



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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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, September 19, 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, September 14, 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
- C. Pursuant to Government Code Section 54956.9(d)(4)
Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation – One Potential Case

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. Presentations

- A. Consider Adoption of Resolution No. 2016-56 in Recognition of Ernest Pons, Customer Service Supervisor, and Award a Plaque and Gift Certificate for 10 Years of Service to the Marina Coast Water District
- B. Consider Adoption of Resolution No. 2016-57 in Recognition of Joseph Russell, Meter Reader, and Award a Plaque and Gift Certificate for 5 Years of Service to the Marina Coast Water District

9. 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. Receive and File the Check Register for the Month of August 2016
- B. Approve the Draft Minutes of the Regular Board Meeting of September 6, 2016

10. 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. 2016-58 to Approve Amending the Funding of the Construction of Building E at 940 2nd Avenue within the Imjin Office Park

Action: The Board of Directors will consider amending the funding of the construction of Building E at 940 2nd Avenue within the Imjin Office Park.

- B. Consideration of District Comments to the 2015/2016 Monterey County Civil Grand Jury Final Report – “Striving for Sustainability”

Action: The Board of Directors will review and consider approving District comments to the Monterey County Civil Grand Jury 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. Board Member Requests for Future Agenda Items

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

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

*Regular Meeting: Monday, October 17, 2016, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: September 19, 2016

Prepared By: Jean Premutati

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2016-56 in Recognition of Ernest Pons, Customer Service Supervisor, and Award a Plaque and Gift Certificate for 10 Years of Service to the Marina Coast Water District

Staff Recommendation: The Board of Directors adopt Resolution No. 2016-56 recognizing Ernest Pons, Customer Service Supervisor, and awarding a plaque and gift certificate for his ten-years of service.

Background: *2016 Strategic Element 5.1 – Recruit and Retain a High Performing, Engaged Workforce.*

Discussion/Analysis: Ernest began his employment with the District on August 16, 2006. As the department Supervisor, he oversees the day-to-day operations of the billing and customer service activities of the District including troubleshooting problems that require special handling and responding to customer inquiries. Ernest strives to ensure the service customers receive is always accurate, thorough and professional.

Ernest has been instrumental in developing a Customer Service Procedures Manual for use as a reference and training tool to ensure continuity of service to our ratepayers.

Ernest has been successful in developing a collection tracking process which has assisted in reducing the outstanding balance of accounts sent to collections over 80% since fiscal year 2007. In addition, during the 2015 upgrade to our utility software, Springbrook, Ernest was diligent in handling the frequent glitches that arose and assisted the Customer Service department staff in making the transition easier.

Prior to hiring an IT consultant, Ernest frequently assisted District staff with technology issues.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Expenditures for plaque and gift certificate are allocated across all four cost centers from the Hospitality & Awards account.

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2016-56.

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

Board Action

Motion By _____

Seconded By _____

Ayes _____

Abstained _____

Noes _____

Absent _____

September 19, 2016

Resolution No. 2016 - 56
Resolution of the Board of Directors
Marina Coast Water District
Recognizing Ernest Pons, Customer Service Supervisor, and
Awarding a Plaque and Gift Certificate for 10 Years of Service to MCWD

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 19, 2016, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Ernest Pons joined the District August 16, 2006 and was hired as the Customer Service Supervisor; and,

WHEREAS, Ernest's accomplishments include the implementation of a collection tracking process to reduce the outstanding balance on accounts sent to collections and creation of the Department Procedures Manual to ensure continuity of service to our ratepayers.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and recognizes Ernest Pons for ten years of service to the Marina Coast Water District, presents him with a plaque and gift certificate, and wishes him continued success with the District.

PASSED AND ADOPTED on September 19, 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. 2016-56 adopted September 19, 2016.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: September 19, 2016

Prepared By: Ernest Pons

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2016-57 in Recognition of Joe Russell, Meter Reader, and Award a Plaque and Gift Certificate for 5 Years of Service to the Marina Coast Water District

Staff Recommendation: The Board of Directors is requested to adopt a resolution in recognition of Joe Russell, Meter Reader, and award a plaque and gift certificate for 5 years of service to the Marina Coast Water District.

Background: *2016 Strategic Element 5.1 – Recruit and Retain a High Performing, Engaged Workforce.*

Discussion/Analysis: Joe Russell began working for the District on September 6, 2011 as a Meter Reader. While not a requirement of the job, Joe passed the State of California Department of Public Health Grade DI Water Distribution Operator certification exam in December 2013. Joe also received his State Water Resources Control Board T1 Treatment Operator certificate in February 2015 and Grade D2 Water Distribution Operator certification in November 2015.

Joe's work has been carrying the meter reading workload all by himself as the District's single Meter Reader since January 2013. His work has become increasingly more challenging as new construction has picked up, requiring the installation of 110 new meters at East Garrison and the Dunes in recent months. In addition, Joe reads meters for over 8,000 customers, turning water on and off as required, and various other routine and ad hoc maintenance tasks.

In recent months, the Meter Reader position was moved from the Operations & Maintenance department to the Customer Service department in order to ensure enhanced communication and a more efficient workflow.

The District is grateful for Joe's diligence and hard work, thanks him for five years of service and wishes him continued success with the District.

Environmental Review Compliance: None required.

Financial Impact: X Yes No Funding Source/Recap: Hospitality and Awards account numbers for all four cost centers.

Other Considerations: None.

Materials Included for Information/Consideration: Resolution No. 2016-57.

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

Board Action

Motion By _____

Seconded By _____

Ayes _____

Abstained _____

Noes _____

Absent _____

September 19, 2016

Resolution No. 2016-57
Resolution of the Board of Directors
Marina Coast Water District
Recognizing Joe Russell, Meter Reader, and
Awarding a Plaque and Gift Certificate for 5 Years of Service to
Marina Coast Water District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 19, 2016, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Joe Russell joined the District on September 6, 2011 and was hired as a Meter Reader; and,

WHEREAS, Joe’s accomplishments include passing the State of California Department of Health Grade 1 and Grade 2 Water Distribution Operator certification and the State Water Resources Control Board Treatment 1 Operator certification; and,

WHEREAS, Joe has worked as the sole Meter Reader for the District for over three years for over 8,000 customers, turning water on and off, reading meters, installing new meters and changing out registers as required; and,

WHEREAS, Joe has moved from the Operations & Maintenance department to the Customer Service department and is a welcome addition as processes are improving and there is more efficient workflow.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and recognizes Joe Russell for five years of service to the Marina Coast Water District, presents him with a plaque and gift certificate, and wishes him continued success with the District.

PASSED AND ADOPTED on September 19, 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. 2016-57 adopted September 19, 2016.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9

Meeting Date: September 19, 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: *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) Receive and File the Check Register for the Month of August 2016
- B) Approve the Draft Minutes of the Regular Board Meeting of September 6, 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: Check register for August 2016; and, draft minutes of September 6, 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: 9-A

Meeting Date: September 19, 2016

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

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

Staff Recommendation: The Board of Directors receive and file the August 2016 expenditures totaling \$677,284.40.

Background: *2016 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 August 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: August 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: 9-B

Meeting Date: September 19, 2016

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of September 6, 2016

Staff Recommendation: The Board of Directors approve the draft minutes of the September 6, 2016 regular Board meeting.

Background: *2016 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 September 6, 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 September 6, 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: 10-A

Meeting Date: September 19, 2016

Submitted By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2016-58 to Approve Amending the Funding of the Construction of Building E at 940 2nd Avenue within the Imjin Office Park

Staff Recommendation: The Board of Directors adopt of Resolution No. 2016-58 to approve amending the funding of the construction of Building E at 940 2nd Avenue within the Imjin Office Park.

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 November 13, 2012, the Board adopted Resolution No. 2012-77 authorizing the General Manager to take any and all actions necessary to provide a conditional commitment to the General Services Administration (GSA) to construct an Imjin Office Park Building to house the Bureau of Land Management's (BLM) regional office. On April 1, 2013 the Board adopted Resolution No. 2013-26, authorizing an agreement with Rabobank, N.A. to provide a loan in the amount of \$2,500,000 to fund construction of office Building E and site improvements within the Imjin Office Park Project and the use of District Reserves to fund the soft costs in the amount of \$600,000 of the project; on November 17, 2014, the Board adopted Resolution No. 2014-46 authorizing a construction contract with Dilbeck & Sons Inc. to construct Building E at 940 Imjin Office Parkway, authorizing the General Manager to execute a loan in the amount of \$3,452,480 with Rabobank for said construction and authorizing the General Manager to execute GSA lease amendments 1&2.

Upon authorization of the Board to fund the construction of Building E with a loan from Rabobank, N.A., the bank, as part of the lending process, obtained an appraisal of the project from an independent appraiser. The appraised value of the project came in substantially lower than anticipated. Because the construction loan was dependent on the appraised value of the project (\$3,470,000), the maximum construction loan amount was \$2,776,000 or 80% of the appraised value. In order to fully fund construction, Rabobank, N.A. proposed using three separate lending facilities to fund the project which was approved by the Board through the adoption of Resolution No. 2015-21 on May 9, 2015. The three lending facilities are 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 GSA'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 funding the contingency balance not funded from the previously listed lending facilities.

Discussion/Analysis: On July 20, 2016, staff received notification that Rabobank (Bank) 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 is offering to term out the loan via a conventional fixed rate loan. The fixed rate will 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%. As of September 12, 2016, the 10-year Treasury was 1.68% and the 10-year LIBOR SWAP rate was 1.51%. If the District was able to convert on that day, the all in rate would be 4.01%: (1.68% 10-year Treasury + 2.33%) or (1.51% 10-year LIBOR SWAP +2.50%).

However, the Bank cannot 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 require 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 will increase by the end of September.

Staff therefore, recommends that the Board approve amending the funding of the construction of Building E at 940 2nd Avenue.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: None.

Other Considerations: None

Material Included for Information/Consideration: Resolution No. 2016-58; and, Rabobank, N.A. notification letter dated July 20, 2016.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

September 19, 2016

Resolution No. 2016 - 58
Resolution of the Board of Directors
Marina Coast Water District
Approve Amending the Funding of the Construction of Building E at 940 2nd Avenue
Within the Imjin Office Park

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 19, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on November 17, 2014, the Board adopted Resolution No. 2014-46 authorizing a construction contract with Dilbeck & Sons Inc. to construct Building E at 940 Imjin Office Parkway, authorizing the General Manager to execute a loan in the amount of \$3,452,480 with Rabobank for said construction and authorizing the General Manager to execute GSA lease amendments 1&2; and,

WHEREAS, upon authorization of the Board to fund the construction of Building E with a loan from Rabobank, N.A., (the Bank), as part of the lending process, obtained an appraisal of the project from an independent appraiser. The appraised value of the project came in substantially lower than anticipated. Because the construction loan is dependent on the appraised value of the project (\$3,470,000), the maximum construction loan amount is \$2,776,000 or 80% of the appraised value; 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. Rabobank, N.A. had proposed using three separate lending facilities for a total of \$3,452,480; 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, to remedy the situation, the Bank is offering to term out the loan via a conventional fixed rate loan. The fixed rate will 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% and will include a prepayment penalty clause.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District adopts Resolution No. 2016-58, to authorize an amendment to the agreement with Rabobank, N.A. to convert the construction loan that funded the construction of office Building E from a 10-year interest rate swap loan (10-year LIBOR SWAP rate plus 2.50%) with no prepayment penalty clause to a conventional fixed rate loan based on the 10-year Treasury rate plus an interest spread that offers the same result as a 10-year interest swap rate loan.

BE IT FURTHER RESOLVED, that the Board of Directors of the Marina Coast Water District also authorizes 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.

PASSED AND ADOPTED on September 19, 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. 2016-58 adopted September 19, 2016.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: September 19, 2016

Prepared By: Keith Van Der Maaten

Approved By: Keith Van Der Maaten

Agenda Title: Consideration of District Comments to the 2015/2016 Monterey County Civil Grand Jury Final Report – “Striving for Sustainability”

Staff Recommendation: That the Board of Directors provide comment on the attached draft letter and the attached responses/comments to the 2015-2016 Monterey County Civil Grand Jury Final Report and authorize the General Manager to submit these documents to the Monterey County Superior Court.

Background: On June 23, 2016, the District received the Monterey County Civil Grand Jury’s Final Report entitled, “Striving for Sustainability”. The District must submit comments on the report as stipulated within the report to the Presiding Judge of the Superior Court within ninety (90) days of its submittal, which is September 22, 2016.

Discussion/Analysis: Staff has prepared a draft letter of response and draft responses/comments for Board review and possible edits.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: None

Other Considerations: Penal Code Section 933 requires a District response to this report so responding is not optional. However, the Board may certainly choose to not use the draft responses included as an attachment to this Transmittal, choosing instead to have the Board prepare a response.

Material Included for Information/Consideration: Attachment 1: Draft letter of response; and, Attachment 2: MCWD’s draft responses/comments to the Monterey County Grand Jury’s Final Report.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____