



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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DIRECTORS

THOMAS P. MOORE
President

JAN SHRINER
Vice President

WILLIAM Y. LEE
HOWARD GUSTAFSON
HERBERT CORTEZ

Agenda

**Regular Board Meeting, Board of Directors
Marina Coast Water District
and**

**Regular Board Meeting, Board of Directors
Marina Coast Water District Groundwater Sustainability Agency**

Marina Council Chambers

211 Hillcrest Avenue, Marina, California

Monday, January 22, 2018, 6:30 p.m. PST

This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the third Monday of each month with workshops scheduled for the first Monday of some months. 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

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 Friday, January 19, 2018. 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.

- 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
- 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 Nos. A145604, A146166, A146405
- 5) Marina Coast Water District vs California-American Water Company, Monterey County Water Resources Agency; and, California-American Water Company, Monterey County Water Resources Agency vs Marina Coast Water District, San Francisco Superior Court Case Nos. CGC-15-547125, CGC-15-546632 (Complaint for Breach of Warranties, etc.)
- 6) 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)
- 7) Marina Coast Water District v, California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. 15CV00267

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 54956.9 (d)(2)
Conference with Legal Counsel – Anticipated Litigation
Significant exposure to 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. Presentation

- A. Consider Adoption of Resolution No. 2018-01 in Recognition and Appreciation of Director Howard Gustafson's Outstanding Service as Board President from December 2014 through December 2017

Action: The Board will consider adopting Resolution No. 2018-01 recognizing Director Howard Gustafson for his outstanding service during his term as President of the Board for the Marina Coast Water District.

- B. Introduction of the District's Newly Hired Operations and Maintenance Superintendent, Derek Cray

Action: The General Manager will introduce Mr. Derek Cray to the Board of Directors and the public.

9. Public Hearing

- A. Public Hearing for the Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation

10. 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 December 2017
- B. Receive the Quarterly Financials for July 1, 2017 to September 30, 2017
- C. Approve the Draft Minutes of the Joint Board/GSA Meeting of December 18, 2017
- D. Adopt Resolution No. 2018-02 to Authorize the General Manager to Execute a Memorandum of Understanding between Monterey One Water and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group
- E. Receive a Report on the Capital Surcharges Assessed on New Ord Community Connections with a Connection Date between July 1, 2005 and July 5, 2014

11. 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. Receive a Presentation of the 2018 Cost Allocation Plan; and Consider Adoption of Resolution No. 2018-03 to Approve the District's 2018 Cost Allocation Plan

Action: The Board of Directors will receive a presentation and consider approving the District's 2018 Cost Allocation Plan.

- B. Receive a Presentation of the 2018 Five-Year Rate Study; and Consider Adoption of Resolution No. 2018-04 to Approve the District's Five-Year Water and Wastewater Rate Study

Action: The Board of Directors will receive a presentation and consider approving the 2018 Five-Year Water and Wastewater Rate Study.

- C. Consider Approval of Proposition 218 Public Notice and Set Date, Time and Location for Public Hearings for Proposed Changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas

Action: The Board of Directors will consider approving the Prop. 218 public notice and setting the date, time and location for public hearings for proposed changes in rates, fees and charges for Marina and Ord Community Service areas.

- D. Consider First Reading of Ordinance No. 60 to Approve New District Rates, Fees and Charges for Marina Water and Wastewater for the Central Marina Service Area

Action: The Board of Directors will consider a First Reading of Ordinance No. 60 approving new District rates, fees and charges for Marina Water and Wastewater for the Central Marina service area.

- E. Consider Adoption of Resolution No. 2018-05 to Adopt the Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation and Direct Staff to File an Application with the Local Agency Formation Commission

Action: The Board of Directors will consider adopting the Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation and direct staff to file an application with the Local Agency Formation Commission.

- F. Consider Adoption of Resolution No. 2018-06 to Amend the Professional Services Agreement with Schaaf & Wheeler for On-Call Services, Master Plan Peer Review and Ord Village Lift Station Design

Action: The Board of Directors will consider approving an amendment to Schaaf & Wheeler's Professional Services Agreement for on-call services.

- G. Consider Adoption of Resolution No. 2018-07 to Approve a Variance to the Application of MCWD Water Code Section 3.36.030.W.2.a for the Junsay Oaks Development Project in the Central Marina Service Area

Action: The Board of Directors will consider whether to provide a variance to Junsay Oaks to the application of MCWD Water Code Section 3.36.030.W.2.a.

- H. Consider Providing Direction Regarding the Call for Nominations of Candidates to Fill Two Special District Seats on LAFCO

Action: The Board of Directors will consider providing direction regarding nomination to the two Special District seats on LAFCO.

12. 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. M1W Board Member Liaison | 12. SVBGSA Liaison |

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):*

*Tuesday, February 20, 2018, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: January 22, 2018

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2018-01 in Recognition and Appreciation of Director Howard Gustafson's Outstanding Service as Board President from December 2014 through December 2017

Staff Recommendation: The Board of Directors approve Resolution No. 2018-01 recognizing and appreciating Director Howard Gustafson for his outstanding service as Board President over the last three years.

Background: *5-Year 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.*

Director Gustafson was first elected to the Board of Directors on November 2, 2004. Since that time, Director Gustafson has contributed significantly to the District by serving on many of the Board Committees over the years. Prior to his latest tenure as Board President, Director Gustafson served as Board Vice President in 2006 and 2012, and Board President in 2007, 2008, 2009.

Description/Analysis: The Board of Directors would like to express its appreciation for Director Gustafson's unselfish commitment, dedication, and his strong leadership in support of the mission and policy governance of the District during his tenure as Board President.

Environmental Review Compliance: None required.

Other Considerations: None.

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

Material Included for Information/Consideration: Resolution No. 2018-01.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

January 22, 2018

Resolution No. 2018-01
Resolution of the Board of Directors
Marina Coast Water District

Recognizing Director Howard Gustafson’s Outstanding Service as Board President
from December 2014 through December 2017

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 22, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Director Howard Gustafson was elected to serve on the Board of Directors on November 2, 2004; and,

WHEREAS, Director Gustafson has contributed significantly to the District by serving on many of the Board Committees over the years. Director Gustafson served as Board Vice President in 2006 and 2012, Board President in 2007, 2008, 2009, and most recently, 2015, 2016, and 2017; and,

WHEREAS, Director Gustafson’s has exhibited unselfish commitment, dedication, and strong leadership in support of the mission and policy governance of the District during his tenure as Board President.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its most sincere gratitude and commends Director Howard Gustafson for his outstanding leadership and dedicated service as President of the Board from December 2014 to December 2017.

PASSED AND ADOPTED on January 22, 2018, 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 _____

Thomas P. Moore, 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. 2018-01 adopted January 22, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: January 22, 2018

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Introduction of the District's Newly Hired Operations and Maintenance Superintendent, Derek Cray

Staff Recommendation: The Board of Directors receive an introduction to the District's Operations and Maintenance Superintendent, Derek Cray.

Background: *5-Year 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.*

Discussion/Analysis: Derek Cray joins the Marina Coast Water District with 17 years of public service work spanning from the cities of Turlock, Ceres and the South San Joaquin Irrigation District. He currently holds both a Water Treatment T5 and Water Distribution D5, along with certifications in Wastewater Collections and Backflow. Derek earned his Bachelors of Science degree in Business Management in 2016. Derek is a native from Turlock and spent his entire life there until recently making the move to join us here at the District. He is married and has a 15-month-old daughter. Derek has a true passion for water and he enjoys the challenges that this industry is constantly facing. It is with great privilege, we welcome Derek to the Marina Coast Water District.

Environmental Review Compliance: None required.

Other Considerations: None.

Material Included for Information/Consideration: None.

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
Public Hearing

Agenda Item: 9-A

Meeting Date: January 22, 2018

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Subject: Public Hearing for the Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation

Background: 5-Year Strategic Plan, 6.1 Annexation of the Ord community – To ensure direct representation of the Ord Community in matters related to the District, we will work with Local Agency Formation Organization (LAFCO) to expand the District's Sphere of Influence and legal boundary to include the Ord Community. During the annexation process the District will work with LAFCO to ensure proper governance is applied to the resultant District. Additional care will be taken to ensure that existing cost centers remain separate so that the City of Marina and the Ord Community remain independent divisions within the District, supporting their individual infrastructure needs.

The District provides water, wastewater and in the near future, recycled water service to the former Ord Community under the Water/Wastewater Facilities Agreement with the Fort Ord Reuse Authority (FORA), dated March 13, 1998, under contracts with the U.S. Army and as further described in the Assignment of Easements on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deed for Water and Wastewater Systems, between FORA and MCWD, dated October 24, 2001. The term of the FORA agreement is coincident with the legal existence of FORA. FORA is a public corporation of the State of California established by the FORA Act, and will cease to exist on June 30, 2020.

The MCWD Board discussed a proposed annexation and service area boundary request in an open meeting and directed the preparation of a CEQA document in 2011. A Draft Initial Study/Negative Declaration (IS/ND) was prepared to accompany a future LAFCO application. At that time, the District considered expanding the MCWD Sphere of Influence (SOI) to include all of the former Fort Ord including areas not planned for service and areas designated for open space. An IS/ND for this proposal was circulated for public review on October 31, 2011 through December 15, 2011, and a public hearing held on January 10, 2012. The District also received written comments on the IS/ND from thirteen individuals and agencies. Based on the comments received on the 2011 proposal, the IS/ND was not adopted and the application to LAFCO was not pursued.

In November 2015, the Board received an update on the Ord Community annexation. Beginning May 15, 2017 through December 4, 2017 the Board took a series of steps to update the project proposal for a much smaller SOI and annexation area that would include: developed parcels already served by MCWD and specified parcels already approved for development in the former Fort Ord; Ione Olson Elementary School and Marina United Methodist Church in Marina; and Seaside High School in Seaside (Attachment 1 – Proposed Project).

Open space areas of the former Fort Ord and areas not currently approved for development or anticipated for development are not included in the proposed SOI and annexation. The proposal also designates a “Future Study Area” containing areas identified for future development under the Fort Ord Base Reuse Plan.

The following highlight 2017 Board hearing items and actions:

- In May 2017, the Board received an update from staff on LAFCO possible application boundaries and approved moving forward to update the IS/ND;
- In June 2017, the Board approved specific modifications to the proposal boundary, including: 1) eliminated annexation of areas within Seaside County Sanitation District boundaries and assigning a “Future Study Area” designation to these areas and other areas outside existing service areas of MCWD, 2) included annexation of small islands within the MCWD current service area, and, 3) included a portion of UCMBEST in the proposal per their request;
- In October 2017, the Board further reviewed and approved the IS/ND Project Description;
- On November 20, 2017, the Board received a copy of the Screencheck Draft IS/ND and set a date for the Public Hearing to be held on January 22, 2018. The Board also continued the meeting to allow for additional comment on the Screencheck Draft IS/ND;
- On December 6, 2017, the Board provided comments the Screen Check IS/ND for the Ord Community Sphere of Influence Amendment and Annexation.
- On December 13, 2017, LAFCO and Seaside County Sanitation District staff met with District staff to review the proposed project.

The IS/ND was released for public review after the above Board and SCSD meetings. A Notice of Availability/Notice of Intent to Adopt a Negative Declaration and the Public Draft IS/ND were distributed to public agencies in the region on December 19, 2017, posted at MCWD offices and was also advertised in The Herald. The notice provided for a 30-day public review period for written comments to be submitted, by 5:00 p.m. on January 19, 2018 (Attachment 2 – Notice of Availability/Notice of Intent).

Detailed Description: The Board will conduct a public hearing and receive public comments on the District’s Public Draft IS/ND for the Ord Community Sphere of Influence Amendment and Annexation (Attachment 3 - Public Draft IS/ND for the Ord Community Sphere of Influence Amendment and Annexation – provided separately). Following the public hearing and receipt of the public comments, the Board may consider taking action on the Public Draft IS/ND or may direct staff and consultants to develop responses to comments received. This is dependent on comments received by the close of the public review period and in the event the hearing is continued, the Board would consider at a later Board hearing date. In either case, the public comment period would be closed.

Written comments submitted by 5:00 p.m. January 19, 2018 will be reproduced and made available for the Public Hearing.

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10

Meeting Date: January 22, 2018

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: *5-Year 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 December 2017
- B) Receive the Quarterly Financials for July 1, 2017 to September 30, 2017
- C) Approve the Draft Minutes of the Joint Board/GSA Meeting of December 18, 2017
- D) Adopt Resolution No. 2018-02 to Authorize the General Manager to Execute a Memorandum of Understanding between Monterey One Water and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group
- E) Receive a Report on the Capital Surcharges Assessed on New Ord Community Connections with a Connection Date between July 1, 2005 and July 5, 2014

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 December 2017; Quarterly Financials; draft minutes of December 18, 2017; and, Memorandum of Understanding between Monterey One Water and Marina Coast Water District.

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: 10-A

Meeting Date: January 22, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive and File the Check Register for the Month of December 2017

Staff Recommendation: The Board of Directors receive and file the December 2017 expenditures totaling \$1,219,462.68.

Background: *5-Year 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 December 2017 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: December 2017 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: 10-B

Meeting Date: January 22, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive the Quarterly Financial Statements for July 1, 2017 to September 30, 2017

Staff Recommendation: The Board receives the Quarterly Financial Statements for July 1, 2017 to September 30, 2017.

Background: *5-Year Strategic Plan, Strategic Element No. 3.2 – Regular Financial Updates to Policymakers and Managers.*

Discussion/Analysis: All figures reported for the quarter are based on accrual basis accounting. The District’s consolidated financial statement for the quarter includes operating revenues of \$4.114 million and expenses of \$2.451 million, resulting in a net gain from operations of \$1.663 million. The District budget projected net gain from operations of \$0.400 million for the same period.

The difference between the actual net gain from operations for the quarter from the budget gain expectation is \$1.263 million due to the timing of when revenues are earned and expenses are accrued producing different results than those in which the annual budget amounts are divided evenly by quarter.

Summary of Cost Centers:

<u>Description</u>	<u>Actual Qtr</u>	<u>Budget Qtr</u>	<u>Actual FYTD</u>	<u>Budget FYTD</u>
Marina Water				
Revenue	1,039,696	980,132	1,039,696	980,132
Expenses	<u>637,777</u>	<u>731,827</u>	<u>637,777</u>	<u>731,827</u>
Net Gain/(Loss)	401,919	248,305	401,919	248,305
Marina Sewer				
Revenue	302,021	288,209	302,021	288,209
Expenses	<u>143,969</u>	<u>180,115</u>	<u>143,969</u>	<u>180,115</u>
Net Gain/(Loss)	158,052	108,094	158,052	108,094
Ord Community Water				
Revenue	2,135,690	1,573,021	2,135,690	1,573,021
Expenses	<u>1,351,803</u>	<u>1,638,068</u>	<u>1,351,803</u>	<u>1,638,068</u>
Net Gain/(Loss)	783,887	(65,047)	783,887	(65,047)
Ord Community Sewer				
Revenue	636,520	622,535	636,520	622,535

Expenses	<u>316,677</u>	<u>437,414</u>	<u>316,677</u>	<u>437,414</u>
Net Gain/(Loss)	319,843	185,121	319,843	185,121
Recycled Water Project				
Revenue	-	9	-	9
Expenses	<u>469</u>	<u>75,926</u>	<u>469</u>	<u>75,926</u>
Net Gain/(Loss)	(469)	(75,917)	(469)	(75,917)
Regional Project				
Revenue	-	-	-	-
Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Gain/(Loss)	-	-	-	-
Consolidated Cost Centers				
Revenue	4,113,927	3,463,906	4,113,927	3,463,906
Expenses	<u>2,450,695</u>	<u>3,063,350</u>	<u>2,450,695</u>	<u>3,063,350</u>
Net Gain/(Loss)	1,663,232	400,556	1,663,232	400,556

As of September 30, 2017, the District had \$19.677 million in liquid investments. The District also had \$0.850 million of 2010 refunding bond proceeds for debt reserve purposes in the bank.

The District owed \$28.935 million for the 2015 Senior Revenue Refunding Bonds Series A as well as \$3.405 million for the 2010 Subordinate Revenue Refunding Bonds, and \$2.800 million to Holman Capital Corporation for the conversion of the Rabobank N.A. construction loan for the BLM building as of September 30, 2017.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: None

Other Considerations: None.

Material Included for Information/Consideration: Quarterly Financial Statements, Investments and Debt Summary Statements.

Action Required: Resolution Motion Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-C

Meeting Date: January 22, 2018

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Joint Board/GSA Meeting of December 18, 2017

Staff Recommendation: The Board of Directors approve the draft minutes of the December 18, 2017 joint Board meeting.

Background: *5-Year 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 December 18, 2017 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 December 18, 2017.

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-D

Meeting Date: January 22, 2018

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Adopt Resolution No. 2018-02 to Authorize the General Manager to Execute a Memorandum of Understanding between Monterey One Water and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group

Staff Recommendation: The Board of Directors is requested to authorize the General Manager to execute a Memorandum of Understanding (MOU) between Monterey One Water (M1W) and Marina Coast Water District (MCWD) for MCWD's cost-share for conducting a public education program for the Southern Monterey Bay Dischargers Group for the amount of \$1,446.25.

Background: *5-Year 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.*

Discussion/Analysis: The MCWD operation and maintenance of the wastewater collection system is regulated under State Water Resources Control Board Statewide General Discharge Requirements Order No. 2006-0003-DWQ. Under this order, wastewater agencies in the state are required to have a Sanitary Sewer Management Plan (SSMP). One of the required elements of an SSMP is that each agency implements a public education outreach program about proper disposal of grease and fats.

This required outreach activity can be most cost-effectively done on a cost-shared basis by a collective/regional group. One such group is the Southern Monterey Dischargers Group, which is composed of most of the wastewater agencies tributary to the M1W plus California American Water, Pebble Beach Community Service District, and Carmel Area Wastewater District. M1W initiated and funded a limited outreach program in FY 2003-2004 to assist member agencies in the first year of compliance under a previous permit, California Regional Water Quality Control Board Waste Discharge Order No. R3-2002-0078. The regional group, including MCWD, has funded the program since FY 2004-2005.

In 2008, the Regional Board Order R3-2002-0078 was rescinded and replaced with the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (State Board Order No. 2006-003-DWQ). As the Statewide permit is virtually identical to that of the rescinded permit, the joint outreach program was continued.

Each participating agency has contributed a shared cost based on population of the communities served. MCWD has participated in the Southern Monterey Bay Discharges Group outreach activities every year since FY 2004-2005. Staff recommends that MCWD continue to participate in the Public Education Program for the Southern Monterey Bay Dischargers Group.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Marina Sewer and Ord Sewer Cost Centers.

Other Considerations: None

Material Included for Information/Consideration: Resolution No. 2018-02; and, a copy of the Memorandum of Understanding between the Monterey One Water and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

January 22, 2018

Resolution No. 2018 - 02
Resolution of the Board of Directors
Marina Coast Water District

Authorizing the General Manager to Execute a Memorandum of Understanding
between Monterey One Water and Marina Coast Water District for Conducting a Public
Education Program for the Southern Monterey Bay Dischargers Group

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 22, 2018 at 211 Hillcrest Avenue, Marina, California.

WHEREAS, District operations and maintenance of the wastewater collection system is regulated under State Water Resources Control Board Statewide General Discharge Requirements Order No. 2006-0003-DWQ; and,

WHEREAS, State Water Resources Control Board Statewide General Discharge Requirements Order No. 2006-0003-DWQ requires Marina Coast Water District to maintain a Sewer System Management Plan; and,

WHEREAS, a required element of the Marina Coast Water District Sewer System Management Plan is a public outreach campaign that promotes proper disposal of grease and fats; and,

WHEREAS, the State required outreach activity can be most cost-effectively done on a cost-shared basis with the Southern Monterey Bay Dischargers Group members; and,

WHEREAS, the District has participated in a cooperative Southern Monterey Bay Dischargers Group outreach program since FY 2004/2005; and,

WHEREAS, the District’s shared cost of this outreach program is \$1,446.25 for the FY 2017/2018; and,

WHEREAS, staff recommends continuing to participate in this collective outreach effort.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Marina Coast Water District does hereby Authorize the General Manager to execute a Memorandum of Understanding between Marina Coast Water District and the Monterey One Water for MCWD’s cost share of the Public Education Program for the Southern Monterey Bay Dischargers Group for a total amount of \$1,446.25.

PASSED AND ADOPTED on January 22, 2018 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 _____

Thomas P. Moore, 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. 2018-02 adopted January 22, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 10-E

Meeting Date: January 22, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive a Report on the Capital Surcharges Assessed on New Ord Community Connections with a Connection Date between July 1, 2005 and July 5, 2014

Staff Recommendation: Receive a report on the capital surcharges assessed on new Ord Community connections with a connection date between July 1, 2005 and July 5, 2014.

Background: *5-Year Strategic Plan Mission Statement – To 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.*

At a previous regular Board meeting, the Board requested an update on the status of the capital surcharges assessed on Ord Community (Ord) connections subject to the capital surcharge for water and sewer connections. Those subject to the surcharges are new connections from July 1, 2005 through July 5, 2014.

On April 13, 2005, The Board of Directors approved a Professional Services Agreement with Citigroup to assist the District in developing a proposed funding and financing strategy for the Ord capital projects. Citigroup came up with several scenarios ranging from a \$6,000.00 water capacity charge with an escalation of 3% and no water capital surcharge to having no water capacity charge and a \$33.00/month water surcharge per new equivalent dwelling unit (EDU). Similar scenarios were developed for the Ord sewer system. Ultimately, the Board approved Resolution No. 2005-38 that included a \$2,800.00 water capacity charge and a \$20.00/month water capital surcharge per new EDU and a \$1,000.00 sewer capacity charge and a \$5.00/month sewer capital surcharge per new EDU.

The intent was to fund the portion of the Ord capital program attributable to development through a reduced capacity charge offset by additional revenue generated through surcharges. The capacity charge was intended to cover half of the needed funding for the capital program and the surcharge was to cover the remaining half. Based on this funding plan, the District issued debt to rehabilitate and improve the Ord Community water and sewer systems. However, with the economic downturn that stalled development, there was insufficient capacity fee and capital surcharge revenue to fund the debt issued in 2006. The Board therefore adopted Resolution No. 2010-59 to increase Ord capacity fees in August 2010.

As development started to increase, many new users connected to the Ord systems and were subject to the capital surcharges, including low income residents. To combat this issue, the Board of Directors requested, during completion of the 2013 rate study and financial plan, that the capital surcharges for connection to the Ord systems no longer be assessed to new connections and that the capacity charges bear the full load of funding the development related capital program. On May 5, 2014, the Board adopted Resolution No. 2014-18 to approve changes to the Ord capacity fees and eliminate the capital surcharges to users who connected to the system after July 5, 2014.

Discussion/Analysis: There are currently 710 water connections and 674 sewer connections that remain subject to Ord capital surcharges. Based on the recovery of funding the reduced capacity fees charged to development from July 1, 2005 through July 5, 2014, the total water surcharges that have/will be assessed are \$4.439 million and the total sewer charges that have/will be assessed are \$1.418 million. To date, \$0.942 million and \$0.219 million have been collected for water surcharges and sewer surcharges respectively. Therefore, \$3.497 million remains to be billed/collected for water surcharges and \$1.199 million is to be billed/collected for sewer surcharges. The following table summarizes this information:

	No. of Connections	Total Surcharges ¹	Billed/Collected to Date ¹	Remaining to be Billed/Collected ¹
Ord Water	710	\$4.439	\$0.942	\$3.497
Ord Sewer	674	\$1.418	\$0.219	\$1.199
¹ Amounts listed in millions				

While the amounts to be billed/collected vary among connections based on their connection date, the average number of remaining years for surcharges to be assessed is 13 years for water connections and 22 years for sewer connections.

Environmental Review Compliance: None required.

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

Other Considerations: None.

Material Included for Information/Consideration: Presentation materials to be provided at the meeting.

Action Required: _____ Resolution Motion _____ Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-A

Meeting Date: January 22, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive a Presentation of the 2018 Cost Allocation Plan; and Consider Adoption of Resolution No. 2018-03 to Approve the District's 2018 Cost Allocation Plan

Staff Recommendation: The Board of Directors 1) Receive a presentation by Carollo Engineers of the 2018 cost allocation plan (CAP); and, 2) Consider adoption of Resolution No. 2018-03 to approve the CAP.

Background: *5-Year Strategic Plan Mission Statement – To 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.*

Discussion/Analysis: The Board of Directors approved a Professional Services Agreement with Carollo Engineers to perform a five-year water and wastewater rate study and cost allocation plan. Over the course of several months, Pierce Rossum from Carollo Engineers gave a series of presentations to the Board on the methods used in the rate study to come up with the cost of service, and revenue requirements in order to provide the District with a rate structure and rates that support the goals and objectives of the District. On December 18, 2017, Mr. Rossum provided detailed rate scenarios for discussion and input by the Board and the Public.

In addition to the rate study, Carollo Engineers was contracted to provide a Cost Allocation Plan in parallel with the rate study for the District to (1) review current methods of cost allocation utilized by the District and recommend any changes if necessary; (2) ensure that there is a reasonable, appropriate, and repeatable methodology for distributing the District's overhead or indirect costs to each department, cost center or project; and (3) to provide a written CAP to allocate indirect administrative costs that is in adherence with CRF, Title 2, Part 200, Subpart E – Cost Principles, Uniform Requirements, Cost Principles and Audit Requirements for Federal Awards and OMB A-87 Plan for grant reimbursement.

Ms. Jennifer Ivey, Vice President with Carollo Engineers and serves as the rate study and CAP quality assurance and quality control will present the proposed CAP. Ms. Ivey is a member of the American Water Works Association (AWWA) National Rates and Charges Committee and was a contributing author for AWWA's updated *Principles of Water Rates, Fees, and Charges M1 Rates Manual*.

Environmental Review Compliance: None required.

Financial Impact: _____ Yes No

Funding Source/Recap: None

Other Considerations: None.

January 22, 2018

Resolution No. 2018-03
Resolution of the Board of Directors
Marina Coast Water District
Approving the District's 2018 Cost Allocation Plan

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on January 22, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District sent out Rate Study Request for Proposal soliciting bids to complete Five-Year Water and Wastewater Rate Study and Cost Allocation Plan; and,

WHEREAS, the District entered into a Professional Services Agreement with Carollo Engineers to prepare a Five-Year Water and Wastewater Rate Study and Cost Allocation Plan; and,

WHEREAS, Carollo Engineers was contracted to provide a Cost Allocation Plan in parallel with the rate study for the District to (1) review current methods of cost allocation utilized by the District and recommend any changes if necessary; (2) ensure that there is a reasonable, appropriate, and repeatable methodology for distributing the District's overhead or indirect costs to each department, cost center or project; and (3) to provide a written CAP to allocate indirect administrative costs that is in adherence with CRF, Title 2, Part 200, Subpart E – Cost Principles, Uniform Requirements, Cost Principles and Audit Requirements for Federal Awards and OMB A-87 Plan for grant reimbursement; and,

WHEREAS, Carollo Engineers completed the Cost Allocation Plan and is now being presented to the Board for approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2018-03 to approve the District's Cost Allocation Plan, as Exhibit A to this resolution.

PASSED AND ADOPTED on January 22, 2018, 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 _____

Thomas P. Moore, 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. 2018-03 adopted January 22, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-B

Meeting Date: January 22, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive a Presentation of the 2018 Five-Year Rate Study; and Consider Adoption of Resolution No. 2018-04 to Approve the District's Five-Year Water and Wastewater Rate Study

Staff Recommendation: 1) Receive a presentation by Carollo Engineers of the final 2018 five-year water and wastewater rate study; and, 2) Consider adoption of Resolution No. 2018-04 to approve the Study.

Background: *5-Year Strategic Plan Mission Statement – To 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.*

Discussion/Analysis: The Board of Directors approved a Professional Services Agreement with Carollo Engineers to perform a five-year water and wastewater rate study and cost allocation plan. On October 9, 2017 and November 6, 2017, Pierce Rossum from Carollo Engineers gave presentations to the Board on the methods used in the rate study to come up with the cost of service and revenue requirements in order to provide the District with a rate structure and rates that support the goals and objectives of the District. On December 4, 2017, Mr. Rossum presented the initial results of the study including various rate scenarios to obtain necessary revenues to fund the District's operations, rate-funded CIP, and meet its debt requirements.

Based on discussion from the December 4th rate workshop and the rate presentation discussion at the Fort Ord Reuse Authority Water and Wastewater Oversight Committee (WWOC) on December 13, 2017, Mr. Rossum provided additional detailed rate scenarios including a "Contingent Drought Water Rate" to the Board at its December 18th regular meeting. In addition, District staff provided detail on the rate-funded Capital Projects included in the rate study.

District staff and Mr. Rossum conducted an additional rate study workshop with the WWOC on January 3, 2018. The final Study presented for approval this evening incorporates further input from the WWOC; mainly with regards to the timing of certain rate-funded CIP. Jennifer Ivey, Vice President for Carollo Engineers will give a presentation on the final report.

Environmental Review Compliance: None required.

Financial Impact: _____Yes No Funding Source/Recap: None

Other Considerations: None

Material Included for Information/Consideration: Resolution No. 2018-04; and 2018 Water and Wastewater Rate Study (provided separately).

January 22, 2018

Resolution No. 2018-04
Resolution of the Board of Directors
Marina Coast Water District
Approve the 2018 Five-Year Water and Wastewater Rate Study

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 22, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District sent out Rate Study Request for Proposal soliciting bids to complete Five-Year Water and Wastewater Rate Study and Cost Allocation Plan; and,

WHEREAS, the District entered into a Professional Services Agreement with Carollo Engineers to prepare a Five-Year Water and Wastewater Rate Study and Cost Allocation Plan; and,

WHEREAS, Carollo Engineers initially met with the District before beginning work, and subsequently met with the Board over the course of several regular board meetings to discuss the draft Five-Year Water and Wastewater Rate Study; and,

WHEREAS, Carollo Engineers completed the Five-Year Water and Wastewater Rate Study and it is now being presented to the Board for approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2018-04 to approve the District 2018 Five-Year Water and Wastewater Rate Study performed by Carollo Engineers, as Exhibit A to this resolution.

PASSED AND ADOPTED on January 22, 2018, 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 _____

Thomas P. Moore, 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. 2018-04 adopted January 22, 2018

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-C

Meeting Date: January 22, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider Approval of Proposition 218 Public Notice and Set Date, Time and Location for Public Hearings for Proposed Changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas

Staff Recommendation: Staff recommends that the Board approve the Notice of Public Hearing (Prop 218 Notice) and set date, time and location for Public Hearings for proposed changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas. Staff recommends that the hearing be scheduled for March 12, 2018, at 7:00 p.m. and located at 211 Hillcrest Avenue, Marina, CA.

Background: *5-Year Strategic Plan Mission Statement – To 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.*

Discussion/Analysis: In the previous agenda item, the Board was requested to approve the 2018 Five-Year Water and Wastewater Financial Plan and Rate Study completed by Carollo Engineers. The Rate Study called for rate increases for FY 2018/2019 through FY 2022/2023 for both service areas.

The process for water and wastewater rate changes requires that a Proposition 218 public notice be sent to all parcel owners connected to the District listed on the most recent equalized assessment tax roll of Monterey County. The notice informs the owners of the proposed change in rates, the reason for the changes and how the changes were calculated. The Prop 218 notice also provides the dates for a public hearing for the District to receive input from the rate payers before any change in rates is adopted. The public hearing can be held no sooner than 45 days after the notice has been mailed to all parcel owners connected to the District.

In rental situations where the tenant pays the utility bills, the property owner is responsible for supplying the tenant with the notice; however, the District will also include the Prop 218 Notice as an insert in its February 2018 bills in an effort to inform all those who receive a bill from the District of the proposed changes. The Prop 218 notice will also be posted on the District's website.

If a parcel owner or ratepayer opposes the proposed rate changes, they can submit a written protest against the proposed changes to the District at or before the time set for the public hearing. Each parcel is entitled to submit one valid protest without regard to parcel value or size. If a majority of the affected property owners within the District's combined service areas submit written protests, the proposed rate changes will not go into effect. Instructions on how to file a protest are also included on the Prop 218 notice.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: Publication and mailing of the Prop 218 Notice will be funded by all four District operating cost centers based on number of parcels and customer accounts for each cost center.

Other Considerations: None.

Material Included for Information/Consideration: Notice of Public Hearing (Prop 218 Notice).

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: 11-D

Meeting Date: January 22, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider First Reading of Ordinance No. 60 to Adopt New District Rates, Fees & Charges for Marina Water and Wastewater for the Central Marina Service Area

Staff Recommendation: Conduct first reading of Ordinance No. 60 approving new water and wastewater rates, fees & charges for the Central Marina service area.

Background: *5-Year Strategic Plan Mission Statement – To 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 January 22, 2018, the Board adopted Resolution No. 2018-03 approving the 2018 Five-Year Water and Wastewater Financial Plan and Rate Study. The Board also approved a Prop 218 notification of proposed rate increases to be mailed January 26, 2018 and set the Prop 218 public hearing date for Monday, March 12, 2018.

Detailed Description: The Board is requested to conduct the first reading of Ordinance No. 60 as the next step to approving new water and wastewater rates, fees and charges for the Central Marina service area. Under the ordinance process for codifying rates fees and charges for Central Marina, the District is required to conduct first and second readings of the proposed ordinance, set a public hearing date on the proposed change in rates, fees and charges, and publish the ordinance in the local newspaper.

Environmental Review Compliance: None required

Financial Impact: _____Yes X No Funding Source/Recap: None

Other Considerations: None.

Material Included for Information/Consideration: Ordinance No. 60.

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
ORDINANCE NO. 60

AN ORDINANCE AMENDING SECTIONS 6.08.030, 6.08.060, 6.08.080,
6.08.100, AND 6.12.050, AND ESTABLISHING SECTION 6.08.110
OF THE DISTRICT CODE
CHANGING RATES, FEES AND CHARGES FOR WATER AND SEWER SERVICES
FOR THE CENTRAL MARINA SERVICE AREA

Be it ordained by the Board of Directors of
Marina Coast Water District
as follows:

Section 1. Authority. This Ordinance is enacted pursuant to Sections 30000 and following of the California Water Code, and Section 6 of Article XIII D of the California Constitution.

Section 2. Findings.

A. This ordinance is considered for action by the Board of Directors at a regularly scheduled and noticed meeting. The agenda was posted in accordance with County Water District law with opportunity for public review in advance of the meeting and public comment during consideration of the ordinance by the Board. The District has complied with publication, notice and hearing requirements of Section 6 of Article XIID of the California Constitution and Section 31105 of the California Water Code.

B. The District Code establishes, among other things, water consumption charges, minimum monthly charges, monthly sewer charges, various service charges, and water and sewer capacity charges for the District's customers. Based on the recommendations of the District's General Manager and engineering and financial advisors, and the 2018 5-Year Water and Wastewater Financial Plan and Rate Study adopted by the Board of Directors on January 22, 2018, revised rates, fees, and charges are necessary to meet operating and capital expenses for sound operation of the District in accordance with Water Code Section 31007 and to enable the District to provide continued water and sewer service within the District's Central Marina service area.

C. The District's legal counsel advises, and the Board finds, that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because this ordinance pertains to adoption of rates, fees and charges necessary to maintain services within the District's existing service area.

D. The rates, fees and charges adopted by this ordinance will not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed and will not exceed the proportional cost of the service attributable to the parcel receiving the service.

Section 3. Purpose of Ordinance. The purpose of this Ordinance is to revise charges for water and wastewater services for the District's Central Marina service area. This Ordinance amends Sections 6.08.030, 6.08.060, 6.08.080, 6.08.100, and 6.12.050 of the District Code.

Section 4. Temporary Water Service. Section 6.08.030 (F) of the District Code is amended to read as follows:

“6.08.030 Temporary water service.

F. The applicant shall be responsible for district equipment utilized for this purpose and the necessary repair or replacement costs shall be deducted from the applicant's deposit. The applicant is responsible for returning the district equipment and closing the account promptly after the job is complete. If a meter is not returned promptly, the district shall deduct the cost of replacing the meter from the applicant's deposit.

The temporary water fees shall be:

Fee	CHARGES (Effective January 1, 2019)	CHARGES (Effective January 1, 2020)	CHARGES (Effective January 1, 2021)	CHARGES (Effective January 1, 2022)	CHARGES (Effective January 1, 2023)
Gate Valve/Meter Deposit	\$676.00	\$704.00	\$733.00	\$763.00	\$794.00
Minimum Water Consumption Deposit	\$1,144.00	\$1,190.00	\$1,238.00	\$1,288.00	\$1,340.00
Set/remove hydrant	\$146.00	\$152.00	\$159.00	\$166.00	\$173.00
Relocate meter per occurrence	\$146.00	\$152.00	\$159.00	\$166.00	\$173.00
Meter set, other than fire hydrant	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Minimum monthly service charge	\$102.25	\$106.35	\$110.65	\$115.10	\$119.75

Monthly quantity rate for each HCF (see Section 6.08.100 Water Consumption Rates”

Section 5. Monthly Minimum Water Charges. Section 6.08.060 of the District Code is hereby amended to read as follows:

“6.08.060 Monthly minimum water charges.

The monthly minimum charges for water service shall be:

METER SIZE	CHARGES (Effective January 1, 2019)	CHARGES (Effective January 1, 2020)	CHARGES (Effective January 1, 2021)	CHARGES (Effective January 1, 2022)	CHARGES (Effective January 1, 2023)
5/8” or 3/4”	\$24.24	\$25.21	\$26.22	\$27.26	\$28.34
1”	\$32.69	\$33.99	\$35.35	\$36.77	\$38.22
1-1/2”	\$53.80	\$55.95	\$58.19	\$60.52	\$62.91
2”	\$79.14	\$82.30	\$85.60	\$89.02	\$92.55
3”	\$146.72	\$152.57	\$158.69	\$165.03	\$171.56
4”	\$222.74	\$231.62	\$240.92	\$250.55	\$260.46
6”	\$433.91	\$451.22	\$469.33	\$488.08	\$507.39
8”	\$856.25	\$890.40	\$926.15	\$963.15	\$1,001.26

Section 6. Private Fire Service. Section 6.08.080 of the District Code is hereby amended to read as follows:

“6.08.080 Private fire service.

The monthly charges for private fire service shall be:

METER SIZE	CHARGES (Effective January 1, 2019)	CHARGES (Effective January 1, 2020)	CHARGES (Effective January 1, 2021)	CHARGES (Effective January 1, 2022)	CHARGES (Effective January 1, 2023)
1”	\$1.73	\$1.80	\$1.87	\$1.94	\$2.02
1-1/2”	\$5.02	\$5.22	\$5.43	\$5.65	\$5.87
2”	\$10.70	\$11.13	\$11.57	\$12.04	\$12.52
2-1/2”	\$19.25	\$20.01	\$20.82	\$21.65	\$22.51
3”	\$31.09	\$32.33	\$33.62	\$34.97	\$36.37
4”	\$66.25	\$68.90	\$71.65	\$74.52	\$77.50
6”	\$192.43	\$200.13	\$208.13	\$216.46	\$225.12
8”	\$410.08	\$426.48	\$443.54	\$461.28	\$479.73

Section 7. Water Consumption Rates. Section 6.08.100 (A) of the District Code is hereby amended to read as follows:

“6.08.100 Water consumption rates.

A. Water consumption by District Customers shall be measured in units of one hundred cubic feet (seven hundred forty-eight gallons). The quantity charge for water consumption per one hundred cubic feet (HCF) shall be as follows:

CONSUMPTION	CHARGES (Effective January 1, 2019)	CHARGES (Effective January 1, 2020)	CHARGES (Effective January 1, 2021)	CHARGES (Effective January 1, 2022)	CHARGES (Effective January 1, 2023)
0-10 hcf	\$3.25 per hcf	\$3.38 per hcf	\$3.51 per hcf	\$3.65 per hcf	\$3.80 per hcf
10+ hcf	\$4.95 per hcf	\$5.15 per hcf	\$5.36 per hcf	\$5.57 per hcf	\$5.79 per hcf

Construction Water Depots (same as Temporary Water Service rates):

Minimum monthly charge (Effective January 1, 2019)	\$ 102.28
Minimum monthly charge (Effective January 1, 2020)	\$ 106.35
Minimum monthly charge (Effective January 1, 2021)	\$ 110.65
Minimum monthly charge (Effective January 1, 2022)	\$ 115.10
Minimum monthly charge (Effective January 1, 2023)	\$ 119.75

Monthly Quantity rate for each HCF
(see above table for Consumption Rates)”

Section 8. Water Demand Management Rates. Section 6.08.110 of the District Code is established to read as follows:

“6.08.110 Water demand management rates.

Water demand management rates are temporary surcharges that shall be implemented by the District in time of need to safeguard cost recovery. The demand rates shall provide sufficient revenues under various drought, water shortage, or demand reduction/restriction periods. The rates can either be implemented proactively (known shortage or drought) or reactively (wait and see if reductions are prolonged and whether existing reserves are sufficient). The District has the option of implementing either the monthly fixed rate surcharge based on meter equivalent (ME) or the monthly variable rate surcharge based on consumption (hundred cubic feet (hcf)) when required in time of need as determined by the Board in its discretion and will be as follows:

Effective January 1, 2018		
Reduction Level (estimated)	10%	20%
Fixed Rate Recovery Only (\$/ME)	\$3.95	\$6.51
Variable Rate Recovery Only (\$/hcf)	\$0.51	\$0.91

Section 9. Wastewater Collection Rates. Section 6.12.050 of the District Code is amended to read as follows:

“6.12.050 Wastewater collection rates.

Wastewater collection rates for all classes of customers within the District shall be as follows per month per equivalent dwelling unit (EDU), calculated using the table of user classifications and wastewater demand factors set forth in Appendix D of this code.

- \$15.37 per equivalent dwelling unit (Effective January 1, 2019)
- \$15.99 per equivalent dwelling unit (Effective January 1, 2020)
- \$16.63 per equivalent dwelling unit (Effective January 1, 2021)
- \$17.29 per equivalent dwelling unit (Effective January 1, 2022)
- \$17.98 per equivalent dwelling unit (Effective January 1, 2023)

Section 10. Requirements for Rates, Fees and Charges. The rates, fees and charges adopted by this ordinance shall not exceed the reasonably estimated costs of providing the services for which the rates, fees or charges are imposed.

Section 11. Effective Date. All sections of this Ordinance pertaining to water service rates, fees, and charges shall be in full force and effect thirty (30) days from and after the date of adoption. All sections of this Ordinance pertaining to wastewater service rates, fees, and charges shall be in full force and effect immediately upon adoption in accordance with section 31105(a) of the California Water Code.

Section 12. Publication and Posting. Within 10 days after adoption, the district shall publish, in a newspaper published in Monterey County and circulated within the district, a summary of this ordinance with the names of those directors voting for and against adoption, and shall post in the district office a certified copy of the full text of this ordinance as adopted along with the names of those directors voting for and against adoption.

Section 13. Notice of Exemption Notice of Determination. The Secretary is authorized and directed to give due notice of exemption of this ordinance from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

Section 14. Existing Charges. Existing rates, fees and charges in effect when this ordinance is adopted shall remain in effect unless specifically changed by this ordinance.

Section 15. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this ordinance. The Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this ordinance which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 16. Interpretation. Words and phrases used in this ordinance shall be read conjunctively with and shall have the same meaning as in prior district ordinances and the district Code, unless specifically changed by this ordinance or unless the context requires some other construction. If there is any inconsistency between this ordinance and prior provisions, this ordinance shall control.

Section 17. Annual Modification of Rates and Charges. All rates, fees and charges specified in this ordinance are the maximum amounts that may be imposed by the District for the applicable time period. The Board of Directors as part of its review and adoption of the annual District budget may determine by resolution to impose less than the applicable rate, fee or charge set forth in this ordinance for all or a portion of time period covered by that District budget.

On motion of Director _____, seconded by Director _____, the foregoing Ordinance is enacted and shall take effect on _____ by the following roll call of the Board:

Ayes: _____

Nays: _____

Absent: _____

Abstained: _____

By: _____
Thomas P. Moore, President

ATTEST:

Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was adopted and approved by the Board of Directors at their regular meeting on _____.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-E

Meeting Date: January 22, 2018

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2018-05 to Adopt the Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation and Direct Staff to File an Application with the Local Agency Formation Commission

Staff Recommendation: The Board of Directors adopt Resolution No. 2018-05 to:

1. Adopt the *Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation*; and,
2. Authorize the General Manager to file Ord Community Sphere of Influence Amendment and Annexation application with the Local Agency Formation Commission and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

Background: 5-Year Strategic Plan, 6.1 Annexation of the Ord Community – To ensure direct representation of the Ord Community in matters related to the District, we will work with Local Agency Formation Organization (LAFCO) to expand the District's Sphere of Influence and legal boundary to include the Ord Community. During the annexation process the District will work with LAFCO to ensure proper governance is applied to the resultant District. Additional care will be taken to ensure that existing cost centers remain separate so that the City of Marina and the Ord Community remain independent divisions within the District, supporting their individual infrastructure needs.

The Marina Coast Water District (“MCWD” or “District”) District provides water, wastewater and in the near future, recycled water service to the former Ord Community under the Water/Wastewater Facilities Agreement with the Fort Ord Reuse Authority (FORA), dated March 13, 1998, under contracts with the U.S. Army and as further described in the Assignment of Easements on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deed for Water and Wastewater Systems, between FORA and MCWD, dated October 24, 2001. The term of the FORA agreement is coincident with the legal existence of FORA. FORA is a public corporation of the State of California established by the FORA Act, and will cease to exist on June 30, 2020.

The District has made significant investment in the Ord Community in the form of water, wastewater and recycled water infrastructure, addition of staff and equipment, adoption of redevelopment standards and procedures, and the preparation of master plans and water supply project studies. Water service for Central Marina and the Ord Community is provided under a single water system permit. MCWD serves 33,000 residents through 8,300 connections.

Acting as the Lead Agency pursuant to CEQA guidelines, the District commissioned Denise Duffy and Associates to prepare and circulate for public review a Public Draft Initial Study/Negative Declaration (IS/ND) to evaluate the potential environmental effects associated with the Ord

Community Sphere of Influence (SOI) Amendment and Annexation Project¹. The project proposes areas for annexation and the associated SOI amendment located in Monterey County, the City of Marina and the City of Seaside, California. The areas include developed parcels already served by the District as well as parcels approved for development with the Ord Community. The proposed project area is limited to specific areas within the redevelopment area under the Fort Ord Base Reuse Plan and specifically excludes protected open space areas on the former military base. The SOI and Annexation Project also adds two small areas outside the Ord Community currently served by MCWD: Seaside High School within the City of Seaside as well as a small island area containing Ione Olson Elementary School and the Marina United Methodist Church within the City of Marina.

The Public Draft IS/ND was circulated for public review and comment over a 30 day period ending on January 19, 2018. The Board conducted a public hearing on the District's Public Draft IS/ND for the Ord Community Sphere of Influence Amendment and Annexation. The public hearing provided a public forum for consideration of the comment letters and public comment to the Public Draft IS/ND. Following the public hearing the Board considered taking further action on the Public Draft IS/ND.

Discussion/Analysis: Annexation of the part of the Ord Community that the District currently serves for water supply and wastewater collection would provide improved governance for customers. The proposed SOI amendment and annexation of those areas within the Ord Community already served by MCWD is proposed to add all customers currently served under the service agreements with FORA and the U.S. Army, and as further described in the Assignment of Easements on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deed for Water and Wastewater Systems, between FORA and MCWD.

The Public Draft IS/ND evaluated SOI amendment and annexation of developed parcels already served by MCWD in the Ord Community. The District's primary objective is to allow existing customers direct access to the Board and to provide a government structure. This will provide an acceptable and fair governance structure for those receiving water and wastewater service from the District. The proposed project includes annexation of certain undeveloped parcels within the Ord Community, limited to those already approved for development and those within the University of California Monterey Bay Education, Science, and Technology Center of the University of California, Santa Cruz.

The proposed project excludes the protected open space areas of the former military base. This includes Ord National Monument, State Parks and areas reserved for open space by cities and the County.

The remaining redevelopment parcels within the Ord Community are designated as "Future Study Areas," and include future development parcels located in the Cities of Del Rey Oaks, Monterey and Seaside, and unincorporated Monterey County. The Future Study Areas include portions of the Fort Ord Base Reuse Plan not currently approved for development, or identified for future development by local land use agencies with uncertainty regarding service providers or

¹ The MCWD Board considered an earlier annexation and service area boundary proposal and CEQA document in 2011. A Draft Initial Study/Negative Declaration (IS/ND) was prepared which considered expanding the MCWD Sphere of Influence (SOI) to include all of the former Fort Ord. This IS/ND was circulated for public review on October 31, 2011 through December 15, 2011, and a public hearing to receive oral comments was held on January 10, 2012. The District received written comments on the IS/ND from thirteen individuals and agencies. Based on the comments received, the proposal was not pursued.

overlapping jurisdictions. These areas may be considered for annexation into the District in the future, concurrent with the development of specific plans for these areas.

The proposed SOI amendment and annexation does not require the construction of new water or sewer infrastructure, and does not constitute an approval of a proposed development. The action of changing the District’s Local Agency Formation Commission (LAFCO) boundaries, by itself, will not result in physical impacts on the environment as described herein. The proposed project involves no direct changes to the existing water and wastewater system and the associated system permits.

The Public Draft IS/ND for the Ord Community Sphere of Influence Amendment and Annexation has been prepared in compliance with the California Environmental Quality Act of 1970, as amended, and the guidelines promulgated thereunder. During the public hearing, held on January 22, 2018, the Board heard comments from the public and testimony from staff and consultant, and considered the IS/ND and this testimony adequately addresses the environmental effects of the SOI Amendment and Annexation. No new information or evidence of substantial importance has been received or discovered that would indicate that the proposed project has the potential for new significant environmental effects or that it would substantially increase the severity of previously identified significant effects on the environment beyond that previously analyzed and contemplated under previous environmental documents as identified in the Public Draft IS/ND. Future development in the Future Study Area will require additional CEQA action by separate SOI Amendment and Annexation.

For these reasons, staff is therefore recommending the Board of Director adopt Resolution No. 2018-05 for the Public Draft IS/ND and apply for the Ord Community SOI amendment and annexation.

Other Considerations: Alternatively, if Board prefers additional time is necessary to provide formal written reponses to comments received, then the above actions may be considered at the next Board hearing,

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

Material Included for Information/Consideration: Resolution No. 2018-05; Attachment 1 – Proposed SOI Amemdment and Annexation Area; Attachment 2 – January 11, 2018 Memorandum from LAFCO; and, Attachment 3 - Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation with Comments and Responses (same as provided under item 9-A).

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

January 22, 2018

Resolution No. 2018-05
Resolution of the Board of Directors
Marina Coast Water District
Adopting a Public Draft Initial Study/Negative Declaration
for the Ord Community Sphere of Influence Amendment and Annexation

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District” or “MCWD”), at a regular meeting duly called and held on January 22, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the MCWD is a County Water District and political subdivision of the State of California, organized under Division 12, sections 3000 and following, of the California Water Code, established in 1960; and,

WHEREAS, the District provides water, wastewater and recycled water service to the former Fort Ord (Ord Community) under the Water/Wastewater Facilities Agreement with the Fort Ord Reuse Authority (FORA) dated March 13, 1998, under contracts with the U. S. Army and as further described in the Assignment of Easement on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim for Water and Wastewater Systems, between FORA and MCWD, dated 2001; and,

WHEREAS, FORA will cease to exist in 2020, unless extended by State legislation; and,

WHEREAS, the District holds title to all of the water, sewer and recycled water infrastructure within the Ord Community; and,

WHEREAS, the District has made significant investment in the Ord Community in the form of water, wastewater and recycled water infrastructure, addition of staff and equipment, adoption of redevelopment standards and procedures, and the preparation of master plans and water supply project studies; and,

WHEREAS, water service for Central Marina and the Ord Community is provided under a single water system permit; and,

WHEREAS, annexation of the part of the Ord Community that the District currently serves for water supply and wastewater collection would provide improved governance for customers; and,

WHEREAS, the Local Agency Formation Commission (LAFCO) of Monterey County has made the determination that the District may consider annexation of the former Fort Ord portion of its service area upon LAFCO’s adoption of the 2006 Municipal Services Review; and,

WHEREAS, Denise Duffy and Associates prepared and circulated for public review the *Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation* was prepared pursuant to the California Environmental Quality Act of 1970, as amended (“CEQA”) and the guidelines promulgated thereunder (“CEQA Guidelines”) to address the environmental effects, mitigation measures, and project alternatives associated with

the consideration of the MCWD Ord Community Sphere of Influence (SOI) Amendment and Annexation and actions related thereto; and,

WHEREAS, the Public Draft Initial Study/Negative Declaration (IS/ND) evaluated SOI amendment and annexation of developed parcels already served by MCWD in the Ord Community and the District's primary project objective to allow existing customers direct access to the Board and to provide a government structure; and,

WHEREAS, the stated purpose of the proposed SOI amendment and annexation of those areas within the Ord Community already served by MCWD is proposed to add all customers currently served under the service agreements with FORA and the U.S. Army, and as further described in the Assignment of Easements on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deed for Water and Wastewater Systems, between FORA and MCWD, dated October 24, 2001; and,

WHEREAS, the further stated purpose of the proposed SOI amendment and annexation into the District's service area is to provide an acceptable and fair governance structure for those receiving water and wastewater service from the District; and,

WHEREAS, the proposed SOI amendment and annexation outside of the Ord Community includes customers already served with water and wastewater service including Ione Olson Elementary School and Marina United Methodist Church in the City of Marina and Seaside High School in the City of Seaside; and,

WHEREAS, the proposed SOI amendment and annexation includes certain undeveloped parcels within the Ord Community, limited to those already approved for development and those within the University of California Monterey Bay Education, Science, and Technology Center of the University of California, Santa Cruz ; and,

WHEREAS, the proposed SOI amendment and annexation excludes the protected open space areas of the former military base and areas that are not currently approved for development or anticipated for development in the near term; and,

WHEREAS, the proposal also designates as "Future Study Area" the remaining redevelopment parcels located in the Cities of Del Rey Oaks, Monterey and Seaside, unincorporated Monterey County, in the Ord Community; and,

WHEREAS, the proposed SOI amendment and annexation will result in the inclusion of additional lands already served by MCWD or already approved for development and therefore no service area extension or development is proposed at this time as part of the proposed project; and,

WHEREAS, the action of changing the District's Local Agency Formation Commission (LAFCO) boundaries, by itself, will not result in physical impacts on the environment as described herein; and,

WHEREAS, the annexation involves no direct changes to the existing water and wastewater system and the associated system permits; and,

WHEREAS, consideration of the written comment letters, public comments and staff and consultants' responses to the Public Draft IS/ND was given at a Public Hearing held at the January 22, 2018 Board meeting.

NOW, THEREFORE, BE IT RESOLVED, that the MCWD Board of Directors, after consideration of the information contained in the January 22, 2018 Staff Report to the District Board, hereby adopt Resolution No. 2018-05 adopting the *Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation*; and,

FURTHER RESOLVED, that the Directors find that the *Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation* has been prepared in compliance with the California Environmental Quality Act of 1970, as amended, and the guidelines promulgated thereunder; and,

FURTHER RESOLVED, that the Directors have independently reviewed and considered the information contained in the *Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation*; and,

FURTHER RESOLVED, based on the analysis in *Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence Amendment and Annexation* with comments and responses thereto, the Directors conclude that the IS/ND adequately addresses the environmental effects of the SOI Amendment and Annexation; and,

FURTHER RESOLVED, that the Directors find that no new information or evidence of substantial importance has been received or discovered that would indicate that the proposed project has the potential for new significant environmental effects or that it would substantially increase the severity of previously identified significant effects on the environment beyond that previously analyzed and contemplated under the Public Draft IS/ND; and,

FURTHER RESOLVED, that the Directors, in approving the Public Draft IS/ND, acknowledge that future development in the Future Study Area will require additional CEQA action by separate SOI Amendment and Annexation; and,

FURTHER RESOLVED, that the Directors authorize the General Manager to file the SOI amendment and annexation application with LAFCO 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 January 22, 2018, 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 _____

Thomas P. Moore, 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. 2018-05 adopted January 22, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-F

Meeting Date: January 22, 2018

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2018-06 to Amend the Professional Services Agreement with Schaaf & Wheeler for On-Call Services, Master Plan Peer Review and Ord Village Lift Station Design

Staff Recommendation: That the Board of Directors of the Marina Coast Water District adopt Resolution No. 2018-06 to and authorize the General Manager to take all actions and execute all documents as may be necessary or appropriate for the following amendments to the Professional Services Agreement No. 2017-67 with Schaaf & Wheeler for On-Call Engineering Services:

1. Amendment 1 for General Engineering Services not to exceed \$54,000.
2. Amendment 2 for Master Plan Technical Support and Peer Review not to exceed \$46,700.
3. Amendment 3 for Ord Village Lift Station Improvements not to exceed \$75,900.

Background: *5-Year Strategic Plan Mission Statement – To 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.*

Discussion and Analysis: The Board of Directors awarded On-Call Engineering Services to Carollo Engineers, Harris and Associates and Schaaf and Wheeler at the November 20, 2017 Board Meeting. The services range from task orders to engineering studies and projects within the General Manager signing authority. Larger studies and budgeted capital improvement projects require approval by the Board of Directors. The On-Call contracts are for a minimum 3-year term with the option to renew for two additional 1-year terms.

Each of the three firms have competencies in key areas to improve project delivery, have strong similar project experience; and, will integrate and complement MCWD engineering staff.

The On-Call firms provide in-house services or capacity to sub-consult for related, surveying, geotechnical engineering, structural engineering and electrical engineering design of potable water, sanitary sewer and recycled water systems:

- Providing civil engineering planning, technical analysis, studies and hydraulic modeling for supply demand and capacity,
- Ensuring preparation and completion of engineering documents for bidding and construction of capital improvement projects, and
- Reviewing development and construction proposals for approval and acceptance with District requirements and provision of service.

The professional service agreements provide for Task Order, Request for Services or contract amendment based on the Districts purchasing policies. On-Call Engineering services provide an extension of MCWD engineering staff attending meetings, responding to requests for information, updating system maps and water models and staff support for groundwater sustainability,

annexation and recycled water programs. The general engineering services run between \$4,000 and \$5,000 per month with Schaaf & Wheeler and they have provided responsive timely service. Therefore, staff recommends Amendment 1 to the agreement to provide 12 months of general services on-call engineering for the not to exceed estimate of \$54,000.

Akel Engineering is preparing the sewer, water and recycled water master plans. Technical review of the modeling requires computer software, skills and training that District staff will obtain but do not currently possess. Schaaf & Wheeler have the background and training from operating and updating previous District models to provide this review service. The technical review also provides the opportunity to provide peer review of the master plan reports and demand projections. Schaaf & Wheeler are uniquely qualified to provide these services with their knowledge of the District. Amendment 2 is for the attached Master Plan Technical Support and Peer Review Proposal not-to-exceed \$46,700.

Finally, the Ord Village Pump Station force main has experienced numerous spills and in need of replacement. The Lift Station pumps wastewater across Highway 1 to the Giggling Lift Station. It would be much simpler and cost effective to connect the force main to the Monterey One Water Interceptor pipeline on the same side of the highway as the lift station. With their knowledge of Monterey One Water and the District, Schaaf & Wheeler is best positioned to provide engineering services for the Ord Village Lift Station Improvements per the attached proposal. The estimated cost for the proposed Amendment 3 is not-to-exceed \$75,900.

The total cost of On-Call Engineering, Master Plan Peer Review and Ord Village Pump Station Improvements is \$176,600.

Environmental Review Compliance: None at this time. Environmental Review Compliance will be on a project by project basis.

Financial Impact: _____Yes ___X___No Funding Source/Recap: MCWD annual budget for engineering department consultant services and Capital Improvement Projects.

Other Considerations: Approve none, one or two of three contract amendments, authorize the General Manager accordingly to give effect to the approved amendment items, and provide staff direction on the remaining unapproved amendment items.

Material Included for Information/Consideration: Resolution No. 2018-06, and, Schaaf & Wheeler Proposals.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

January 22, 2018

Resolution No. 2018-06
Resolution of the Board of Directors
Marina Coast Water District
Amending a Professional Services Agreement with
Schaaf & Wheeler for On-Call Engineering Services

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 22, 2018, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District Directors awarded a professional services agreement to Schaaf & Wheeler for On-Call Engineering Services at the November 20, 2017 Board Meeting with services ranging from task orders to engineering studies and projects; and,

WHEREAS, Schaaf and Wheeler possesses competencies in key areas to provide engineering project delivery with strong similar project experience that will integrate with and complement MCWD engineering staff; and,

WHEREAS, Schaaf and Wheeler has the ability to provide in-house services or capacity to sub-consult for related, surveying, geotechnical engineering, structural engineering and electrical engineering design of potable water, sanitary sewer and recycled water systems; and,

WHEREAS, Schaaf and Wheeler has the ability to provide civil engineering planning, technical analysis, studies and hydraulic modeling for supply demand and capacity; and,

WHEREAS, Schaaf and Wheeler has the ability to ensure preparation and completion of engineering documents for bidding and construction of capital improvement projects; and,

WHEREAS, Schaaf and Wheeler has the ability to provide review of development and construction proposals for approval and acceptance with District requirements and provision of service; and,

WHEREAS, Schaaf and Wheeler entered into an On-Call contract for a minimum 3-year term with the option to renew for two additional 1-year terms.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution for the following amendments to the Professional Services Agreement with Schaaf and Wheeler for On-Call Engineering Services:

4. Amendment 1 for General Engineering Services not to exceed \$54,000.
5. Amendment 2 for Master Plan Technical Support and Peer Review not to exceed \$46,700.
6. Amendment 3 for Ord Village Lift Station Improvements not to exceed \$75,900.

PASSED AND ADOPTED on January 22, 2018, 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 _____

Thomas P. Moore, 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. 2018-06 adopted January 22, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-G
Prepared By: Brian True
Reviewed By: Michael Wegley

Meeting Date: January 22, 2018
Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2018-07 Regarding a Variance to the Application of MCWD Water Code Section 3.36.030.W.2.a for the Junsay Oaks Development Project in the Central Marina Service Area

Staff Recommendation: The Board of Directors do not adopt Resolution No. 2018-07 approving a variance to the application of MCWD Water Code Section 3.36.030.W.2.a for the Junsay Oaks Development project in the Central Marina service area. The Board action staff recommends is that the Provisional Resolution denying the Variance Request be adopted. The Water Code Section in question regards MCWD's requirement to install a water meter for each dwelling unit; the Variance Request is asking the Board to direct staff to process a design allowing for a single MCWD-owned master meter, a Project-owned backflow device, and submeters for each dwelling unit installed and owned by the Project Owner located in exterior closets.

Background: 5-year Strategic Plan, Strategic Element 2.0 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.

Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), the project owner, has submitted a Variance Request (Attached) to the application of MCWD Water Code Section 3.36.030.W.2.a for the Junsay Oaks Development project; that section of the Water Code states “Newly constructed multi-family dwelling units, including condominiums, and detached dwelling units will be metered individually.....”

Rather than complying with MCWD standards, the Applicant is proposing to meet the intent of the MCWD Water Code through the use of project-owned submeters with the requirements of submeter operation and future performance assured by a recorded Agreement. The Agreement would contain the consequences and provisions of those consequences in the event that CHISPA fails to perform within the terms and conditions of the Agreement.

The result of granting the Variance would be the design and installation of a single MCWD-owned master meter (with some diameter between 2-and-4-inches), a single project-owned Reduced Pressure Principle backflow prevention device, a single project-owned 4-inch diameter pipe branching once and running to two outside closets located at each end of the structure, and the installation of submeters (within the exterior closets) in-line with the small diameter service pipe running to each dwelling unit and common area water fixtures. The submeters would be owned and maintained by CHISPA. CHISPA would enter into an agreement to perform particular metering and water conservation aspects with their tenants and provisions for MCWD involvement up to and including assumption of submeter ownership in the event CHISPA fails to perform in particular aspects of the agreement.

Discussion/Analysis: In compliance with MCWD Water Code, the MCWD Board must make three affirmative findings in order to grant a variance from the Water Code. Despite the staff's recommendation, based on the Variance Request submitted, the MCWD Board might consider making those findings as follows:

1. The strict application of the code would result in undue hardship for low income housing tenants who would face higher than needed costs and utility bills when the intent of the MCWD Water Code can be met by reasonable alternate methods; and,
2. Granting the variance will not cause a significant adverse effect on the water supply or on service to other persons served by the District because granting the Variance Request will not require more water than the estimate provided and accepted by the City of Marina within their environmental assessment of the project. Further, the landscape irrigation will be individually metered per MCWD standard; and,
3. The variance is in the best interests of the District because there will be less infrastructure to own and maintain while simultaneously providing equivalent protection of the public's potable water network and meeting the intent of new State law.

District staff remains unconvinced of the Applicant's arguments for finding in the affirmative on two of the three required Findings; Findings 1 and 3 are strongly questioned by staff while Finding 2 may be reasonably found in the affirmative. The staff stance is well described and is in detail in Part D of the Variance Request - General Manager's Response. Because staff believes that all three Findings can not be made in the affirmative, staff's recommendation is to deny the Variance Request.

Please note that in the Variance Request, Part D – General Manager's Response, the MCWD General Manager provides the Applicant with a methodology for obtaining a staff recommendation of "Conditional Approval." The Applicant has chosen not to pursue that alternative course of action; however, the fact that such an alternative was deemed feasible is suggestive of the ability of some future Applicant or project to achieve an affirmative recommendation from MCWD staff on the general issues being raised herein.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: If this Variance Request were approved, the expected financial impact is deemed negligible. Revenue will decrease by some small amount but the cost of maintaining and managing the accounts will also decrease by some small amount.

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2018-07 approving the Variance Request; Provisional Resolution denying the Variance Request; Variance Request prepared by CHISPA, Project Owner for the Junsay Oaks Development project.

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

Board Action

Motion By: _____ Seconded By: _____ No Action Taken: _____

Ayes: _____

Abstained: _____

Noes: _____

Absent: _____

January 22, 2018

Resolution No. 2018-07
Resolution of the Board of Directors
Marina Coast Water District

Approving a Variance to the Application of MCWD Water Code Section *3.36.030.W.2.a*
for the Junsay Oaks Development Project in the Central Marina Service Area

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“MCWD”), at a regular meeting duly called and held on January 22, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), Project Owner for the Junsay Oaks Development project, has submitted a Variance Request (attached) to the application of MCWD Water Code Section *3.36.030.W.2.a* which states: “Newly constructed multi-family dwelling units, including condominiums, and detached dwelling units will be metered individually...”; and,

WHEREAS, the Variance Request asks that the MCWD Board of Directors to waive Water Code Section *3.36.030.W.2.a* and direct MCWD staff to review and accept a project design that includes a single MCWD-owned water meter, a single backflow prevention device, and 48 private submeters located within two exterior cabinets attached to the proposed building; and,

WHEREAS, the three findings that are required to made in the affirmative are contingent on CHISPA and MCWD concluding and recording an Agreement regarding the submetering specifics and consequences in the event CHISPA fails to perform within the Agreement; and,

WHEREAS, MCWD staff has not found that the Variance Request provided clear and convincing evidence that the requirements of MCWD Water Code Section 2.08 Variances have been met and recommends that the Board deny the Variance Request; and,

WHEREAS, MCWD Board of Directors makes the ultimate determination of the sufficiency of arguments made within Variance Requests for making the required three findings in the affirmative and by adopting this Resolution exhibits their believe that the Variance Request provided clear and convincing evidence that the requirements of MCWD Water Code Section 2.08 Variances have been met.

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

1. The strict application of the code would result in undue hardship for low income housing tenants who would face higher than needed costs and utility bills when the intent of the MCWD Water Code can be met by reasonable alternate methods; and,
2. Granting the variance will not cause a significant adverse effect on the water supply or on service to other persons served by the District because granting the Variance Request will not require more water than the estimate provided and accepted by the City of Marina within their environmental assessment of the project. Further, the landscape irrigation will be individually metered per MCWD standard; and,

3. The variance is in the best interests of the District because there will be less infrastructure to own and maintain while simultaneously providing equivalent protection of the public's potable water network and meeting the intent of new State law.

BE IT FUTHER RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby grant the variance to the application of MCWD Water Code Section 3.36.030.W.2.a for the Junsay Oaks Development project, contingent on the recordation of an Agreement as described above and within the Variance Request, and directs the General Manager and District Engineer to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on January 22, 2018 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 _____

Thomas P. Moore, 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. 2018-07 adopted January 22, 2018.

Keith Van Der Maaten, Secretary

January 22, 2018

PPROVISIONAL RESOLUTION

Resolution No. 2018-07
Resolution of the Board of Directors
Marina Coast Water District

Denying a Variance to the Application of MCWD Water Code Section *3.36.030.W.2.a*
for the Junsay Oaks Development Project in the Central Marina Service Area

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“MCWD”), at a regular meeting duly called and held on January 22, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), Project Owner for the Junsay Oaks Development project, has submitted a Variance Request (attached) to the application of MCWD Water Code Section *3.36.030.W.2.a* which states: “Newly constructed multi-family dwelling units, including condominiums, and detached dwelling units will be metered individually...”; and,

WHEREAS, the Variance Request asks that the MCWD Board of Directors to waive Water Code Section *3.36.030.W.2.a* and direct MCWD staff to review and accept a project design that includes a single MCWD-owned water meter, a single backflow prevention device, and 48 private submeters located within two exterior cabinets attached to the proposed building; and,

WHEREAS, the three findings that are required to be made in the affirmative are contingent on CHISPA and MCWD concluding and recording an Agreement regarding the submetering specifics and consequences in the event CHISPA fails to perform within the Agreement; and,

WHEREAS, MCWD staff has not found that the Variance Request provided clear and convincing evidence that the requirements of MCWD Water Code Section 2.08 Variances have been met and recommends that the Board deny the Variance Request.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby make the determination that clear and convincing evidence has not been provided such that the three Findings required by MCWD Water Code Section 2.08 may be found in the Affirmative.

BE IT FURTHER RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby deny the variance to the application of MCWD Water Code Section *3.36.030.W.2.a* for the Junsay Oaks Development project and directs the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on January 22, 2018 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 _____

Thomas P. Moore, 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. 2018-07 adopted January 22, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 11-H

Meeting Date: January 22, 2018

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consider Providing Direction Regarding the Call for Nominations of Candidates to Fill Two Special District Seats on LAFCO

Staff Recommendation: The Board of Directors discuss whether to support a Board member to fill out a nomination form for one of the two Special District seats on the Local Agency Formation Commission of Monterey County (LAFCO).

Background: *5-Year Strategic Plan Mission Statement – To 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.*

Discussion/Analysis: On January 3, 2018, LAFCO sent notice that there are two Special District seats for which they are accepting nominations. One seat is a Special District Representative (Regular) seat with a four-year term that will expire in May 2022. The second seat is the Special District Representative (Alternate) seat with a term that will expire in May 2020.

Nominations must be received by LAFCO by February 1, 2018 at 5:00 p.m. Once the nomination period is closed, LAFCO will prepare a ballot of qualified candidates and all Boards are requested to vote and return a signed ballot.

Environmental Review Compliance: None required.

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

Other Considerations: The Board can decide not to support any nominee running for office.

Material Included for Information/Consideration: LAFCO Memorandum regarding Call for Nominations.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____