No. 2 Infrastructure – Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District standards.*

The Dunes on Monterey Bay began development (the construction work) in 2006 with much of the activity placed “on-hold” in 2008. Since that time, all phases of the past work have recommenced with many project elements being completed as of this date.

The Board of Directors adopted Resolution No. 2010-22 on April 13, 2010 authorizing a Professional Services Agreement with Harris & Associates (Harris) to provide engineering consulting services, construction management support and on-call inspections for the initial phases of the Dunes on Monterey Bay. The Board of Directors adopted Resolution No. 2015-48 on October 5, 2015 authorizing an Amendment to the Harris contract for an amount not to exceed \$120,000 to provide inspection and construction support services for the Dunes on Monterey Bay Phase 1B and 1C-1 and directed Staff to issue a Request for Proposals on Phase 1C-2.

Following the competitive proposal process, on February 1, 2016, the Board of Directors adopted Resolution No. 2016-03 authorizing a Professional Services Agreement with Harris to provide engineering consulting services, construction management support and on-call inspections for Phase 1C-2 in an amount not-to-exceed \$187,898.

Discussion/Analysis: The resources from the \$120,000 for Phases 1B and 1C-1 from the original PSA from 2010 and several amendments that followed have been consumed. Staff is recommending to not continue to further amend the prior 2010 agreement, but to move forward with this remaining work for 1B1 and 1C-1 under the current contract for 1C-2 prompting this request for an amendment to include the remaining work on Phase 1B and 1C-1 within the current contract for 1C-2. This is anticipated to see the projects through completion.

The Board of Directors is requested to authorize an amendment to the original 2016 Professional Services Agreement (PSA) with Harris for Phase 1C-2 to provide remaining inspection and construction support services for the Dunes on Monterey Bay Phase 1B and 1C-1 development projects. The amendment is to add an additional \$72,000 to the contract for a total contract not-to-exceed amount of \$259,898 and is to be paid for entirely by the Developer (Marina Community Partners and Shea Homes). The Developer and MCWD staff agree that contract inspection and construction support labor is warranted due to the large but temporary work-load needed to support the on-going construction work.

Specific scope elements with this amendment include: inspection and observation of sanitary sewer system testing for pipeline leakage, pipeline deflection, and manhole leakage; inspection of any new sanitary sewer infrastructure installed or repaired; inspection and observation of potable and recycled water systems testing for pipeline acceptance; inspection of any new water system infrastructure installed or repaired; inspection and observation of the potable water system disinfection and sampling procedures; preparing a final report compiling the inspection results and providing a recommendation regarding the suitability of the infrastructure for ownership by MCWD; verifying the landscape and conservation process compliance; and reviewing meter requests and conducting walk-throughs of all structures to receive water meters.

The development projects termed Dunes 1B and Dunes 1C-1, the subjects of this inspection and construction support contract amendment, are currently at different levels of progress. Dunes 1C-1 is nearly complete; MCWD has accepted ownership of the water, recycled water, and sanitary sewer infrastructure serving the 1C-1 project area. Remaining work includes installing the last 30 potable water meters (roughly, out of a total of 118) and installing landscapes in a manner consistent with MCWD standards. Of the \$72,000 amendment requested, \$22,050 is planned for use in completing Dunes 1C-1.

Dunes 1B is close behind Dunes 1C in progress and is advancing steadily. The construction work is largely complete. The remaining work for Dunes 1B entails compiling and accepting As-Builts, confirming adequate easements, preparing a final report compiling the inspection results and providing a recommendation regarding the suitability of the infrastructure for ownership by MCWD, and verifying the landscape and conservation process compliance. Of the \$72,000 amendment requested, \$49,484 is planned for use in completing Dunes 1B.

Harris & Associates has provided excellent on-going inspection and construction support services for MCWD. They maintain a local office in the City of Salinas with assigned project personnel present locally. District staff have reviewed the proposed scope of work and fee estimate for this planned amendment and find that the scope is reasonable. The rates are comparable and competitive with other engineering firms providing services to MCWD based on general industry standards.

This proposed PSA amendment will be paid for entirely by the Developer through the existing well-established large development accounting procedure. Prior to Harris & Associates performing any work under this amendment, the Developer will be required to have the amendment amount or a substantial percentage thereof on deposit with MCWD and held in the Dunes on Monterey Bay development account. At no time will payments be made to Harris without corresponding resources in-hand from the Developer to cover the expense. The contract amendment is on a time and materials expense basis.

Environmental Review Compliance: Not Applicable; this action amending a Professional Services Agreement is not a “project” under the California Environmental Quality Act (CEQA).

Financial Impact: _____Yes X No Funding Source/Recap: There is no financial impact to the MCWD from this action; the Developer will be required to resource the entire amendment amount through deposited funds with MCWD in advance of payment to Harris & Associates.

Other Considerations: None – this amendment is a continuation of on-going work.

Material Included for Information/Consideration: Resolution No. 2016-45.

Action Required: X Resolution _____Motion _____Review
(Roll call vote is required.)

Board Action

Motion By_____ Seconded By_____ No Action Taken_____

Ayes_____ Abstained_____

Noes_____ Absent_____

August 1, 2016

Resolution No. 2016 – 45
Resolution of the Board of Directors
Marina Coast Water District
Amending the Professional Services Agreement with
Harris & Associates for Inspection and Construction Support Services for the
Dunes on Monterey Bay Phases 1C-1, 1B and 1C-2 Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 1, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Marina Community Partners and Shea Homes (“Developer”) have coordinated with MCWD on their Dunes on Monterey Bay Development Phases 1B and 1C-1 consisting of the new construction and related infrastructure on the Former Fort Ord lands within Monterey County, CA; and,

WHEREAS, the District and the Developer are working cooperatively regarding proposed water, recycled water and sewer system improvements and the District and the Developer have entered into an Infrastructure Agreement for the Dunes 1B and Dunes 1C-1 phases of their development project; and,

WHEREAS, the District and the Developer agree that outside assistance for inspection and construction support labor is warranted to achieve the objective of transferring ownership of infrastructure to the District and that the Developer will pay for the inspection services as required by the Infrastructure Agreements; and,

WHEREAS, Harris & Associates has an existing contractual relationship with the District, they have long association with local jurisdictions in similar capacities, and Harris & Associates maintains a local office; and,

WHEREAS, the MCWD Board of Directors authorized the previous contract amendment with Harris & Associates for \$120,000 to provide inspection and construction support services for the Dunes 1B and 1C-1 development projects through the adoption of Resolution 2015-48 on October 5, 2015; and,

WHEREAS, following a competitive proposal process, on February 1, 2016, the Board of Directors adopted Resolution No. 2016-03 authorizing a Professional Services Agreement with Harris to provide engineering consulting services, construction management support and on-call inspections for Phase 1C-2 in an amount not-to-exceed \$187,898; and,

WHEREAS, the resources from the \$120,000 for Phases 1B and 1C-1 from the original PSA from 2010 and several amendments to the agreement that followed have been consumed and additional work is required to complete Phase 1B and 1C-1 in an amount not-to-exceed \$72,000; and,

WHEREAS, staff is recommending to not continue to amend the prior 2010 agreement, but to move forward with this remaining work under the current contract for 1C-2 prompting a request for an amendment to include the remaining work on Phase 1B and 1C-1 within the current contract for 1C-2; and,

WHEREAS, District staff finds that the Harris & Associates current scope and fee proposal to conduct the work is reasonable, their charge rates are comparable to other engineering firms providing services to the District and their charge rates are competitive based on general industry-wide standards.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager and/or District Engineer to execute an amendment to the Professional Services Agreement with Harris & Associates for inspection and construction support services to the Dunes on Monterey Bay Development to include:

1. Amending the agreement for Phase 1C-2 to include a scope of remaining work for Phase 1B and 1C-1, and,
2. Adding an additional \$72,000 for Phases 1B and 1C-1, for a total dollar amount not-to-exceed \$259,898 for all work under the agreement for Phases 1B, 1C-1, and 1C-2 and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on August 1, 2016 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. 2016-45 Adopted August 1, 2016.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-A

Meeting Date: August 1, 2016

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Receive an Update on the Developer Account Report

Staff Recommendation: The Board of Directors receive an update on the quarterly Development Account Report.

Background (includes Prior Board Action and Goals/Objectives): *Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District standards.*

The quarterly development account report contains deposits on-hand and balances due for aged accounts going as far back as 2006. Vice President Moore requested ideas on how to collect fees on delinquent accounts at the June 6th Board Meeting.

Discussion/Analysis: Staff is undertaking a two-fold process to take care of past development account delinquencies and to eliminate getting into the same position with new projects. Most development accounts start out with a deposit for review and approval of proposed project plans and engineering designs, studies, reports and calculations well in advance of paying capacity fees and establishing an account for service.

The past practice for projects without an infrastructure agreement was to accept an initial deposit towards the estimated review cost without an enforceable agreement or some other security deposit. The problem occurs when the review cost exceed the deposit and the project applicant fails to replenish the deposit to continue the process with a balance due. This is often the case with projects that languish inactive or outright abandoned. The account becomes delinquent.

Delinquent and inactive development accounts are unsecured debts difficult to collect on. It is not possible to lien a property in the event of nonpayment for development projects in this situation. It becomes necessary to withhold water meter installation until a final payment is received as the District's only recourse. Old delinquent accounts that are uncollectable due to business failures and abandoned projects will have to be written off. Languishing deposits on-hand will have to be returned or revert to the State in accordance with escheat laws.

For new incoming projects, staff is revising the development application, deposit and fee collection process to bring about better control over deposit deficits before they occur and improve collections ability in the event new accounts turn delinquent. Proposed changes will be brought to the Board for consideration with the 4th Quarter Developer Account Update.

Marina Coast Water District
Staff Report

Agenda Item: 10-B

Meeting Date: August 1, 2016

Prepared By: Kelly Cadiente, and Paul Lord

Approved By: Keith Van Der Maaten

Agenda Title: 2nd Quarter 2016 MCWD Water Consumption and Sewer Flow Reports

Summary: The Board of Directors is requested to receive the 2nd Quarter 2016 District Water Consumption and Sewer Flow Report. Quarterly water consumption reports of the Ord Community have been submitted to the Board since 2006 and is organized by land-use jurisdiction. Reports submitted in 2016 include the consumption information for Central Marina as well. Also, included with the report is a variance report to explain some of the differences in consumption for the various subdivisions.

This staff report also includes tracking information on sewer flows through the Monterey Regional Water Pollution Control Agency's (MRWPCA) Fort Ord and Marina pump stations. Central Marina sanitary sewer flows for the quarter ended June 30, 2016 was 99.848-million-gallons which yielded an average daily sewer flow of 1.0972-million-gallons-per-day (MGD). The Ord Community sanitary sewer flows for the quarter ended June 30, 2016 was 76.837-million-gallons which yielded an average daily sewer flow of 0.844-million-gallons-per-day (MGD).

The Ord Community's sanitary sewer flow to the Monterey Regional Water Pollution Control Agency (MRWPCA) interceptor system is measured by a District flume structure located adjacent to the retired Main Garrison wastewater treatment plant.

The District maintains sewage conveyance capacity within the Ord Community equivalent to 3.3-MGD. The 3.3-MGD capacity managed by the District is further divided into 1.1-MGD for use by the US Army and 2.2-MGD for use by others in the Ord Community.

Below are informational annotations for the data included in the report:

- Unmetered water use was calculated based on 0.33 acre feet (AF) per equivalent dwelling units (EDU) for years 2007 through 2014.
- Unmetered water use was calculated based on 0.28AF per EDU for years 2015 and 2016 as a result of the updated Urban Water Management Plan approved by the Board June 6, 2016.
- The rainfall total for the 2nd quarter of 2016 (April, May, June) in Marina was 0.82 inches. This amount of rainfall is 0.87 inches lower than the historical quarterly average rainfall of 1.69 inches. For the 2015-16 Rain Year to date (July-June), 18.87 inches of precipitation fell compared to the normal amount of 15.38 inches.
- The measured reference evapotranspiration rate (South Salinas) for the 2nd quarter was 16.04 inches, 0.68 inches higher than the historical quarterly average of 16.72 inches.