



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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

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

## DIRECTORS

GAIL MORTON  
President

JAN SHRINER  
Vice President

HERBERT CORTEZ  
BRAD IMAMURA  
THOMAS P. MOORE

## 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  
Hybrid Meeting**

**920 2<sup>nd</sup> Avenue, Suite A, Marina, California  
and  
Zoom Teleconference**

Monday, August 19, 2024, 6:00 p.m. PST

Staff and Board members will be attending the August 19, 2024 meeting in person. Members of the public may attend the Board meeting in person or can continue to attend remotely via Zoom conference.

Persons who are participating via telephone will need to press \*9 to be acknowledged for comments. Members of the public participating by Zoom will be placed on mute during the proceedings and will be acknowledged only when public comment is allowed, after requesting and receiving recognition from the Board President. Public comment on the action item can also be submitted in writing to Paula Riso at [priso@mcwd.org](mailto:priso@mcwd.org) by 9:00 am on Monday, August 19, 2024; such comments will be distributed to the MCWD Board before the meeting.

This meeting may be accessed remotely using the following Zoom link:

<https://us02web.zoom.us/j/82429679607?pwd=jbrSmp42AlDbBIGgBL1s0aQv3OaVfk.1>

Passcode: 412965

To participate via phone: 1-669-900-9128; Meeting ID: 824 2967 9607 Passcode: 412965

***Our Mission:*** We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**

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 District offices at 11 Reservation Road, and 920 2nd Avenue, Suite A, Marina. A complete Board packet containing all enclosures and staff materials will be available for public review on the District website, Thursday, August 15, 2024. 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: 831-883-5931.

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

**5. Presentation**

- A. [Adopt Resolution No. 2024-35 to Recognize Kurt Gonzalez, Maintenance Worker, for 15 Years of Service to the Marina Coast Water District](#)  
(Page 1)

**6. Public Comment on Closed Session Items** *Anyone wishing to address the Board on matters appearing in 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. Disruptive behavior may result in removal of the individual responsible.*

**7. Closed Session**

- A. Pursuant to Government Code 54956.9  
Conference with Legal Counsel – Existing Litigation  
Marina Coast Water District, and Does 1-100 v, County of Monterey, Monterey County Board of Supervisors, and Does 101-110 (California-American Water Company, Real Party in Interest), Monterey County Superior Court Case No. 19CV003305 (Petition for Writ of Mandate and Complaint for Injunctive Relief); Sixth District Court of Appeals Case Nos. H049146 and H049170
- B. Pursuant to Government Code 54956.9(d)(2)  
Conference with Legal Counsel – Threat of Potential Litigation  
One Potential Case

**Reconvene to Open Session Estimated to be at 8:00 p.m.**

**8. 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.*

\* \* \* \* \*

**9. Marina Coast Water District Groundwater Sustainability Agency Matters**

**A. Action Items**

1. [Adopt Resolution No. 2024-GSA03 to Approve a Professional Services Agreement with EKI Environment & Water, Inc. for the Monterey Subbasin Groundwater Sustainability Plan Implementation for Fiscal Year 2024-2025](#)  
(Page 5)

**10. Return to Marina Coast Water District Matters**

\* \* \* \* \*



## 11. Consent Calendar

- A. [Receive and File the Check Register for the Month of July 2024](#)  
(Page 40)
- B. [Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of July 15, 2024](#)  
(Page 48)
- C. [Receive the Second Quarter Investment Report for Calendar Year 2024](#)  
(Page 54)
- D. [Adopt Resolution No. 2024-36 to Approve the Purchase of a New John Deere 210P Loader from Pape Machinery for the Operations and Maintenance Department](#)  
(Page 58)
- E. [Adopt Resolution No. 2024-37 to Award a Sole Source Contract to Calcon Systems Inc. for the Programmable Logic Controller Replacement Project Phase 2](#)  
(Page 77)
- F. [Adopt Resolution No. 2024-38 to Approve FY 2024-2025 Professional Services Agreement with Regional Government Services Authority to provide Human Resources and Risk Management services to the District](#)  
(Page 129)
- G. [Adopt Resolution No. 2024-39 to Accept the Infrastructure Improvements Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District and Shea Homes, LP, for the Dunes 2 East Development Project](#)  
(Page 154)
- H. [Adopt Resolution No. 2024-40 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between MCWD and Shea Homes, LP, for the Dunes Phase 3 Development in Marina, CA](#)  
(Page 165)
- I. [Adopt Resolution No. 2024-41 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between MCWD and Marina Station, LLC, for the Marina Station Phase 1 & 2 in Marina, CA](#)  
(Page 222)

## 12. 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. [Adopt Resolution No. 2024-42 to Approve the 2024 Strategic Plan](#)  
(Page 281)
- B. [Adopt Resolution No. 2024-43 to Approve a Reimbursement Agreement between MCWD and Seaside Peninsula Acquisition Group, LLC, for McClure Way Phase II Water Pipeline Improvements related to the Seaside Resort Hotel Project](#)  
(Page 325)

**13. 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. Committee and Board Liaison Reports

1. Executive Committee
2. Budget and Engineering Committee
3. Community Outreach Committee
4. M1W Board Member Liaison
5. Special Districts Association

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

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

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

*Regular Meeting:*      *Monday, September 16, 2024, 6:00 p.m.*

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 5-A

**Meeting Date:** August 19, 2024

**Prepared By:** Derek Cray

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Adoption of Resolution No. 2024-35 to Recognize Kurt Gonzalez, Maintenance Worker, for 15 Years of Service to MCWD

**Staff Recommendation:** Staff recommends the Board of Directors adopt Resolution No. 2024-35 in recognition of Kurt Gonzalez for 15 years of service with MCWD.

**Background:** *Strategic Plan, Strategic Element 5.0 – Our objective is to recruit and retain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service. Our strategy is to utilize sound policies and personnel practices, offer competitive compensation and benefits, and provide opportunities for training, development, and professional growth while ensuring a safe and secure workplace.*

Kurt Gonzalez joined the District on August 17, 2009, as a temporary Utility Laborer. In October 2009, Kurt became a full-time employee of the District. In July 2019, Kurt was reclassified as a Maintenance Worker.

**Discussion/Analysis:** Kurt has been a great asset to the District and a key employee in providing ongoing maintenance on the District's two Administrative buildings and Corporation Yard, along with landscaping at the District's Corporation Yard, Beach office, and inactive well lots. Kurt's expertise in roofing and landscaping has proven effective in prolonging the life of facilities, as well as providing aesthetically pleasing views of our facilities that have been used as demonstration gardens for District customers to view.

During the COVID-19 pandemic, Kurt volunteered to change his schedule and provided essential cleaning services to all of the office buildings in order to protect the District's employees and help keep our services going uninterrupted during the pandemic. His willingness and unselfish commitment came at a time of uncertainty as the world was facing a new and unknown threat with the virus. His actions allowed us to keep our employees safe and continue to provide essential services at times when other similar agencies suffered by reducing staffing levels to a bare minimum.

Kurt comes to work each day with a smile, is always in a good mood, and is always willing to help out any of his coworkers. During his tenure here, Kurt has made a vast improvement in the look of our facilities, and he continues to do so each day through his hard work.

It is a pleasure to recognize Kurt and thank him for his hard work and dedication to this District for the past fifteen years, and we look forward to many more years to come.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** None required.

**Climate Adaptation:** Not applicable.

**Financial Impact:**      X   Yes           No    **Funding Source/Recap:** Expenditures for gift card are allocated across four cost centers; 01-Marina Water, 02-Marina Sewer, 03-Fort Ord Water, and 04-Fort Ord Sewer, in account number 01-035-009.

**Other Considerations:** None.

**Material Included for Information/Consideration:** Resolution No. 2024-35.

**Action Required:**      X   Resolution           Motion           Review

---

Board Action

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

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

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

August 19, 2024

Resolution No. 2024-35  
Resolution of the Board of Directors  
Marina Coast Water District  
Recognizing Kurt Gonzalez, Maintenance Worker,  
For 15-Years of Service to MCWD

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 August 19, 2024 at 920 Second Avenue, Suite A, Marina, California as follows:

WHEREAS, Kurt Gonzalez joined the District on August 17, 2009 as a Utility Laborer; and,

WHEREAS, in July 2019, Kurt was reclassified to a Maintenance Worker with the District; and,

WHEREAS, Kurt maintains the interior and exterior of the District’s two Administrative buildings and Corporation Yard; and,

WHEREAS, Kurt solely maintains the District’s expansive drought tolerate landscaping at the Corporation Yard, as well as all the landscaping at all of the District’s inactive well lots; and,

WHEREAS, during the Covid-19 pandemic, Kurt unselfishly volunteered and provided essential early-hour cleaning services to keep District staff safe and at fully staffed levels; and,

WHEREAS, Kurt shows up to work every day with a positive attitude that resonates throughout the District, and he is always willing to help out any of his coworkers at any given time.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby recognize and appreciate Kurt Gonzalez for fifteen years of service to the Marina Coast Water District, hereby presenting him with a gift certificate and plaque and wishes him continued success with the District.

PASSED AND ADOPTED on August 19, 2024, 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 \_\_\_\_\_

\_\_\_\_\_  
Gail Morton, President

ATTEST:

---

Remleh Scherzinger, 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. 2024-35 adopted August 19, 2024.

---

Remleh Scherzinger, Secretary

**Marina Coast Water District  
Groundwater Sustainability Agency  
Agenda Transmittal**

**Agenda Item:** 9-A1

**Meeting Date:** August 19, 2024

**Prepared By:** Patrick Breen

**Approved By:** Remleh Scherzinger, P.E.

**Agenda Title:** Adopt Resolution No. 2024-GSA03 to Approve a Professional Services Agreement with EKI Environment & Water, Inc. for the Monterey Subbasin Groundwater Sustainability Plan Implementation for Fiscal Year 2024-2025

**Staff Recommendation:** Adopt Resolution 2024-GSA03 to Approve a Professional Services Agreement with EKI Environment & Water, Inc. (EKI) for a total not-to-exceed amount of \$529,000 for the Monterey Subbasin Groundwater Sustainability Plan Implementation for Fiscal Year 2024-2025; and, authorize the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

**Background:** *Strategic Plan, Element 1.0 Water Sources, Goal No. 1.6 – Establish goals and objectives that promote protecting our current groundwater source from seawater intrusion and other forms of contamination.*

The Board of Directors awarded a Professional Services Agreement to EKI Environment & Water, Inc. (EKI) for Groundwater Sustainability Plan (GSP) preparation on August 7, 2017. The agreement was subsequently augmented via an amendment(s) by the Board on April 16, 2018, May 18, 2020, and on July 19, 2021, to continue GSP development efforts, develop Basin Setting Information, and Program Management and Grant Administration amongst other activities.

The Monterey Subbasin Groundwater Sustainability Plan was completed and submitted to the Department of Water Resources (DWR) by the January 31, 2022 deadline. Subsequently, the Monterey Subbasin GSP was approved by DWR on April 27, 2023.

EKI has been previously contracted and has been acting in the capacity of the Marina Coast Water District Groundwater Sustainability Agency (MCWDGSA) technical advisor, coordinator, and developer of the Monterey Subbasin Groundwater Sustainability Plan.

**Discussion/Analysis:** As mentioned above the GSP for the Monterey Subbasin was submitted by the statutory deadline of January 31, 2022, to the DWR, DWR approved the Monterey Subbasin on April 27, 2023, and implementation will continue through 2042.

This proposed scope of work addresses GSP implementation tasks that are anticipated to occur between August 2024 and June 2025, including supporting the MCWDGSA with (1) supporting the required data collection, monitoring, reporting, and coordination activities through 30 June 2025, (2) evaluating and planning of local and regional projects, and (3) conducting further numerical model refinements to assess basin conditions and impacts of local and regional projects.

The MCWDGSA applied for and has been awarded a DWR SGM Implementation Grant in collaboration with SVBGSA, which was executed on January 25, 2024. The grant award



includes a total of \$6,447,910 for the Monterey Subbasin of which \$2,587,300 is associated with MCWDGSA efforts. The grant allows reimbursement for efforts conducted after December 2021. Tasks 1 through 8, outlined in Section 1 of the scope of work below, are consistent with the work plan identified in MCWD's Grant Agreement with DWR and, as such, are projected to be fully reimbursable under MCWD's Grant Agreement.

The proposed scope and schedule are described in the attached draft Professional Services Agreement (PSA).

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** Legal counsel has reviewed the PSA.

**Climate Adaptation:** Climate change is implicitly present in the definition of groundwater sustainability in the SGMA legislation, which requires groundwater management to be sustainable over a 50-year planning and implementation horizon (California Water Code (CWC) § 10727.2(c)).

**Financial Impact:** ☒ Yes ☐ No **Funding Source/Recap:** If authorized, funding for this Professional Services Agreement is included in the FY 2024/2025 Water Resources Consultant budget and \$432,000 of the \$529,00 proposed is anticipated to be reimbursed by the DWR SGMA Implementation Grant Agreement #460001624.

**Other Considerations:** The Board can choose not to authorize the Professional Services Agreement.

**Materials Included for Information/Consideration:** Resolution No. 2024-GSA03; and, Draft Professional Services Agreement.

**Action Required:** ☒ Resolution ☐ Motion ☐ Review

---

Board Action

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

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

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

August 19, 2024

Resolution No. 2024-GSA03  
Resolution of the Board of Directors  
Marina Coast Water District Groundwater Sustainability Agency  
Approving a Professional Services Agreement with EKI Environment & Water, Inc.  
for the Monterey Subbasin Groundwater Sustainability Plan Implementation  
for Fiscal Year 2024-2025

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District Groundwater Sustainability Agency (“MCWDGSA”), at a regular meeting duly called and held on August 19, 2024 at 920 Second Avenue, Suite A, Marina, California as follows:

WHEREAS, the Sustainable Groundwater Management Act (SGMA) of 2014, Water Code Sections 10720-10736.6 was signed into law September 16, 2014; and,

WHEREAS, the District formed Groundwater Sustainability Agencies for the Marina and Ord Community Service Areas in portions of the Monterey Subbasin and the 180/400 Subbasin in conformance with the SGMA; and,

WHEREAS, SGMA gives local agencies, such as the District, additional authorities and powers to manage groundwater; and,

WHEREAS, SGMA required a coordinated Groundwater Sustainability Plan (GSP) or GSPs among or between adjacent GSAs and adjacent subbasins be submitted by January 31, 2022; and,

WHEREAS, the MCWD GSA submitted a GSP for the Monterey Sub-basin on January 28, 2022; and,

WHEREAS, the Monterey Sub-basin GSP was approved by DWR on April 27, 2023; and,

WHEREAS, the Monterey Sub-basin GSP now needs to be continually implemented until 2042; and,

WHEREAS, EKI Environment & Water, Inc. staff is familiar with the Marina Coast Water District, with District staff developed the Monterey Sub-basin GSP, has been providing consulting services to the District since 2014, has demonstrated extensive knowledge related to Groundwater Resources, Planning & Implementation; and District staff believes that the monetary resource proposed herein is reasonable given the complexities of the work.

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

1. Adopt Resolution No. 2024-GSA03 approving a Professional Services Agreement with EKI Environment & Water, Inc.
2. Authorize the General Manager to execute the Professional Services Agreement with EKI Environment & Water, Inc. for the Monterey Subbasin Groundwater Sustainability Plan Implementation for Fiscal Year 2024-2025 and to take all actions

and execute all documents as may be necessary or appropriate to give effect to this resolution, the total dollar amount not-to-exceed \$529,000.

PASSED AND ADOPTED on August 19, 2024, by the Board of Directors of the Marina Coast Water District Groundwater Sustainability Agency by the following roll call vote:

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

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

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

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

\_\_\_\_\_  
Gail Morton, President

ATTEST:

\_\_\_\_\_  
Remleh Scherzinger, 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. 2024-GSA03 adopted August 19, 2024.

\_\_\_\_\_  
Remleh Scherzinger, Secretary

**AGREEMENT FOR PROFESSIONAL SERVICES**  
**BETWEEN MARINA COAST WATER DISTRICT GROUNDWATER**  
**SUSTAINABILITY AGENCY (GSA) AND EKI ENVIROMENT & WATER, INC.**  
**THE MONTEREY SUBBASIN GROUNDWATER SUSTAINABILITY PLAN**  
**IMPLEMENTATION FOR FISCAL YEAR 2024-2025**

**Funding: DWR Grant #460001624 Task No. TBD**

THIS AGREEMENT, made and entered into this \_\_\_\_\_, by and between Marina Coast Water District Groundwater Sustainability Agency, 11 Reservation Road, Marina, CA, 93933, hereinafter called "DISTRICT" or "MCWD" or "MCWDGSA", and EKI ENVIROMENT & WATER, INC., with its principal offices at 2001 JUNIPERO SERRA BLVD, SUITE 300, DALY CITY, CA 94014, hereinafter called the "CONSULTANT":

WHEREAS, the DISTRICT, desires to receive the professional services related to GROUNDWATER SUSTAINABILITY PLAN IMPLEMETATION FOR 2024-25 with a scope generally defined by SCOPE in Appendix A; and,

WHEREAS, DISTRICT is desirous of engaging the services of said CONSULTANT to perform or furnish said services; and,

WHEREAS, CONSULTANT has available and offers to provide personnel and facilities necessary to accomplish said services in a timely manner.

NOW, THEREFORE, said DISTRICT and said CONSULTANT, for the considerations hereinafter set forth, mutually agree as follows:

**ARTICLE I - PROFESSIONAL ENGAGEMENT**

DISTRICT hereby engages EKI ENVIROMENT & WATER, INC. as an independent contractor, to perform or furnish the services hereinafter more particularly described in Appendix A, commencing on the date of this Agreement.

CONSULTANT hereby agrees to perform or furnish as an independent contractor professional engineering and related services as set forth herein. CONSULTANT may retain qualified subconsultants to assist in the performance of professional services. DISTRICT shall be notified prior to CONSULTANT sub-contracting such services and sufficient time shall be provided to allow DISTRICT to review the subconsultant's qualification. Should DISTRICT, based upon reasonable cause, not accept any such subcontractor or subconsultant for use on the Project, DISTRICT shall so notify CONSULTANT within five (5) days following DISTRICT's receipt of such notice from CONSULTANT, and CONSULTANT shall not subcontract with any such subcontractor or subconsultant for the Project. DISTRICT shall have the right at any time to revoke its acceptance (whether given affirmatively or by its failure to object within said five (5) day period) of any subcontractor or subconsultant on the basis of reasonable cause, in which case CONSULTANT shall submit an acceptable substitute and a Task Order equitably adjusting CONSULTANT's compensation will be issued. No acceptance of any subcontractor or

subconsultant shall waive: (1) DISTRICT's right not to accept defective services performed or furnished for CONSULTANT by said subcontractor or subconsultant; or (2) any other right or remedy DISTRICT has under this Agreement, including but not limited to its rights to suspend or terminate services under this Agreement.

CONSULTANT is an independent contractor and is not and shall not be deemed to be an employee, agent, servant, partner or joint venturer of DISTRICT. CONSULTANT shall have the exclusive supervision, direction and control of all employees, subconsultants, subcontractors, suppliers, materials, equipment and facilities employed, contracted with or used by, CONSULTANT in performing or furnishing services under this Agreement.

## ARTICLE II - SCOPE OF SERVICES

The scope of services performed or furnished by CONSULTANT under the terms of this Agreement is defined in Appendix A and in the executed Amendment(s) pursuant hereto which will authorize CONSULTANT to perform specific services related to the project. Unless modified in writing by both parties through a Amendment, duties of CONSULTANT shall not be construed to exceed those services specifically established in Appendix A. (**NOTE: ANY ADDITIONAL FEES ASSOCIATED WITH SERVICES NOT INCLUDED IN APPENDIX A MUST BE DEFINED AND AGREED TO BY DISTRICT IN WRITING PRIOR TO INITIATION OF THESE SERVICES.**)

## ARTICLE III – GENERAL PROVISIONS

- A. The CONSULTANT shall perform its Services consistent with and limited to the professional skill and care ordinarily provided by engineers practicing in the same or similar locality under the same or similar circumstances.
- B. The CONSULTANT hereby represents that all work described herein shall be performed only by persons under the supervision of a person who is currently licensed to perform such work and that to the best of its professional ability, all work shall be performed in accordance with applicable Federal, State, and local laws and regulations.
- C. The CONSULTANT shall not discriminate in employment practices, in the performance of the terms of this Agreement, either directly or indirectly, on the grounds of race, color, religion, sex, age, or national origin, and shall take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to race, color, religion, sex, age or national origin.
- D. The General Manager of the DISTRICT shall forward an executed copy of this Agreement to the CONSULTANT within ten (10) days of execution of this Agreement by the DISTRICT.

## ARTICLE IV: COOPERATION BY DISTRICT

DISTRICT shall, to the extent reasonable and practicable, cooperate with CONSULTANT in the performance of CONSULTANT's services hereunder. Such cooperation shall include, but not necessarily be limited to: providing right of access to work sites as required for CONSULTANT

to perform or furnish services under this Agreement; providing relevant material available from DISTRICT 's files such as maps, drawings as available (WHETHER OR NOT AS-BUILT DRAWINGS), records, and operation and maintenance information; serving all notices; attending all hearings; payment of all permit and other required fees associated with the Project; and rendering assistance in determining the location of existing facilities and improvements which may be affected by the Project. The CONSULTANT will be entitled to rely on the accuracy and completeness of the information furnished by the DISTRICT. However, CONSULTANT will immediately advise DISTRICT in writing if CONSULTANT becomes aware of any errors or omissions in information provided to CONSULTANT.

DISTRICT shall be responsible for providing legal services which it deems necessary for the Project including review of contract documents, public advertising and contract letting. DISTRICT shall pay fees for utility services to the Project.

DISTRICT shall appoint PATRICK BREEN as DISTRICT's REPRESENTATIVE with respect to the services to be performed under this Agreement. DISTRICT'S REPRESENTATIVE shall have complete authority to transmit instructions, receive information, and interpret and define DISTRICT's policies. CONSULTANT shall be entitled to rely on representations made by DISTRICT's REPRESENTATIVE unless otherwise specified in writing by DISTRICT.

#### Article V – SCHEDULE

A schedule for carrying out services performed by CONSULTANT under the terms of this Agreement is set forth in Appendix A. CONSULTANT will exert all reasonable efforts to perform or furnish all services under this Agreement in accordance with said schedule.

DISTRICT will be kept informed as to the progress of the services under this Agreement under the terms presented in Appendix A. Neither party shall hold the other responsible for damages caused by, arising out of or resulting from delays in performance caused by acts of God, strikes, lockouts, or events beyond the control of the other party.

#### Article VI – LITIGATION

The Agreement does not require CONSULTANT to prepare for or appear as a witness in any litigation or alternative dispute resolution proceeding on behalf of DISTRICT, other than as specified in Appendix A, except in consideration of additional reasonable compensation negotiated as part of an Amendment specifically issued for such purpose. Notwithstanding the preceding, CONSULTANT shall participate without additional compensation in any litigation or alternative dispute resolution proceeding in which CONSULTANT is a party or in which a claim is made against DISTRICT based in whole or in part on CONSULTANT's negligence, professional errors or omissions, breach of contract or deficiencies in CONSULTANT's design or performance hereunder.

#### ARTICLE VII: COMPENSATION

Payment for the engineering services set forth in Appendix A and specific executed Amendment(s) shall be made by DISTRICT to CONSULTANT and shall be considered as full compensation for such services and all personnel, materials, supplies, and equipment used and

costs incurred in carrying out such services. In no event shall the amount of compensation exceed the total fee specified in Appendix A without approval from the DISTRICT.

A. If payment for services performed or furnished under terms of Appendix A and/or Amendment(s) is to be on a lump sum basis, compensation shall be as described below:

1. Appendix A and/or Amendments must specify that the work is to be performed on a lump sum basis.
2. Compensation to CONSULTANT shall be a lump sum amount specified in Appendix A and Amendment(s).
3. Payments shall be monthly, based on percent completion. As each payment is due, a statement describing the services which have been performed or furnished and listing the percentage of completion and the total amount of prior payments paid by DISTRICT shall be submitted to DISTRICT. Payment shall be made for the balance due under such statement, without retention unless DISTRICT contests all or part of said billing in which event only that portion so contested will be retained by DISTRICT pending resolution of the dispute and any uncontested portion will be paid.

B. If payment for services performed or furnished under terms of Appendix A and/or Amendment(s) is to be on a time and expense reimbursable basis, with a total cost not-to-exceed, compensation shall be as described below:

1. Appendix A and/or Amendments must specify that the work is to be performed on a time and expenses basis with a total cost not-to-exceed.
2. Compensation to CONSULTANT shall be on a time and expense reimbursement basis in accordance with CONSULTANT's Schedule of Charges. A current copy of the Schedule of Charges will be included with each Amendment.
3. Payments for services provided by CONSULTANT on a time and expense basis shall be made monthly by the DISTRICT based on an itemized invoice from CONSULTANT which lists actual costs and expenses or units of work performed on the Project in the immediately preceding month. Such payments shall be for the invoice amount, without retention unless DISTRICT contests all or part of said billing in which event only that portion so contested will be retained by DISTRICT pending resolution of the dispute and any uncontested portion will be paid.
4. A budget for compensation for services provided by CONSULTANT on a time and expense basis will be established in the Compensation section of Appendix A and/or the Amendment. The budget established shall not be exceeded without DISTRICT's written authorization.
5. The budget may be increased by Amendment if necessary to complete the scope of work. If appropriate, CONSULTANT will advise DISTRICT of the anticipated expenditure over the budgeted amount at the fifty (50) percent completion point of the Amendment work and request additional budget authorization.



6. Amendments using a time and expense reimbursement should be limited in scope. The product of these Amendment(s) should adequately define the specific scope and effort necessary to achieve the necessary addition/modification and develop a lump sum proposal for the required engineering services.

C. CONSULTANT's final statement or invoice for any services which include construction, or the final statement or invoice for the Project, whichever occurs earlier in time, shall include properly completed and executed Releases of Liens and Claims (see Appendix C). Payment of any invoice not satisfying these requirements may be withheld until the requirements has been satisfied.

D. The CONSULTANT shall submit itemized statement or invoice of costs to the DISTRICT for each month that work is performed. The DISTRICT shall pay the CONSULTANT by the 25<sup>th</sup> of the month for invoices and itemized statements submitted by the first day of the same month. Payments are due upon receipt of a statement or invoice prepared in a manner acceptable to DISTRICT and approved by DISTRICT.

#### ARTICLE VIII: RECORDS

The CONSULTANT shall keep and maintain accurate records of costs incurred, and the time expended relating to all services to be compensated hereunder. All records shall be available to the DISTRICT for review thereof upon request by the DISTRICT or its authorized representative. All fiscal and accounting records and other supporting papers of the CONSULTANT shall be maintained for a minimum of three (3) years following the close of the DISTRICT fiscal year of expenditures.

#### ARTICLE IX: TITLE TO DOCUMENTS

All reports, drawings, specifications, submittals and other materials collected or produced by the CONSULTANT hereunder shall after completion and acceptance, become the property of the DISTRICT, provided that, except for any disputed amounts of less than \$15,000, DISTRICT has paid CONSULTANT all amounts owed under this Agreement.

The CONSULTANT may utilize existing materials developed by the CONSULTANT prior to the commencement of this engagement including, but not limited to, customized computer routines developed using proprietary or commercial software packages, reports, documents, maps, graphs, charts, photographs and photographic negatives. These materials shall remain the property of the CONSULTANT.

CONSULTANT shall be entitled to a reproducible copy of all material furnished to DISTRICT, the costs of which is included on the compensation amounts specified in Appendix A and/or the Amendment(s). Any uncompleted work of CONSULTANT delivered to DISTRICT due to cancellation of all or portions of the work or contract termination, which utilized by DISTRICT in any way, shall have CONSULTANT name removed.

#### ARTICLE X: KEY PERSONNEL

The CONSULTANT shall specifically assign a project manager and necessary staff to complete the Scope of Work.

The CONSULTANT hereby agrees that the assigned personnel directly responsible for conducting the Scope of Work in Appendix A shall not be changed during the course of the work without prior written consent of the DISTRICT, which consent shall not be unreasonably withheld.

#### ARTICLE XI: ASSIGNMENT AND SUBCONTRACTING

Neither party shall assign, sell, mortgage, hypothecate, or otherwise transfer its interest or obligations in this agreement without written consent of the other party. Further, none of the services covered by this agreement shall be subcontracted beyond that which is specifically noted in the CONSULTANT'S proposal unless approved by the DISTRICT in writing.

#### ARTICLE XII: INSURANCE AND LIABILITY

The CONSULTANT agrees to indemnify, defend, and hold harmless the DISTRICT, its officers, agents, and employees as provided in Appendix B, attached hereto and hereby incorporated by reference to the fullest extent permitted by law.

Coverages described in Appendix B shall be maintained through the term of this Agreement, and the CONSULTANT shall file with the DISTRICT prior to the execution of this Agreement, and as policy renewals occur, a Certificate of Insurance evidencing that the insurance coverages required herein have been obtained and are currently in effect. Insurance policies shall provide that such insurance is primary insurance.

A. CONSULTANT and its subcontractors shall maintain worker's compensation and employers' liability insurance in accordance with the amount(s) and coverage(s) in the attached Appendix B.

B. CONSULTANT and its subcontractors shall maintain commercial general liability and automobile liability insurance protecting it against claims arising from bodily or personal injury or damage to property, including loss of use thereof, resulting from operations of CONSULTANT pursuant to this AGREEMENT or from the use of automobiles and equipment of or by CONSULTANT. The amount(s) and coverage(s) shall be in accordance with Appendix B.

C. CONSULTANT shall maintain a policy of professional liability insurance, protecting it against claims arising out of the negligent acts, errors, or omissions for which it is legally liable in the performance or furnishing of professional services pursuant to this AGREEMENT. (Such insurance shall be maintained for one (1) year after final completion of construction. The amount(s) and coverage(s) shall be in accordance with Appendix B.

D. CONSULTANT shall submit to the DISTRICT a Certificate of Insurance evidencing that the insurance coverages required herein have been obtained and are currently in effect. Upon written request from DISTRICT CONSULTANT is required to provide DISTRICT with complete copies of such policies or certified evidence of coverage. Approval or acceptance of said insurance by DISTRICT shall not relieve or decrease the liability of CONSULTANT hereunder.

E. To the extent applicable, DISTRICT agrees to endeavor to include a provision in the DISTRICT'S contract with the Construction Contractor engaged on the Project which requires that CONSULTANT be listed as an additional insured on such Construction Contractor(s) liability insurance policy and property insurance (Builder's Risk) policy, if any.

#### Article XIII - Suspension of Work

DISTRICT may, at DISTRICT'S discretion, suspend, in writing, all or a portion of the services under this Agreement. CONSULTANT may suspend the services under this Agreement in the event DISTRICT does not make payment in accordance with the payment terms in Article VII. The services under this AGREEMENT will only be suspended for non-payment after written notice is received by DISTRICT from CONSULTANT of its intention intending to suspend performance and a cure period of seven (7) days after receipt of this notification by DISTRICT. The time for completion of the services under this AGREEMENT shall be extended by the number of days the services under this AGREEMENT is suspended. If the period of suspension exceeds ninety (90) days, the terms of this AGREEMENT are subject to renegotiations, and both parties shall have the option to terminate the services under this AGREEMENT on the suspended portion of Project in accordance with Article XII.

#### ARTICLE XIV: TERMINATION

Either party may terminate this Agreement upon substantial breach of the terms thereof by the other party. The DISTRICT may terminate this agreement at any time upon giving thirty (30) days written notice to CONSULTANT. Such notice shall set forth the effective date of such termination.

DISTRICT, by notifying CONSULTANT in writing, may terminate any or all of the services covered by this AGREEMENT. In the event of such termination, CONSULTANT shall have the right to expend a reasonable amount of additional time to assemble work in progress for the purpose of proper filing and closing of the job. Such additional time shall not exceed five percent (5%) of the total time expended to the date of notice of termination or a designated total time agreed upon in an Amendment. All charges thus incurred, together with associated expenses reasonably incurred by CONSULTANT and reasonable charges for any other commitments outstanding at the time of termination (such as for termination of subconsultants, rental agreements, orders for printing, etc.), shall be payable by DISTRICT within forty-five (45) days following submission of a final statement by CONSULTANT. However, in the event that termination of said AGREEMENT with CONSULTANT occurs at the completion of a specific phase of the design, the aforesaid provision for the proper filing and closing will not apply unless agreed to by DISTRICT under a specific Amendment. The payment provided for under this Article XII shall constitute full satisfaction of any obligation DISTRICT has, may have or could be found to have to pay for services performed or furnished and expenses or charges incurred by CONSULTANT pursuant to this AGREEMENT and any and all liabilities or damages arising out of or resulting from the termination of this AGREEMENT.

#### ARTICLE XV: NOTICE

Any notice to be given hereunder shall be delivered to the party to be noticed by either personal delivery or by first class mail, postage prepaid, and addressed as follows:

TO: Marina Coast Water District GSA  
11 Reservation Road  
Marina, CA 93933

TO: EKI Environment & Water, Inc.  
2001 Junipero Serra Blvd., Suite 300  
Daly City, CA 94014

Attention: General Manager

Attention: Vera Nelson

ARTICLE XVI: BINDING EFFECT; AMENDMENTS; COUNTERPART EXECUTION;  
CONSTRUCTION

This Agreement supersedes and integrates all prior writings and understandings between the parties concerning, is binding on the parties and their successors, and may be amended only by written agreement signed by the DISTRICT and the CONSULTANT. This Agreement may be signed in counterparts, each of which when fully executed shall be considered a duplicate original document. Both parties have participated fully in the review and revision of this Agreement, and neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.

Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the DISTRICT or the CONSULTANT. CONSULTANT's Services hereunder are being performed solely for the benefit of the DISTRICT.

ARTICLE XVII: DISPUTES

The parties must submit any disputes arising under this Agreement to non-binding mediation before filing suit to enforce or interpret this Agreement. Upon request by either party, the parties will within ten (10) days select a single mediator, or if the parties cannot agree, they shall ask the then presiding Judge of the Monterey County Superior Court to select a mediator to mediate the dispute within fifteen (15) days of such selection.

In the event of legal proceedings to interpret or enforce this agreement, the prevailing party shall be awarded reasonable attorney fees and costs, including reasonable costs of experts reasonably engaged by the attorney.

IN WITNESS WHEREOF, the parties hereto have accepted, made and executed this Agreement upon the terms, conditions and provisions above stated the day and the year first above written.

Marina Coast Water District GSA

EKI Environment & Water, Inc.

\_\_\_\_\_  
Remleh Scherzinger  
General Manager

\_\_\_\_\_  
Print Name:  
Title:

## **Appendix A**

### **SCOPE OF WORK & FEES**

AS PER ARTICLE VII, SECTION B, THIS WORK IS TO BE PERFORMED ON A TIME AND EXPENSES BASIS WITH A TOTAL COST NOT-TO-EXCEED \$529,000.

The scope of work and budget identified herein includes tasks to be performed by EKI to support GSP implementation activities for FY 2024-25, as identified in the Monterey Subbasin GSP and the WY 2023 Annual Report. The scope of work includes:

- filling of data gaps through new monitoring well installation and monitoring (Tasks 3 and 4);
- further updating the regional groundwater models (i.e., the Seawater Intrusion Model and Salinas Valley Integrated Hydrologic Model (SVIHM) as new data are obtained, and reviewing and commenting on assumptions and results of modeling being conducted by SVBGSA of potential regional projects (Task 5);
- coordinating with SVBGSA regarding regional project feasibility studies and management actions associated with the Deep Aquifers (Tasks 7 and 8); and
- supporting MCWDGSA in its other recurring GSP implementation activities through June 2025 (Tasks 9 through 12).

This scope of work augments the scope of work approved by MCWD in May 2024, which focuses on the refinement and recalibration of SVBGSA's Seawater Intrusion Model.

#### **DWR Grant Agreement**

The MCWDGSA applied for and has been awarded a DWR SGM Implementation Grant in collaboration with SVBGSA, which was executed on 25 January 2024. The grant award includes a total of \$6,447,910 for the Monterey Subbasin of which \$2,587,300 is associated with MCWDGSA efforts. The grant allows reimbursement for efforts conducted after December 2021. Tasks 1 through 8, outlined in Section 1 of the scope of work below, are consistent with the work plan identified in MCWD's Grant Agreement with DWR and, as such, are projected to be fully reimbursable under MCWD's Grant Agreement.

### **SECTION 1: PROPOSED SCOPE OF WORK FOR GRANT REIMBURSABLE TASKS 1 THROUGH 7**

#### **Task 1 – Grant Administration (Grant Component 1)**

This task includes grant administration efforts scheduled to occur during FY 2024-25. As part of this task, EKI will support Round 2 Implementation grant administration tasks, including:

- Support MCWDGSA staff with the preparation of up to four (4) quarterly invoices and associated backup materials;
- Coordinate with SVBGSA regarding the collection of SVBGSA backup materials and tracking of GSA-specific budgets; and
- Participate in staff and technical consultant meetings between MCWDGSA and SVBGSA;
- Assist MCWDGSA staff in communications with DWR grant project manager and/or staff.

## **Task 2 – Administration of Grant Component 2**

As requested by DWR, project administration of work efforts conducted under Grant Components 2 and 4 will be tracked separately from technical work. As part of Task 2, EKI will conduct project management of MCWD's efforts under grant Component 2 (described under Tasks 3 through 5 herein) during FY 2024-2025. Activities that will be performed under this task include:

- Planning, coordination, and oversight of work efforts;
- Bi-weekly check-ins with MCWDGSA staff;
- Monitoring of project budget and conducting process check-ins;
- Periodic refinement of implementation schedule and process; and
- Preparation of monthly progress and budget summary reports included with invoices.

## **Task 3 – Induction Logging and Hydraulic Testing (Grant Component 2)**

### **Task 3.1 - Induction Logging**

Induction logging is a geophysical method that can be used to identify signs of vertical migration of seawater intrusion from shallower aquifers to deeper aquifers. Although the method does not provide exact measurements of water quality, it can be used to monitor changes in electrical conductivity (i.e., groundwater salinity) over time. As described in Section 4.4.2 of the Monterey Subbasin WY 2023 Annual Report, induction logging was performed in several Deep Aquifer monitoring well clusters owned or maintained by the Seaside Watermaster and the Monterey County Water Resources Agency (MCWRA) in WY 2023.

Under this task, EKI will aid in coordinating one induction logging event during FY 2024-25 to collect data and compare with logs collected by the Seaside Watermaster and MCWRA, including:

- Identify induction logging locations based on logs collected to date;
- Assist the District in identifying and selecting contractors for induction logging;
- Analyze data to profile water quality changes and signs of vertical migration of seawater intrusion into the Deep Aquifer; and
- Prepare a technical report or presentation to summarize the results of the analysis.

This task does not include contractor costs. It is assumed that MCWD will retain geophysical contractors separately. In the event that induction logging of wells in the Monterey Subbasin is conducted by MCWRA and/or the Seaside Water Master in WY 2024, EKI will coordinate with DWR to utilize grant funds for induction logging of newly installed wells described in Task 4 and/or other monitoring activities within the Monterey Subbasin.

### **Task 3.2 – Hydraulic Testing at Monitoring Wells FO-10 and FO-11**

Monitoring well clusters FO-10 and FO-11 are located in the southern Marina-Ord Area and have nested screens in the 400-Foot and Deep Aquifers. Groundwater elevations in these wells have been declining consistently since the 2000s, even though there is no known groundwater extraction in the immediate vicinity of these wells. The cause of this groundwater depression as well as the connectivity between the 400-Foot and Deep Aquifers in the vicinity of these wells has been identified as a critical data gap to be filled during GSP implementation.

Further, since 2020, the Seaside Watermaster has detected increasing chloride concentrations in groundwater samples collected from well FO-10S, which is the shallowest screen of the FO-10 nested well cluster. This well is believed to be screened in the 400 Foot Aquifer. A spike in chloride concentrations was also detected in groundwater samples collected by the Seaside Watermaster in well FO-10D in 2022, which is screened in the Deep Aquifer. Questions have been raised by the Seaside Watermaster regarding the integrity of this nested well cluster. A review of induction logging results

from 2021 as well as original well construction field notes indicates that approximately 1,300 feet of 2-inch steel tremie pipe was abandoned in the annular space of the well during construction. Given the questionable integrity of the FO-10 well cluster and the need to better understand groundwater conditions in this area, District staff have been in conversations with Monterey Peninsula Water Management District (MPWMD) who owns these well clusters, to gain access to conduct further testing of these wells. Specifically, the District would like to (1) conduct wellbore video logging and slug testing to assess the integrity of the FO-10 and FO-11 well clusters, and (2) install transducers in these wells to facilitate better groundwater monitoring and assessment of potential hydraulic connection to production wells in the Seaside basin and the District's Watkins Gate well.

Under Task 3.2, EKI will assist the District with planning, equipping, and executing hydraulic testing of the FO-10 and FO-11 well clusters. It is anticipated that this work will include:

- Planning of wellbore video at the FO-10 and FO-11 well clusters1;
- Installing transducers and conducted slug testing of the FO-10 and FO-11 well clusters to provide a semi-quantitative assessment of well integrity and the potential hydraulic interconnection of the different screened intervals within the well bore of each cluster;
- A meeting with District staff to review results and provide recommendations regarding the integrity of these well clusters, and the reliability of the data collected from them.
- If the integrity of these wells is determined to be sound, EKI will also work with District staff to identify methods to assess the potential hydraulic connection of these wells to Seaside Production wells and/or the Watkins Gate production well.

#### **Task 4 – Assist MCWDGSA With Contracting and Permitting of New Monitoring Wells (Grant Component 2)**

Under the District's direction, EKI prepared preliminary well design and cost estimates for two monitoring well clusters to fill data gaps in the MCWDGSA monitoring network. These two new clusters of monitoring wells will be located at the

(1) District parcel located southeast of 4th Avenue and 5th Avenue, City of Marina (Assessor's Parcel Number [APN] 031251066000; "4th Avenue Site"); and

(2) Near the District's F Tank (APN 031161007000; "F Tank Site").

EKI is currently preparing technical specifications and the bid packet for the District to solicit bids from drillers in late Summer 2024. As part of this task, EKI will continue to support the District in its selection of a contractor for the construction of these new monitoring wells and other associated services including:

- Assist the District in the evaluation and selection of contractors, including a well construction contractor and a geophysical contractor;
- Assist the District with well permitting;
- Prepare preliminary well designs for the two sites;
- Perform limited field oversight of drilling, geophysical testing, and well construction;
- Evaluate geophysical testing results and modify well design as needed;
- Assist the District with well development planning and execution; and
- Conduct field training for various District personnel, as needed or requested.

This task does not include contractor costs. It is assumed that MCWD will retain well drillers and geophysical contractors separately.



## **Task 5 –Regional Model Updates (Grant Component 2)**

Under the District’s direction, EKI initiated updating the regional Seawater Intrusion (SWI) Model in March 2023. The SWI Model was developed by SVBGSA to model the coastal regions of the Salinas Valley Basin and evaluate potential regional projects and management actions on ongoing seawater intrusion in the 180/400 Foot Aquifer Subbasin and the Monterey Subbasin. EKI’s updates of the SWI Model have been focused on the model layering in the upper aquifers and aquitards within the coastal areas of the Monterey Subbasin and immediate vicinity. In May 2024, MCWD approved EKI’s scope of work to continue this work on an expedited schedule to facilitate its completion and inclusion in SVBGSA’s initial modeling of regional projects anticipated to be completed in Fall 2024. This initial modeling of regional projects will be incorporated into SVBGSA’s technical feasibility studies and 5-Year Periodic Evaluation for the 180/400-Foot Aquifer Subbasin, which is due to DWR in January 2025. It is anticipated that the SWI model will continue to be updated and used to model these regional projects and potential combinations of these projects and management actions through FY 2024-2025. EKI will continue to support the District in its evaluation of these results and updates as part of Task 4.1 described below.

In addition to the SWI Model, which focuses on the coastal regions of the Salinas Valley Basin, the USGS has continued to work on the Salinas Valley Integrated Hydrologic Model (SVIHM), which covers the entire Salinas Valley Basin and simulates reservoir release operations. It is anticipated that the SVIHM will be used in combination with the SWI Model to assess conditions in the Salinas Valley Groundwater Basin by SVBGSA. Unfortunately, this model is very poorly calibrated in the Monterey Subbasin, and therefore additional work will be required to update this model as well as the SWI Model, to reflect conditions in the Monterey Subbasin. Anticipated efforts to conduct this work during FY 2024-2025 are described in Task 5.2 below.

### **Task 5.1 – Seawater Intrusion Model Updates and Review of SVBGSA Initial Regional Project Technical Feasibility Studies**

Task 5.1 includes continued modeling efforts to be performed between 1 July 2024 and 30 June 2025. This work will supplement work being conducted pursuant to EKI’s scope of work approved in May 2024.

The SWI Model will be used by SVBGSA to support its regional project feasibility studies. The initial regional project feasibility studies will assess (a) a regional seawater extraction barrier, (b) seasonal reservoir releases and aquifer storage and recovery (ASR), and (c) demand management. SVBGSA is in the process of releasing draft model results to its Groundwater Technical Advisory Committee. The results of these initial regional project feasibility studies will be used to inform additional assessments of potential combined regional projects and more detailed scoping of these projects under various conditions.

As part of this Task, EKI will support MCWDGSA review of these initial modeling results and feasibility studies including:

- Performing a high-level review of the predictive SWI model, including major inputs, assumptions, and outputs;
- Performing a high-level evaluation of results and identifying projected benefits and/or impacts of each scenario on groundwater levels and seawater intrusion conditions within MCWD’s service area and the greater Monterey Subbasin;
- Modeling alternative alignment(s) and/or impacts of various hydrogeologic conditions and/or future land uses on the proposed projects and management actions, if appropriate;
- Participating in meetings with the District and SVBGSA to discuss model results; and
- Preparing formal comments on the scenarios and feasibility study results.

**Task 5.2 – USGS Salinas Valley Integrated Hydrologic Model (SVIHM) Updates**

SVBGSA plans to complete its hydrogeological conceptual model (HCM) revision for the larger Salinas Valley Basin in the coming months and initiate revisions of the USGS SVIHM in late 2024 or early 2025. The revisions will be conducted according to the Round 2 Grant Agreement in coordination with MCWDGSA. Under Task 5.2, EKI will support the SVIHM update tasks for the Monterey Subbasin through June 2025, which may include the following efforts:

- Assessing and improving the calibration data set in the Marina-Ord area;
- Updating the geologic model and aquifer properties in the Monterey Subbasin;
- Expanding Marina-Ord Area pumping dataset inputs; and
- Collaborate with the Seaside Watermaster to integrate the Seaside Model into the SVIHM and review the Marina-Ord Area/Seaside Subbasin boundary.

It is anticipated that the SVIHM update will be based on the geologic model and data inputs currently developed for the SWI Model.

**Task 6 – Administration of Grant Component 4**

As requested by DWR, project administration of work efforts conducted under Grant Components 2 and 4 will be tracked separately from technical work. As part of Task 6, EKI will conduct project management of MCWD's efforts under grant Component 4 (described under Tasks 7 and 8 herein) during FY 2024-2025. Activities that will be performed under this task, including:

- Planning, coordination, and oversight of work efforts;
- Bi-weekly check-ins with MCWDGSA staff;
- Monitoring of project budget and conducting process check-ins;
- Periodic refinement of implementation schedule and process; and
- Preparation of monthly progress and budget summary reports included with invoices.

**Task 7 – 2025 Regional Project Feasibility Studies Update (Grant Component 4)**

According to the Sustainability Strategy outlined in the 180/400 Foot Aquifer Subbasin WY 2023 Annual Report SVBGSA plans to solicit feedback on the Fall 2024 feasibility studies and perform modeling of combinations of projects and management actions. These modeling scenarios are anticipated to be conducted in 2025 to supplement the single project scenarios discussed in Task 5.

EKI will continue to support MCWDGSA's engagement in the development and assessment of regional projects and management actions. Anticipated activities that may be conducted by EKI during the FY 2024-2025 in support of this task include the following:

- Developing combinations of regional and management actions that may be beneficial to the Marina-Ord Area, and also involve local projects proposed by MCWD such as indirect potable reuse;
- Coordinating with SVBGSA to make sure that impacts of Regional Projects incorporate projected land use in the Monterey Subbasin and impacts on the Monterey Subbasin;
- Identifying projected benefits and/or impacts of each scenario with respect to groundwater levels and seawater intrusion within the Marina Ord Area and the greater Monterey Subbasin;
- Support the District in providing feedback on the SWI Model scenarios and feasibility studies; and
- Participate in associated meetings with the MCWDGSA and SVBGSA.

### **Task 8 –Deep Aquifers Management Options (Grant Component 4)**

The SVBGSA is currently finalizing the Deep Aquifers Study that describes the geology, hydrogeology, and extent of the Deep Aquifers, the water budget, and guidance for management. The MCWDGSA is a funding partner of the Deep Aquifers Study and collaborated on technical input. The Final Deep Aquifers Study was released in April 2024. A presentation of the Study was made in front of the MCWDGSA Board in May 2024.

Following the completion of the Study, The SVBGSA is planning to engage partner agencies and stakeholders in discussions and development of Deep Aquifer management options. Specifically, according to the work plans included in MCWD’s Round 2 Grant Agreement and the WY 2023 Annual Report, SVBGSA plans to engage agencies that manage or monitor aspects of the Deep Aquifers as part of a Deep Aquifers agency working group. This Deep Aquifers agency working group will develop local and regional management actions and bring these management actions to GSA Boards of Directors for approval. It is anticipated that MCWDGSA will be part of this Deep Aquifers agency working group and will provide technical and legal input regarding actions proposed to manage the Deep Aquifers within the Monterey and adjacent subbasins.

As part of Task 8, EKI will support MCWDGSA’s participation in the Deep Aquifers agency working group during the FY 2024-2025. Such activities may include:

- Participating in or supporting the MCWDGSA’s participation in Deep Aquifers working group meetings;
- Performing technical reviews of information provided to working group members based on findings of the Deep Aquifers Study and conditions in the Monterey Subbasin;
- Preparing a technical memorandum summarizing EKI’s review of proposed management actions on the Monterey Subbasin.

## **SECTION 2: PROPOSED SCOPE OF WORK FOR NON-GRANT REIMBURSABLE TASKS 9 THROUGH 12**

### **Task 9 – SGMA Monitoring, Data Management, and Data Upload to DWR**

#### **Task 9.1 – SGMA Monitoring**

MCWD has made significant strides to expand its own monitoring network and monitoring programs since the completion of the GSP. Under Task 9.1, EKI will continue to provide support for regular SGMA monitoring and data gap-filling activities, including the following tasks planned for FY 2024-25:

- Provide technical guidance to District staff in implementing the groundwater elevation and seawater intrusion monitoring programs;
- Assist the District in selecting monitoring equipment, developing monitoring protocols and best practices, and troubleshooting;
- Coordinate with the U.S. Army and its contract to perform annual seawater intrusion sampling at the former Fort Ord;
- Conduct project management of sampling efforts;
- Conduct QA/QC and review of monitoring data; and
- Periodically review the monitoring network and make revisions.



This task does not include contractor costs. It is assumed that MCWD will continue to retain sampling contractors separately.

Task 9.2 – Maintenance of MCWDGSA’s Data Management System and Upload Data to DWR Portal Under Task 9.2, EKI will maintain and update MCWDGSA’s Data Management System (DMS) and routinely upload SGMA monitoring network data to DWR portal during FY 2024-25. EKI will routinely request data from monitoring agencies within the Subbasin, perform QA/QC, and update MCWDGSA’s DMS. Data anticipated to be added to the DMS includes:

- Water level data at groundwater elevation RMS wells and other potential additional monitoring well site(s);
- Water quality and conductivity data at seawater intrusion RMS wells and other potential additional monitoring well site(s); and
- Water quality data from the SWRCB’s GeoTracker GAMA groundwater information system for DDW and ILRP wells.

The GSP Regulations require that a GSP monitoring network be capable of collecting, at a minimum, two static groundwater elevation readings per year, representing the seasonal low and seasonal high groundwater conditions in the basin, and be submitted to the Department electronically (23 CCR § 354.34(c)(1)(B) and § 354.40). This task includes EKI’s efforts to support the MCWDGSA’s data submittals to DWR during FY 2024-2025.

## **Task 10 – Annual Reporting**

### **Task 10.1 – Water Year 2024 Annual Report**

The MCWDGSA is required by 23-CCR § 356.2 to submit an Annual Report to DWR by April 1 of each year following the adoption of the GSP. As part of this task, EKI will aid MCWDGSA in preparing the WY 2024 Annual Report for the Monterey Subbasin. The WY 2024 Annual report will incorporate data from October 2023 through September 2024. The Annual Report should include: (1) a representation of groundwater elevation data from the Subbasin’s monitoring network, groundwater extraction data from the preceding year, total water use by the water use sector, and change in groundwater storage for each principal; and (2) a description of progress towards implementing the GSP, including achieving interim milestones and implementation of projects and management actions. Pursuant to the MCWDGSA/SVBGSA Framework Agreement, MCWDGSA and SVBGSA will each prepare information for their respective management areas (i.e., the Marina-Ord Area and Corral de Tierra Area). MCWDGSA will lead the drafting of the report and submit the report to DWR. As part of Task 10.1, EKI will support MCWDGSA in the development, preparation, and submittal of the Monterey Subbasin WY 2024 Annual Report, including:

- Compiling newly available data from WY 2024 and updating the DMS;
- Producing necessary graphics, tables, and descriptions required under 23-CCR § 356.2 for the Marina-Ord Area;
- Coordinating and obtaining data, graphics, tables, and descriptions for the Corral de Tierra Area;
- Estimate potential changes in groundwater storage within the basin;
- Drafting the WY 2024 Annual Report,
- Submitting the Annual Report to DWR, and
- Presenting the Annual Report at up to three (3) public meetings.

## Task 10.2 – Revise and Re-Upload WY 2021 through WY 2023 Annual Reports in Response to DWR Comments

On 31 March 2024, DWR provided comments on the WY 2021 through WY 2023 Monterey Subbasin Annual Reports. This is the time that DWR has commented on a Monterey Subbasin Annual Report. DWR's comments focus on the timing of water use reporting in the Annual Reports for the Corral de Tierra area. Information regarding water use within the Corral de Tierra area is compiled by the Monterey County Groundwater Extraction Management System (GEMS) and provided by SVBGSA to MCWDGSA for inclusion into the Monterey Subbasin Annual Reports. SVBGSA received the same comment from DWR for other subbasins in the Salinas Valley Basin that are covered by GEMS.

MCWDGSA is the primary manager of data and annual report submittals for the Monterey Subbasin. As part of this task, EKI will receive revised data from SVBGSA, compile the revised WY 2021 through WY 2023 Annual Reports, and resubmit to DWR. These revisions will be made similar to the edits made in other Salinas Valley Subbasin Annual Reports in coordination with M&A.

## Task 11 – Continued Intra- and Inter- Subbasin Coordination

Task 11 includes inter- and intra-basin coordination with SVBGSA, Seaside Watermaster, MPWMD, and MCWRA on data collection, monitoring, and reporting; groundwater model refinements and updates; as well as SGMA compliance in adjacent basins. In addition, it is anticipated that MCWDGSA will want to review and potentially comment on the 180/400-Foot Aquifer Subbasin Periodic Evaluation (i.e., GSP update) due to DWR in January 2025.

EKI's efforts under this task include:

- Coordination with Seaside Watermaster, MPWMD, and MCWRA on data collection, monitoring, and updates; and
- Provision of Marina-Ord Area-related updates to the MCWDGSA/SVBGSA Steering Committee and the Monterey Subbasin Implementation Committee;
- Review of and coordination associated with the 180/400-Foot Aquifer Subbasin Periodic Evaluation (i.e. GSP update) due to DWR in January 2025;

## Task 12 – Review and Tracking of Potentially Available Grants for Implementation of the Indirect Potable Reuse (IPR) Project

EKI supported the District in completing the Indirect Potable Reuse (IPR) Feasibility Study in November 2022, which confirmed the feasibility of an IPR project and recommended injection into the Deep Aquifers for production through Wells 10 and 11. The District applied for funding to support the engineering and construction of the recommended IPR project as part of the DWR SGM Round 2 Implementation Grant application; however, funding was not awarded for this component.

Under Task 12, EKI will review and track grant opportunities to support the District's implementation of the IPR project. Efforts are anticipated to include:

- Meeting with District staff to strategize the project's funding plan and associated timing with upcoming Deep Aquifers management actions;
- Compiling a preliminary list of potential funding programs, agencies, and contacts, including the US Bureau of Reclamation's WaterSmart Program, the State Water Resources Control Board, and the Water Reuse Association;
- Conducting meetings and correspondence with up to four (4) potential funding programs to discuss current and upcoming opportunities and the availability of funding for the proposed project;
- Meeting with District staff to discuss results of the information obtained and recommend program(s) for further pursuit; and

- Tracking of opportunities through FY 2024-2025 through periodic follow-ups with funding program officials and desktop searching.

Under the District's direction, a separate work authorization will be developed to prepare an application for any recommended grant opportunities.

### **PROJECT SCHEDULE**

We are prepared to begin work immediately on this project upon receipt of MCWDGSA authorization to proceed. Efforts under the proposed scope of work of this Work Authorization are anticipated to occur between August 2024 and June 2025.



**PURSUANT TO ARTICLE VII, SECTION B: This Is A Time And Expense Project Budget:**

<b>Tasks</b>	<b>Budget</b>	<b>Reimbursement by Round 2 Grant</b>
<i>Grant Reimbursable Tasks 1 through 8</i>		
Task 1 – Grant Administration	\$76,000	\$76,000
Task 2 – Administration of Grant Component 2	\$47,000	\$47,000
Task 3 – Induction Logging and Hydraulic Testing	\$43,000	\$43,000
Task 4 – Assist MCWDGSA with Contracting and Permitting of New Monitoring Wells	\$73,000	\$73,000
Task 5 –Regional Model Updates	\$98,000	\$98,000
Task 6 – Administration of Grant Component 4	\$47,000	\$47,000
Task 7 – 2025 Regional Project Feasibility Studies Update	\$25,000	\$25,000
Task 8 – Deep Aquifers Management Options	\$23,000	\$23,000
<i>Subtotal Grant Reimbursable Tasks</i>	<i>\$432,000</i>	<i>\$432,000</i>
<i>Non-Grant Reimbursable Tasks 9 through 12</i>		
Task 9 – SGMA Monitoring, Data Management, and Data Upload to DWR	\$23,000	\$0
Task 10 – Annual Reporting	\$54,000	\$0
Task 11 – Continued Intra- and Inter Subbasin Coordination	\$14,000	\$0
Task 12 – Review and Tracking of Potentially Available Grants for Implementation of the IPR Project	\$6,000	\$0
<i>Subtotal Non-Grant Reimbursable Tasks</i>	<i>\$97,000</i>	<i>\$0</i>
<b>TOTAL</b>	<b>\$529,000</b>	<b>\$432,000</b>

**Client/Address: Marina Coast Water District**  
920 2nd Ave, Ste. A  
Marina, CA 93933-6009



**Project Date: 12 August 2024**

**EKI Project/Proposal # B60094.xx**

**SCHEDULE OF CHARGES FOR EKI ENVIRONMENT & WATER, INC.**

**2 January 2024**

<u>Personnel Classification</u>	<u>Hourly Rate</u>
Officer and Chief Engineer-Scientist	341
Principal Engineer-Scientist	329
Supervising I, Engineer-Scientist	319
Supervising II, Engineer-Scientist	306
Senior I, Engineer-Scientist	293
Senior II, Engineer-Scientist	283
Associate I, Engineer-Scientist	272
Associate II, Engineer-Scientist	256
Engineer-Scientist, Grade 1	238
Engineer-Scientist, Grade 2	224
Engineer-Scientist, Grade 3	206
Engineer-Scientist, Grade 4	185
Engineer-Scientist, Grade 5	163
Engineer-Scientist, Grade 6	142
Project Assistant	133
Technician	127
Senior GIS / Database Analyst	168
CADD Operator / GIS Analyst	146
Senior Administrative Assistant	160
Administrative Assistant	126
Secretary	107

**Direct Expenses**

Reimbursement for direct expenses, as listed below, incurred in connection with the work will be at cost plus ten percent (10%) for items such as:

- a. Maps, photographs, reproductions, printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, drillers, laboratories, and contractors.
- c. Rented vehicles, local public transportation and taxis, travel, and subsistence.
- d. Special fees, insurance, permits, and licenses applicable to the work.
- e. Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for company-owned automobiles, except trucks and four-wheel drive vehicles, used in connection with the work will be at the rate of sixty cents (\$0.60) per mile. The rate for company-owned trucks and four-wheel drive vehicles will be seventy-five cents (\$0.75) per mile. There will be an additional charge of thirty dollars (\$30.00) per day for vehicles used for field work. Reimbursement for use of personal vehicles will be at the federally allowed rate plus ten percent (10%).

CADD and other specialized software computer time will be charged at twenty dollars (\$20.00) per hour. In-house material and equipment charges will be in accordance with the current rate schedule or special quotation. Excise taxes, if any, will be added as a direct expense.

Rate for professional staff for legal proceedings or as expert witnesses will be at a rate of one and one-half times the Hourly Rates specified above.

The foregoing Schedule of Charges is incorporated into the Agreement for the Services of EKI Environment & Water, Inc. and may be updated annually.

## **Appendix B**

### **INSURANCE REQUIREMENTS**

**Workers' Compensation Insurance** - By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of the work of this contract.

#### **Design Professional** (Including Architects, Engineers)

**Indemnification-** To the extent permitted by law, Design Professional agrees to indemnify, including the cost to defend, MCWD and its officers, officials, employees, and authorized volunteers from and against any and all claims, demands, costs, or liability that arise out of, or pertain to, or relate to the extent arising from the negligence, recklessness, or willful misconduct of Design Professional and its employees or agents in the performance of services under this contract, but this indemnity does not apply to proportionate liability for damages arising from the negligence, active negligence, or willful acts of the MCWD; and does not apply to any passive negligence of the MCWD unless caused at least in part by the Design Professional. In no event shall the cost to defend charged to the Consultant exceed that Consultant's proportionate percentage of fault.

**Minimum Insurance Requirements:** Design Professional shall procure and maintain for the duration of the contract insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Design Professional, his agents, representatives, employees or subcontractors.

**Coverage** - Coverage shall be at least as broad as the following:

1. **Commercial General Liability (CGL)** - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater for. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to MCWD) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability** - (If necessary) Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto) or if Design Professional has no owned autos, Symbol 8 (hired) and 9 (non-owned) with limit

of one million dollars (\$1,000,000) for bodily injury and property damage each accident.

3. **Workers' Compensation Insurance** - as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. **Waiver of Subrogation:** The insurer(s) named above agree to waive all rights of subrogation against the MCWD, its directors, officers, employees, and authorized volunteers for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency; but this provision applies regardless of whether or not the MCWD has received a waiver of subrogation from the insurer.
4. **Professional Liability** - (also known as Errors & Omission) Insurance appropriate to the Design Professional profession, with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

**If Claims Made Policies:**

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work**, if such insurance is available at commercially reasonable rates.
3. If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date** prior to the contract effective date, the Design Professional must purchase "extended reporting" coverage for a minimum of **five (5) years after completion of contract work**, if such insurance is available at commercially reasonable rates.

If the Design Professional maintains broader coverage and/or higher limits than the minimums shown above, the MCWD requires and shall be entitled to the broader coverage and/or higher limits maintained by the Design Professional. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the MCWD.

**Other Required Provisions** - The Commercial General Liability policy must contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status:** MCWD, its directors, officers, employees, and authorized volunteers are to be given insured status insurance (at least as broad as ISO Form CG 20 10 10 01) with respect to liability arising out of work or operations performed by or on behalf of the Design Professional including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Design Professional's insurance.

- 2 **Primary Coverage:** For any claims related to this project, the Design Professional's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to the MCWD, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by the MCWD, its directors, officers, employees, and authorized volunteers shall be excess of the Design Professional's insurance and shall not contribute with it.

**Notice of Cancellation:** Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the MCWD.

**Self-Insured Retentions** - Self-insured retentions must be declared to and approved by the MCWD. The MCWD may require the Design Professional to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or MCWD.

**Acceptability of Insurers** - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII or as otherwise approved by MCWD.

**Verification of Coverage** – Design Professional shall furnish the MCWD with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the MCWD before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Design Professional's obligation to provide them. The MCWD reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration and Endorsements pages listing all policy endorsements.

**Subcontractors** - Design Professional shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Design Professional shall ensure that MCWD is an additional insured on insurance required from subcontractors.

## **Appendix C**

### Appendix C includes:

Release of Liens and Claims (CONSULTANT)

Release of Liens and Claims (Subconsultants and Subcontractors)

DRAFT

CONSULTANT'S RELEASE OF LIENS AND CLAIMS

WHEREAS, the undersigned, has installed or performed or furnished labor, services, materials and/or equipment for the installation of the Project entitled \_\_\_\_\_, (the "Project"), installed pursuant to a written agreement dated \_\_\_\_\_, 20\_\_, between the undersigned, as CONSULTANT, and \_\_\_\_\_

\_\_\_\_\_ having an office at \_\_\_\_\_, hereinafter called DISTRICT, at or on real estate owned by DISTRICT and described and located as follows:

(the "Facilities"); and,

WHEREAS, we, the undersigned, have agreed to release any and all claims and liens which the undersigned has, or might have, against the DISTRICT, or said Facilities by reason of services, labor, materials and equipment performed or furnished by us in connection with the Project.

NOW THESE PRESENTS WITNESS that the undersigned, in consideration of the premises herein, and of the sum of One Dollar (\$1.00) in hand paid by DISTRICT, at and before the sealing and delivery hereof, the receipt and sufficiency of which are hereby acknowledged, remises, releases and forever quitclaims, and by these presents does remise, release and forever quitclaim, unto DISTRICT, its successors and assigns, any and all manner of liens, claims and/or demands whatsoever which the undersigned now has, or might or could have, on or against the Facilities, or DISTRICT for work done, for services performed or furnished or for equipment or materials furnished in connection with the Project installation. It is the intent of this Release that DISTRICT, its successors and assigns, shall and may hold, have, use and enjoy the Facilities free and discharged from all liens and demands whatsoever which the undersigned now has, or might or could have, against the same if these presents had not been made.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal as of the day of \_\_\_\_\_, 20\_\_ written.

(SEAL)

\_\_\_\_\_  
CONSULTANT

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_





SUBCONTRACTOR's OR SUBCONSULTANT's RELEASE OF LIENS AND CLAIMS

WHEREAS, the undersigned, has installed or performed or furnished labor, services, materials, and/or equipment for the installation of the Project entitled \_\_\_\_\_, (the "Project"), installed pursuant to a written agreement dated, 19\_\_\_\_, between the \_\_\_\_\_, Havingan office at \_\_\_\_\_, hereinafter called DISTRICT and, having an office at \_\_\_\_\_, hereinafter called CONSULTANT, at or on real estate owned by DISTRICT and described and located as follows:

(the "Facilities"); and,

WHEREAS, the undersigned, has agreed to release any and all claims and liens which the undersigned has, or might have, against DISTRICT or Facilities by reason of the services, labor, materials and equipment performed or furnished by the undersigned in connection with the Project.

NOW THESE PRESENTS WITNESS that the undersigned, in consideration of the premises herein, and of the sum of One Dollar (\$1.00) in hand paid by DISTRICT, at and before the sealing and delivery hereof, (the receipt and sufficiency of which are hereby acknowledged), remises, releases and forever quitclaims and by these \_\_\_\_\_ presents do remise, release and forever quitclaim, unto DISTRICT, its successors and assigns, any and all manner of liens, claims and/or demands whatsoever which the undersigned now has, or might or could have, on or against the Facilities, or DISTRICT for work done, for services performed or furnished or for equipment or materials furnished in connection with the Project installation. It is the intent of this Release that DISTRICT, its successors and assigns shall and may hold, have, use and enjoy the Facilities free and discharged from all liens and demands whatsoever which the undersigned now has, or might or could have against the same if these presents had not been made.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ written.

(SEAL)

\_\_\_\_\_  
(Company Name)

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN MARINA COAST WATER  
DISTRICT GROUNDWATER  
SUSTAINABILITY AGENCY AND [CONSULTANT] FOR [PROJECT NAME]**

**AMENDMENT NO. [ ]**

Article II - Scope of Services shall be [DESCRIPTION OF ADDITIONAL OR MODIFIED SCOPE OF SERVICES].

Article IV - Schedule shall be amended by a [ ] week extension.

Article IX - Payment shall be amended by a lump sum (or not-to-exceed if time and expense contract) amount of [\$ ]. *(NOTE: IF TIME AND EXPENSE CONTRACT, TASK ORDER MUST BE ACCOMPANIED BY ENGINEER'S MOST CURRENT SCHEDULE OF CHARGES.)*

All other articles of the [DATE] AGREEMENT FOR ENGINEERING SERVICES remain the same.

DISTRICT and ENGINEER have caused this Agreement to be amended by representatives duly authorized to act, all as of the effective date of [ ].

Prepared by: \_\_\_\_\_ Date \_\_\_\_\_  
(DISTRICT REPRESENTATIVE)

CONSULTANT  
EKI ENVIROMENT & WATER, INC.

DISTRICT  
MARINA COAST WATER DISTRICT  
GSA

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title: General Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 11

**Meeting Date:** August 19, 2024

**Prepared By:** Paula Riso

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Consent Calendar

**Staff Recommendation:** Approve the Consent Calendar as presented.

**Background:** *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, 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 July 2024
- B) Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of July 15, 2024
- C) Receive the Second Quarter Investment Report for Calendar Year 2024
- D) Adopt Resolution No. 2024-36 to Approve the Purchase of a New John Deere 210P Loader from Pape Machinery for the Operations and Maintenance Department
- E) Adopt Resolution No. 2024-37 to Award a Sole Source Contract to Calcon Systems Inc. for the Programmable Logic Controller Replacement Project Phase 2
- F) Adopt Resolution No. 2024-38 to Approve FY 2024-2025 Professional Services Agreement with Regional Government Services Authority to provide Human Resources and Risk Management services to the District
- G) Adopt Resolution No. 2024-39 to Accept the Infrastructure Improvements Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District and Shea Homes Limited Partnership for the Dunes 2 East Development Project
- H) Adopt Resolution No. 2024-40 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between MCWD and Shea Homes Limited Partnership for the Dunes Phase 3 North Development
- I) Adopt Resolution No. 2024-41 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between MCWD and Marina Station, LLC, for the Marina Station Phase 1 & 2 in Marina, CA

**Discussion/Analysis:** See individual transmittals.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** See individual transmittals.

**Climate Action:** Not applicable.

**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 July 2024; draft minutes of July 15, 2024; Investment Report Worksheet; Interest Earning Graph; Resolution No. 2024-36; John Deere Tractor Loader Specs and Quote Summary; Resolution No. 2024-37; Calcon Proposal; Resolution No. 2024-38, RGS Initiatives and Contract; Resolution No. 2024-39; Bill of Sale; Resolution No. 2024-40; Dunes Phase 3 Infrastructure Agreement; Resolution No. 2024-41; and, Marina Station Infrastructure Agreement.

**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:** 11-A

**Meeting Date:** August 19, 2024

**Prepared By:** Mary Lagasca, CPA

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Receive and File the Check Register for the Month of July 2024

**Staff Recommendation:** Receive and file the July 2024 expenditures totaling \$2,088,274.64.

**Background:** *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 July 2024 and the Board is requested to receive and file the check register.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** None required.

**Climate Adaptation:** Not applicable.

**Financial Impact:** \_\_\_\_Yes      X  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:** July 2024 Summary Check Register.

**Action Required:**    \_\_\_\_Resolution      X  Motion    \_\_\_\_Review

---

Board Action

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

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

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

## JULY 2024 SUMMARY CHECK REGISTER

DATE	CHECK #	CHECK DESCRIPTION	AMOUNT
07/08/2024	ACH	Pitney Bowes Purchase Power	4,500.00
07/08/2024	75533 - 75674	Check Register	26,313.71
07/15/2024	75675 - 75708	Check Register	670,141.57
07/16/2024	ACH	Pitney Bowes Purchase Power	6,966.24
07/17/2024	Wire	Santa Cruz County Bank	118,694.06
07/22/2024	75709 - 75735	Check Register	98,253.58
07/30/2024	75736 - 75777	Check Register	17,173.52
07/05/2024	ACH	Payroll Direct Deposits	140,272.60
07/05/2024	ACH	CalPERS	36,226.89
07/05/2024	ACH	Empower Retirement	16,487.78
07/05/2024	ACH	Internal Revenue Service	58,086.00
07/05/2024	ACH	State of California - EDD	12,694.74
07/05/2024	ACH	WageWorks, Inc.	1,299.16
07/05/2024	501738	Check Register	688.00
07/15/2024	501739 - 501740	Check Register	174,190.69
07/19/2024	ACH	Payroll Direct Deposits	153,156.45
07/19/2024	ACH	CalPERS	39,915.07
07/19/2024	ACH	Empower Retirement	16,626.62
07/19/2024	ACH	Internal Revenue Service	63,376.66
07/19/2024	ACH	State of California - EDD	14,707.40
07/19/2024	ACH	WageWorks, Inc.	1,299.16
07/22/2024	501741 - 501747	Check Register	6,203.82
07/26/2024	ACH	CalPERS	395,328.00
07/30/2024	501748 - 501751	Check Register	15,672.92
<b>TOTAL DISBURSEMENTS</b>			<b><u>2,088,274.64</u></b>

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
ACH	07/01/2024	07/08/2024	Pitney Bowes Purchase Power (Postage)	Postage Meter Refill	4,500.00
75533 - 75603			Void		
75604	06/20/2024	07/08/2024	Pitney Bowes Global Financial Services LLC	Postage Machine Lease 05/09 - 08/08	1,089.75
75605	06/10/2024	07/08/2024	Grainger	General Operations/ Maintenance Supplies	150.00
75606	06/30/2024	07/08/2024	Peninsula Welding & Medical Supply, Inc.	(2) Gas Cylinder Tank Rental Fees	25.80
75607	05/29/2024	07/08/2024	Valley Saw and Garden Equipment	General Operations/ Maintenance Supplies	104.81
75608	06/19/2024	07/08/2024	Monterey Bay Analytical Services	Laboratory Testing	506.00
75609	06/06/2024	07/08/2024	Sherwin-Williams Co.	General Operations/ Maintenance Supplies	576.67
75610	06/17/2024	07/08/2024	Marina Tire & Auto Repair	Oil Change - Vehicle #1002	79.33
75611	06/25/2024	07/08/2024	U.S. Bank National Association	IOP Office Copier Lease 06/20 - 07/19	287.34
75612	06/24/2024	07/08/2024	ICONIX Waterworks (US), Inc.	General Operations/ Maintenance Supplies	76.43
75613	06/30/2024	07/08/2024	Peninsula Messenger LLC	Courier Service 07/2024	279.00
75614	06/30/2024	07/08/2024	Iron Mountain, Inc.	Shredding Service 06/2024	298.21
75615	07/01/2024	07/08/2024	Pure Janitorial, LLC	Janitorial Service - BLM Office 06/2024	1,996.69
75616	07/01/2024	07/08/2024	The Ferguson Group, LLC	Grant Writing and Legislative Advocacy 07/2024	1,700.00
75617	06/20/2024	07/08/2024	Interstate Battery of San Jose	General Operations/ Maintenance Supplies	60.67
75618	07/01/2024	07/08/2024	Kysmet Security & Patrol, Inc.	Security Patrol Services - MCWD Offices 06/2024	300.00
75619	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 2614 Catwalk Ct	40.06
75620	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 383 Hillcrest Ave	198.23
75621	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 17414 Logan St	198.23
75622	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 2933 Harvey Ct	198.23
75623	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3087 Crescent Ave	20.61
75624	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	1,837.99
75625	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 484 Ferris Ave	38.82
75626	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 99 General Stilwell Dr	115.20
75627	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1409 Simpson Ct	241.86
75628	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	2,186.39
75629	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 477 McKinley Dr	111.50
75630	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3039 Marina Dr #23	46.32
75631	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 200 Rome Rd	40.00
75632	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 2771 Telegraph Blvd	40.00
75633	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1706 Eichelberger Ct	91.99
75634	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3203 Playa Ct	128.94
75635	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	1,785.98
75636	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 21131 Ord Ave #221	51.67
75637	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 333 Quebrada Del Mar Rd	3.31
75638	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 21231 Ord Ave #321	106.91
75639	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 259 Viking Ln	18.21
75640	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3071 Crescent Ave	198.23
75641	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1518 Devers Ct	8.70



Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
75642	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3017 Arroyo Dr	121.80
75643	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 21231 Ord Ave #331	106.91
75644	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 2952 Jordan Ct	130.64
75645	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1902 Chennault Ct	87.09
75646	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1718 Eichelberger Ct	31.94
75647	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 182 Lillian Pl	75.20
75648	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 4950 Peninsula Point Dr	40.00
75649	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 17900 Kearny St #521	11.21
75650	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1604 Hodges Ct	106.91
75651	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 14303 Sherman Blvd	127.02
75652	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 417 Windsor Ct	53.92
75653	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 2772 Telegraph Blvd	85.60
75654	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 495 Marina Heights Dr	45.73
75655	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 493 Marina Heights Dr	43.95
75656	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	1,775.41
75657	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3349 Drew St	40.00
75658	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	1,873.85
75659	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1502 Devers Ct	52.25
75660	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3007 Eddy St	40.00
75661	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 4792 Paradise Cove Ct	40.00
75662	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3087 Crescent Ave	113.04
75663	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3030 Del Monte Blvd	108.54
75664	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3204 Playa Ct #A	208.60
75665	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	2,065.93
75666	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1901 Chennault Ct	40.00
75667	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	2,075.73
75668	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1316 Patch Ct	17.24
75669	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3030 Del Monte Blvd	6.37
75670	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 1917 Bunker Ln	9.45
75671	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3002 Minaret Way	104.69
75672	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 3114 Arnold Ct	198.23
75673	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - Hydrant Meter	1,143.68
75674	07/01/2024	07/08/2024	Customer Service Refund	Refund Check - 239 Mortimer Ln	94.70
75675	05/14/2024	07/15/2024	Monterey County EHB	(8) Haz Mat Facility Permits	7,360.00
75676	05/14/2024	07/15/2024	Monterey County EHB	(9) Haz Mat Facility Permits	9,577.00
75677	05/14/2024	07/15/2024	Monterey County EHB	(8) Haz Mat Facility Permits	7,360.00
75678	05/14/2024	07/15/2024	Monterey County EHB	(5) Haz Mat Facility Permits	4,600.00
75679	07/01/2024	07/15/2024	PG&E	Gas and Electric Service 06/2024	141,571.14
75680	07/10/2024	07/15/2024	PG&E	Gas, Electric Extension Agreement - A1/A2 Tanks B/C Booster	45,230.93
75681	06/24/2024	07/15/2024	Grainger	Hard Hats, Safety Vests - Leadership Monterey County Tour A1/A2 Tanks B/C Booster Site	438.53

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
75682	07/08/2024	07/15/2024	Monterey Peninsula Engineering	Imjin Pkwy Widening Project - Construction Pmts 1, 2	181,277.00
75683	06/30/2024	07/15/2024	Monterey Newspapers Partnership	Publication in Full - Ordinance 63	3,820.13
75684	06/26/2024	07/15/2024	Monterey Bay Analytical Services	Laboratory Testing	924.00
75685	06/28/2024	07/15/2024	Rauch Communication Consultants, Inc.	Public Relations 05/2024	16,506.75
75686	06/26/2024	07/15/2024	Monterey One Water	Ground Water Replenishment - Billing for Usage 04/2024 - 05/2024	97,305.69
75687	07/01/2024	07/15/2024	Maynard Group	Network Support 07/2024	5,413.07
75688	06/07/2024	07/15/2024	Core & Main LP	(12) Ball Valves, (8) Couplings - CSUMB Shut-Off Valve Replacement	6,221.89
75689	06/30/2024	07/15/2024	DataProse, LLC	Customer Billing Statements 06/2024	6,262.53
75690	07/10/2024	07/15/2024	Special District Association	SDA Quarterly Meeting	160.00
75691	06/11/2024	07/15/2024	Carollo Engineers, Inc.	Bid Drawings - Gigling Rd Pipeline Replacement	7,270.65
75692	07/03/2024	07/15/2024	Pitney Bowes, Inc. (Supplies)	Postage Machine Supplies	217.60
75693	06/21/2024	07/15/2024	Wallace Group	Developer (Seaside B&B Resort)	3,483.67
75694	07/01/2024	07/15/2024	Geiger	(7,500) #10 Regular Envelopes	696.64
75695	06/30/2024	07/15/2024	ECAM Secure	Monthly Security Fees - Ord Wastewater Treatment Facility	1,218.50
75696	06/14/2024	07/15/2024	Marina Tire & Auto Repair	Oil Change - Vehicle #1001	80.37
75697	06/20/2024	07/15/2024	Griffith, Masuda & Hobbs	Legal Services 05/2024	31,024.37
75698	06/26/2024	07/15/2024	Western Exterminator Company	Pest Control - Beach Office 06/2024	119.60
75699	07/05/2024	07/15/2024	Everbank, N.A.	Ord Office Copier Lease 07/2024	251.28
75700	07/01/2024	07/15/2024	Simpler Systems, Inc.	UB/ Finance Datapp Maintenance 07/2024	500.00
75701	06/28/2024	07/15/2024	Marina Coast Water District (BLM)	BLM Water, Sewer, Fire Service 06/2024	405.85
75702	01/25/2024	07/15/2024	EKI Environment & Water, Inc.	Well Condition Assessment/ Instrumentation - Well 9 11/2023 - 12/2023	7,468.75
75703	06/17/2024	07/15/2024	Ferguson Enterprises, Inc.	(2) 16" Couplings - B-Zone Transmission Line Repair	7,925.42
75704	06/25/2024	07/15/2024	WEX Bank	Fleet Gasoline 06/2024	5,238.21
75705	06/13/2024	07/15/2024	SBRK Finance Holdings, Inc.	Annual Software Subscription 08/2024 - 07/2025	50,072.88
75706	07/11/2024	07/15/2024	City of Seaside	City Utility Tax 04/2024 - 06/2024	17,994.84
75707	06/30/2024	07/15/2024	Regional Government Services Authority	Grant Management/ Accounting Services 06/2024	1,882.13
75708	07/08/2024	07/15/2024	Office Depot Business Credit	Office Supplies	262.15
ACH	07/01/2024	07/16/2024	Pitney Bowes Purchase Power (Postage)	Winter Sewer Average Mailers	6,966.24
Wire	07/01/2024	07/17/2024	Santa Cruz County Bank	BLM Construction Loan Payment	118,694.06
75709	06/30/2024	07/22/2024	Ace Hardware of Watsonville, Inc.	General Meter Reader, Operations/ Maintenance Supplies	435.46
75710	06/30/2024	07/22/2024	Insight Planners	Web Development/ Maintenance and Hosting 06/2024	1,464.00
75711	07/11/2024	07/22/2024	PG&E	Electric Service 06/2024	2,452.93
75712	07/03/2024	07/22/2024	Grainger	General Operations/ Maintenance Supplies	96.43
75713	07/02/2024	07/22/2024	Monterey Bay Analytical Services	Laboratory Testing	440.00
75714	06/18/2024	07/22/2024	Verizon Wireless	Cell Phone Service 06/2024	509.56
75715	06/27/2024	07/22/2024	Orkin Central Coast	IOP Pest Control 06/2024	113.00
75716	06/20/2024	07/22/2024	Fastenal Industrial & Construction Supplies	General Operations/ Maintenance Supplies	235.77
75717	07/03/2024	07/22/2024	Wallace Group	Developers (Seaside B&B Resort, Wathen-Castanos Homes)	17,298.20
75718	07/01/2024	07/22/2024	Complete Paperless Solutions	Annual Software Subscription 08/2024 - 07/2025	9,639.00

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
75719	07/04/2024	07/22/2024	McGrath Rent Corp.	Locker Room Trailer Rental - Ord Office 07/2024	7,286.98
75720	06/06/2024	07/22/2024	Sturdy Oil Company	(14) 5-gallon Pails Clarion FM AW32	2,272.00
75721	07/12/2024	07/22/2024	Daiohs USA	Coffee Supplies	379.14
75722	06/06/2024	07/22/2024	U.S. Bank Corporate Payment Systems	2024 ACWA Spring Conference Hotel - GM; Sewer Tools/ Equipment; Chlorine Enclosure, Subpanel - Blackhorse Reservoir; IT/ Computer Supplies; Monthly/ Annual Software Services; General Supplies	11,372.94
75723	07/16/2024	07/22/2024	U.S. Bank National Association	Beach Office Copier Lease 07/10 - 08/09	275.32
75724	06/23/2024	07/22/2024	Monterey Bay Technologies, Inc.	IT Support Services 06/2024	3,600.00
75725	07/01/2024	07/22/2024	Verizon Connect NWF, Inc.	GPS Service - (37) Fleet Vehicles 06/2024	703.00
75726	06/25/2024	07/22/2024	Psomas	Construction Management - A1/A2 Tanks B/C Booster	12,315.33
75727	07/08/2024	07/22/2024	Zanjero, Inc.	Communication/ Internet Infrastructure Investigations - Solar Array; Power Generation/ Delivery Investigations; Preliminary Design/ Permitting - Reservation Rd Desal Plant, RDP Comprehensive Improvements 06/2024	20,543.70
75728	07/15/2024	07/22/2024	Norfield Development Partners, LLC	Annual Software Subscription 07/15/24 - 07/14/25	1,008.00
75729	07/12/2024	07/22/2024	Interstate Battery of San Jose	General Operations/ Maintenance Supplies	152.80
75730	07/08/2024	07/22/2024	Todd Groundwater	Development of Testing, Sampling, Rehab Specifications - Well 12 06/2024	101.25
75731	06/28/2024	07/22/2024	Parra Environmental Training	Asbestos Cement Pipe Refresher	76.00
75732	06/19/2024	07/22/2024	SmartCover Systems	Annual Software Subscription 07/2024 - 06/2025	2,676.00
75733	06/21/2024	07/22/2024	T-Mobile	Cell Phone Service 06/2024	1,756.83
75734	07/12/2024	07/22/2024	Conservation Rebate Program	488 Lassen Way - Washer Rebate	150.00
75735	07/01/2024	07/22/2024	Greenwaste Recovery, Inc.	Garbage Collection & Recycling Services 07/2024	899.94
75736	07/24/2024	07/30/2024	Jane's Answering Service	Answering Service 06/26 - 07/23	534.36
75737	07/16/2024	07/30/2024	Monterey Bay Analytical Services	Laboratory Testing	1,188.00
75738	07/25/2024	07/30/2024	Orkin Central Coast	BLM/ IOP Pest Control 07/2024	227.00
75739	07/13/2024	07/30/2024	Johnson Controls Security Solutions LLC	Ord Alarm 08/2024 - 07/2025	2,356.85
75740	07/23/2024	07/30/2024	Fastenal Industrial & Construction Supplies	First Aid Supplies	76.84
75741	06/28/2024	07/30/2024	O'Reilly Automotive Stores, Inc.	Auto/ General Supplies	292.99
75742	07/19/2024	07/30/2024	Val's Plumbing & Heating, Inc.	Smoke Duct Detector Service, Aerator Replacements - BLM	843.96
75743	06/30/2024	07/30/2024	Pacific Ag Rentals LLC	Mobile Restroom Rental - Beach Office 06/2024	94.31
75744	07/18/2024	07/30/2024	Daiohs USA	Coffee Supplies	75.60
75745	07/05/2024	07/30/2024	Monterey County Water Resources Agency	Technical/ Professional Assistance - GSP Development 06/2024	1,169.00
75746	07/03/2024	07/30/2024	Green Rubber-Kennedy AG, LP	General Operations/ Maintenance Supplies	188.64
75747	07/26/2024	07/30/2024	Conservation Rebate Program	3059 Berney Dr - (2) Toilet Rebates	150.00
75748	07/26/2024	07/30/2024	U.S. Bank National Association	IOP Office Copier Lease 07/20 - 08/19	287.34
75749	07/15/2024	07/30/2024	Access Monterey Peninsula, Inc.	Filming and Production 07/2024	460.00
75750	07/01/2024	07/30/2024	Rexel USA, Inc.	General Operations/ Maintenance Supplies	66.06
75751	07/16/2024	07/30/2024	Western Exterminator Company	Pest Control - Beach Office 07/2024	119.60
75752	07/01/2024	07/30/2024	Pure Janitorial, LLC	Janitorial Service - MCWD Offices 06/2024	3,570.00

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
75753	07/26/2024	07/30/2024	Conservation Rebate Program	162 Dolphin Cir - (3) Toilet Rebates	225.00
75754	04/08/2024	07/30/2024	Psomas	Construction Management/ Inspection - Ord Village LS FM Impr	578.55
75755	06/26/2024	07/30/2024	Ferguson Enterprises, Inc.	General Operations/ Maintenance Supplies	259.57
75756	06/30/2024	07/30/2024	AutoZone Parts, Inc.	General Operations/ Maintenance Supplies	36.75
75757	07/24/2024	07/30/2024	Conservation Rebate Program	3072 Clarke Pl - Toilet Rebate	50.00
75758	07/03/2024	07/30/2024	BSK Associates	Laboratory Testing	910.00
75759	07/18/2024	07/30/2024	Vortex Industries, LLC	Door Adjustment - BLM	945.12
75760	07/24/2024	07/30/2024	Conservation Rebate Program	3284 Cove Way - Washer Rebate	150.00
75761	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 2614 Catwalk Ct	80.12
75762	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - Hydrant Meter	195.30
75763	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 1604 Hodges Ct	54.79
75764	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 18115 Porter St	81.24
75765	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 3206 Tallmon St	8.63
75766	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 13909 Sherman Blvd	206.15
75767	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 261 Beacon Dr #2216	45.00
75768	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 386 Hillcrest Ave	143.97
75769	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 3081 Crescent Ave	50.77
75770	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 17107 Morgan St	99.79
75771	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 499 Russell Way	40.00
75772	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 453 Carmel Ave	32.14
75773	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 3057 Otto Dr	19.22
75774	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - Irrigation Meter	92.55
75775	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 3230 De Forest Rd	27.68
75776	07/23/2024	07/30/2024	Customer Service Refund	Refund Check - 18414 McClellan Cir	140.63
75777	07/25/2024	07/30/2024	Customer Service Refund	Refund Check - 4377 Shoreline Ct	1,000.00
ACH	07/05/2024	07/05/2024	Payroll Direct Deposits	Payroll Ending 06/28/24	140,272.60
ACH	07/05/2024	07/05/2024	CalPERS	Payroll Ending 06/28/24	36,226.89
ACH	07/05/2024	07/05/2024	Empower Retirement	Payroll Ending 06/28/24	16,487.78
ACH	07/05/2024	07/05/2024	Internal Revenue Service	Payroll Ending 06/28/24	58,086.00
ACH	07/05/2024	07/05/2024	State of California - EDD	Payroll Ending 06/28/24	12,694.74
ACH	07/05/2024	07/05/2024	WageWorks, Inc.	Payroll Ending 06/28/24	1,299.16
501738	07/05/2024	07/05/2024	Teamsters Local Union No. 856	Payroll Ending 06/28/24	688.00
501739	07/01/2024	07/15/2024	ACWA/ JPIA	Medical, Dental, Vision, EAP Insurance 07/2024 - 08/2024	174,150.69
501740	07/15/2024	07/15/2024	Secretary of State	Notary Public Exam Fee	40.00
ACH	07/19/2024	07/19/2024	Payroll Direct Deposits	Payroll Ending 07/12/24	153,156.45
ACH	07/19/2024	07/19/2024	CalPERS	Payroll Ending 07/12/24	39,915.07
ACH	07/19/2024	07/19/2024	Empower Retirement	Payroll Ending 07/12/24	16,626.62
ACH	07/19/2024	07/19/2024	Internal Revenue Service	Payroll Ending 07/12/24	63,376.66
ACH	07/19/2024	07/19/2024	State of California - EDD	Payroll Ending 07/12/24	14,707.40
ACH	07/19/2024	07/19/2024	WageWorks, Inc.	Payroll Ending 07/12/24	1,299.16
501741	06/17/2024	07/22/2024	Principal Life	Employee Paid Benefits 07/2024	354.10

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
501742	06/11/2024	07/22/2024	Lincoln National Life Insurance Company	Life, Disability, AD&D Insurance 07/2024	3,413.61
501743	06/25/2024	07/22/2024	WageWorks, Inc.	FSA Admin Fees 06/2024	176.00
501744	05/30/2024	07/22/2024	Federico Embroidery	Uniform Benefit - (2) Engineering	444.01
501745	06/18/2024	07/22/2024	Transamerica Life Insurance Company	Employee Paid Benefits 06/2024	313.96
501746	06/30/2024	07/22/2024	Cintas Corporation No. 630	Uniforms, Towels, Rugs 06/2024	1,232.14
501747	07/10/2024	07/22/2024	Employee Reimbursement	Professional Engineer License Renewal	270.00
ACH	07/26/2024	07/26/2024	CalPERS	Unfunded Liability - Classic/ PERS62 Plan	395,328.00
501748	07/26/2024	07/30/2024	Employee Reimbursement	Notary Webinar/ Exam Parking	15.00
501749	07/11/2024	07/30/2024	Federico Embroidery	Uniform Benefit - Administration	156.66
501750	07/16/2024	07/30/2024	Transamerica Life Insurance Company	Employee Paid Benefits 07/2024	313.96
501751	06/30/2024	07/30/2024	Regional Government Services Authority	Advertisement - Water Resources Assistant Engineer; Classification/ Compensation Study, Human Resource Consulting Services 06/2024	15,187.30
<b>Total Disbursements for July 2024</b>					<b>2,088,274.64</b>

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 11-B

**Meeting Date:** August 19, 2024

**Prepared By:** Paula Riso

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of July 15, 2024

**Staff Recommendation:** Approve the draft minutes of the July 15, 2024 regular joint Board/GSA meeting.

**Background:** *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

**Discussion/Analysis:** The draft minutes of July 15, 2024 are provided for the Board to consider approval.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** None required.

**Climate Adaptation:** Not applicable.

**Financial Impact:**     \_\_\_Yes   \_\_\_X\_\_\_No     **Funding Source/Recap:** None

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

**Material Included for Information/Consideration:** Draft minutes of July 15, 2024.

**Action Required:**     \_\_\_Resolution   \_\_\_X\_\_\_Motion     \_\_\_Review

---

Board Action

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

Ayes\_\_\_\_\_

Abstained\_\_\_\_\_

Noes\_\_\_\_\_

Absent\_\_\_\_\_



# Marina Coast Water District

## Marina Coast Water District

Regular Board Meeting/Groundwater Sustainability Agency Board Meeting

July 15, 2024

Draft Minutes

### 1. Call to Order:

President Morton called the meeting to order at 6:01 p.m. on July 15, 2024 both in-person at 920 2<sup>nd</sup> Avenue, Suite A, and 3006 Shorebird Place, Marina, California; and, via Zoom teleconference.

### 2. Roll Call:

Board Members Present:

Gail Morton – President  
Jan Shriner – Vice President  
Herbert Cortez – arrived at 6:06 p.m.  
Brad Imamura – Via Zoom  
Thomas P. Moore

Board Members Absent:

None

Staff Members Present:

Remleh Scherzinger, General Manager  
Roger Masuda, District Counsel  
Derek Cray, Operations and Maintenance Manager  
Mary Lagasca, Director of Administrative Services  
Garrett Haertel, District Engineer  
Patrick Breen, Water Resources Manager  
Teo Espero, IT Administrator  
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Andy Sterbenz, Schaaf & Wheeler Consulting Civil Engineers  
Robert Porr, Fieldman Rolaff  
Lora Nichols, Fieldman Rolaff  
Chick Adams, Jones Hall

### 3. Pledge of Allegiance:

Mr. Garrett Haertel, District Engineer, led everyone present in the pledge of allegiance.

4. Public Comment on Closed Session Items:

There were no comments made.

The Board entered into closed session at 6:03 p.m. to discuss the following item:

5. Closed Session:

- A. Pursuant to Government Code 54956.8  
Conference with Real Property Negotiator  
Property: Armstrong Ranch Property  
Negotiating Parties: Sunberry Growers, LLC. and MCWD Negotiators (Legal Counsel and General Manager)  
Under Negotiation: Price and Terms

The Board ended closed session at 6:16 p.m. President Morton reconvened the meeting to open session at 6:17 p.m.

6. Reportable Actions Taken During Closed Session:

President Morton stated there the Board gave direction and there were no reportable actions taken during closed session.

7. Pledge of Allegiance:

Already done under Agenda Item 3.

8. Oral Communications:

There were no public comments.

9. Consent Calendar:

President Morton asked to pull item F from the consent calendar.

Director Moore made a motion approve the Consent Calendar consisting of items A) Receive and File the Check Register for the Month of June 2024; B) Approve the Draft Minutes of the Regular Joint Board/GSA Meeting of June 17, 2024; C) Approve the Draft Minutes of the Special Joint Board/GSA Meeting of June 18, 2024; D) Receive the 2nd Quarter 2024 MCWD Water Consumption and Sewer Flow Report; and, E) Adopt Resolution 2024-32 to Approve New Fees and Charges for Griffith, Masuda & Hobbs Legal Services for 2024 and 2025. Vice President Shriner seconded the motion.



The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

- F. Adopt Resolution No. 2024-33 to Amend the FY 2024-2025 Capital Improvement Budget to Fund Imjin Office Park B Side Improvement Project:

President Morton asked for clarification on the Reservation Road office and if it was being abandoned or repurposed. Mr. Remleh Scherzinger, General Manager, answered that the building would be repurposed once the administrative team was moved to the B Side of the Imjin Office.

President Morton made a motion to adopt Resolution No. 2024-33 to Amend the FY 2024-2025 Capital Improvement Budget to Fund Imjin Office Park B Side Improvement Project. Director Moore seconded the motion. The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

10. Action Items:

- A. Adopt Resolution No. 2024-34 to Authorize the Delivery and Sale of Enterprise Revenue Certificates of Participation, Series 2024 in the Principal Amount of Not-to-Exceed \$23,000,000 to Finance Water and Wastewater System Improvements, and Approving Related Documents and Official Actions:

Mr. Scherzinger introduced this item and Ms. Lora Nichols, Feldman Rolaff. Ms. Nichols gave a presentation explaining the Certificate of Participation Bonds and how they would fund capital projects over the next several years. Mr. Chick Adams, Jones Hall, explained how the bonds would be sold, and how the municipal market works. The Board asked clarifying questions.

President Morton made a motion to adopt Resolution No. 2024-34 to Authorize the Delivery and Sale of Enterprise Revenue Certificates of Participation, Series 2024 in the Principal Amount of Not-to-Exceed \$23,000,000 to Finance Water and Wastewater System Improvements, and Approving Related Documents and Official Actions. Director Moore seconded the motion. The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

- B. Receive an End of Year Engineering Report:

Mr. Haertel introduced this item and gave an update on the projects that were completed over the last year as well as the activities of the Engineering department during that time.

C. Provide Direction Regarding Election to the Coastal Network, Seat A, of the California Special Districts Association Board:

Ms. Paula Riso, Executive Assistant, introduced this item.

Director Moore made a motion to elect Elaine Magner for the Coastal Network, Seat A position of the California Special Districts Association Board. Vice President Shriner seconded the motion. The motion was passed by the following vote:

Director Cortez	-	Yes	Vice President Shriner	-	Yes
Director Imamura	-	Yes	President Morton	-	Yes
Director Moore	-	Yes			

13. Informational Items:

A. General Manager's Report:

Mr. Scherzinger reported the following:

1. the Strategic Plan is on track and should be ready for approval at the August meeting;
2. the Ad Hoc Climate and Adaptation Committee is getting started and should be meeting again soon;
3. the District is in the middle of the audit and so far it is going well;
4. thanked President Morton who was present to meet with the Leadership Monterey County when they came to get an overview of the District and take a quick tour of the A1/A2 tanks;
5. the California Avenue emergency project is underway;
6. working on the GSA CIP that will be ingested into the District's 5 and 10 year plans;
7. the new bill pay system is now online.

B. Committee and Board Liaison Reports:

1. M1W Board Member Liaison:

Director Moore gave a brief update on the M1W Board meeting.

14. Board Member Requests for Future Agenda Items:

There were no requests made.

15. Director's Comments:

Director Imamura, Director Cortez, Director Moore, Vice President Shriner, and President Morton made comments.

16. Adjournment:

The meeting was adjourned at 8:07 p.m.

APPROVED:

---

Gail Morton, President

ATTEST:

---

Paula Riso, Deputy Secretary

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 11-C

**Meeting Date:** August 19, 2024

**Prepared By:** Mary Lagasca, CPA

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Receive the Second Quarter Investment Report for Calendar Year 2024

**Staff Recommendation:** The Board receives the Marina Coast Water District Quarterly Investment Report for 2024.

**Background:** *Strategic Plan, Goal No. 4 – To manage the District’s finances in the most effective and fiscally responsible manner.*

The California Government Code Section 53646 and the District’s Investment Policy requires that a Quarterly Investment Report be submitted to the Board for review. This investment report allows the Board and the public to verify that the District’s funds are invested in a safe and prudent manner, and that such investments comply with the District’s Investment Policy and State Law.

**Discussion/Analysis:** The District’s combined portfolio as of June 30, 2024, has a book value of \$41,607,184 and has earned a total of \$870,118 in interest earnings for the first six months of the year. The portfolio is diversified across several investment types:

- **Certificates of Deposits (CDs):** 24% of the District’s portfolio is invested in CDs with Mechanic Banks, which offer an average interest rate of 5%.
- **Local Agency Investment Fund (LAIF):** 17% of the portfolio is invested with LAIF, earning an interest rate of 4.55%
- **California Cooperative Liquid Assets Securities System (CA CLASS):** Recently added to the portfolio, CA CLASS is a Joint Powers Authority investment pool sponsored by the California Special Districts Association (CSDA) and the League of California Cities. Currently, 21% of the District’s portfolio is invested in CA CLASS, which offers an interest rate of 5.40%
- **General Checking and Money Market Accounts:** 38% of the portfolio is held in the District’s general checking account and several money market accounts, with an average interest rate of 4.86%

Overall, the District’s investments continue to perform well, as reflected in the historical investment summary provided. In the calendar year 2023, the District saw an increase of \$10.8 million in total investments and a 378% increase in interest earnings from prior year. Six months into the calendar year 2024, the principal balance has increased by \$2,035,351, demonstrating the ongoing success and effective management of the portfolio.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** None required.

**Climate Adaptation:** Not applicable.

**Funding Source/Recap:** None

**Action Required:**              Resolution              Motion        X  Review

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

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

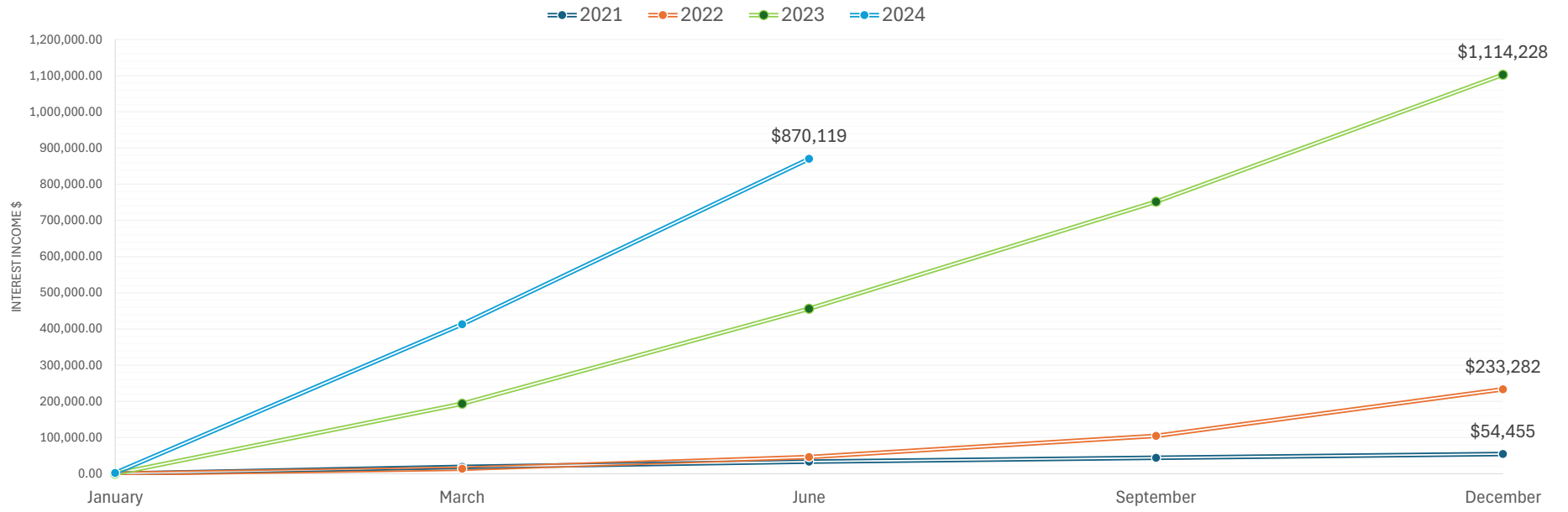
Noes \_\_\_\_\_ Absent \_\_\_\_\_

**MARINA COAST WATER DISTRICT  
HISTORICAL INVESTMENT SUMMARY  
AS OF 06/30/2024**

DEPOSITORY	BALANCE AS OF 12/31/22	YTD INTEREST 12/31/22	RATE	BALANCE AS OF 12/31/23	YTD INTEREST 12/31/23	RATE	BALANCE AS OF 06/30/24	YTD INTEREST 06/30/24	MATURITY DATE	RATE
Mechanics Bank										
General Checking	1,499,758	-		2,638,565	-		3,904,595	-		
Checking - RUWAP LOC Proceeds	4,117	-		-	-		-	-		
Savings/MMK	8,107,297	32,084	2.78%	12,352,434	326,547	4.86%	9,708,262	283,993		4.86%
Restricted Money Market (MMK)	1,087,431	6,029	2.78%	1,132,302	44,870	4.86%	1,159,386	27,084		4.86%
Savings - Bldg. Removal Fund	981,667	3,608	2.78%	1,019,059	37,392	4.86%	1,043,435	24,376		4.86%
* Certificate of Deposit	-	-		-	8,822	3.50%	-	-		
* Certificate of Deposit	-	-		-	17,644	3.50%	-	-		
* Certificate of Deposit	-	-		5,000,000	145,397	4.35%	5,000,000	122,432	7/26/24	5.00%
* Certificate of Deposit	-	-		3,000,000	59,342	4.75%	3,000,000	74,137	8/2/24	5.00%
* Certificate of Deposit	-	-		2,000,000	9,041	5.00%	2,049,863	50,088	11/29/24	5.00%
PNC Bank										
General Checking	-	-		2,047,516	-		-	-		
Certificate of Deposit	-	-		-	34,032	4.55%	-	-		
Certificate of Deposit	-	-		-	45,123	4.50%	-	-		
Chase Bank										
Savings	-	-		-	16	0.00%	-	-		
State Local Agency Investment Fund (LAIF)	17,011,388	191,560	2.07%	10,381,957	386,001	4.00%	7,093,773	187,499		4.55%
California CLASS	-	-		-	-		8,647,870	100,509		5.40%
<b>Total Investment</b>	<b>28,691,658</b>	<b>233,281</b>	<b>2.60%</b>	<b>39,571,833</b>	<b>1,114,227</b>	<b>4.06%</b>	<b>41,607,184</b>	<b>870,118</b>		<b>4.94%</b>
<b>YTD Change in Ending Balance</b>				<b>10,880,175</b>	<b>378%</b>		<b>2,035,351</b>			

*\*Certificates of Deposit - Purchases of certificates of deposit, in accordance with Section 53635.8 and subdivision (i) of Section 53601, shall not exceed 30% of the agency's total funds.  
Currently, the District's total CD investment is at 24%*

## YTD INTEREST INCOME BY QUARTER



<u>Interest Income</u>	<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>	
Q1	\$	18,977	\$	13,903	\$	193,290	\$	412,849
Q2	\$	14,283	\$	32,268	\$	262,412	\$	457,270
Q3	\$	10,875	\$	58,380	\$	295,927		
Q4	\$	10,320	\$	128,731	\$	362,599		
<b>Total Interest</b>	<b>\$</b>	<b>54,455</b>	<b>\$</b>	<b>233,282</b>	<b>\$</b>	<b>1,114,228</b>	<b>\$</b>	<b>870,119</b>

## Marina Coast Water District Agenda Transmittal

**Agenda Item:** 11-D

**Meeting Date:** August 19, 2024

**Prepared By:** Derek Cray

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Adopt Resolution No. 2024-36 for the Purchase of a New John Deere 210P Loader from Pape Machinery for the Operations and Maintenance Department

**Staff Recommendation:** Adopt Resolution No. 2024-36 to accept the proposal for a new John Deere 210P Loader in the amount not-to-exceed of \$152,947.67 from Pape Machinery and authorize the General Manager to sign all the necessary documents.

**Background:** *Strategic Plan, Mission Statement – We provide our customers with high quality potable and recycled water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

The Marina Coast Water District (District) operates the water, wastewater, and recycled water for Central Marina and the Ord Communities. The Operations and Maintenance Department maintains nearly 400 miles of water and sewer mainline, approximately 4,000 water valves, over 1,600 fire hydrants, and over 2,000 manholes within the Central Marina and Ord Community systems. The District's current loader is nearly 18 years old and is in need of replacement as it is beginning to fail and has reached its useful life.

**Discussion/Analysis:** The District uses its heavy-duty tractor loader to load asphalt, cold mix, rock, road base, dirt, and sand regularly. In addition, the Operations staff maintain many access roads to the District's pumping and storage facilities that require ongoing maintenance to allow continued vehicle access to the sites. Therefore, having a reliable loader with a scrapper box attachment is necessary for the department in order to facilitate the above-mentioned activities.

The District's current loader is almost 18 years old, out in the harsh marine environment, and is beginning to fail more regularly and needs replacement of a more reliable unit. Therefore, a Sourcewell proposal was requested from Pape Machinery for a new John Deere 210P Loader with a scrapper box. The District has been a member of Sourcewell since 2013 and has purchased equipment previously through this intergovernmental purchasing program, which meets all competitive bidding requirements. This model loader has a Tier 4 final motor, which would replace the District's current Tier 0 Loader and meet all State and Regional Airboard requirements.

The District currently owns a John Deere backhoe, which has proven to be a reliable, robust machine. The proposed Loader unit has components and parts similar to the District's current John Deere Backhoe, thus reducing the learning curve for operations and reducing the need to stock additional repair parts. The District's current loader would subsequently be surplus after the arrival of the new Loader.

The current estimated lead time for the machine is approximately 60 days. The price includes delivery, tax, startup, training, and a two-year extended warranty. Payment terms are net 30 days after equipment delivery.



**Environmental Review Compliance:** None required.

**Legal Counsel Review:** None required.

**Climate Adaptation:** The District's current loader is nearly 18 years old and has a Tier 0-rated engine. Replacing it with a Tier 4 final tractor would significantly reduce emissions per hour by up to 80 times compared to the current loader.

**Financial Impact:**   X   Yes        No Funding Source/Recap: \$165,000.00 was budgeted this fiscal year for the replacement loader, which is sufficient funding to purchase the equipment. Below is a chart with the breakdown of allocation, budget, and proposed amounts per cost center:

Cost Center	Allocation	Budget	Amount
Marina Water	27%	\$44,550.00	\$41,295.87
Marina Sewer	5%	\$8,250.00	\$7,647.38
Ord Water	55%	\$90,750.00	\$84,121.22
Ord Sewer	12%	\$19,800.00	\$18,353.72
Recycled Water	1%	\$1,650.00	\$1,529.48
Total	100%	\$165,000.00	\$152,947.67

**Other Considerations:** None

**Material Included for Information/Consideration:** Resolution No. 2024-36; a copy of the Sourcewell John Deere Tractor Loader proposal; and, a copy of the John Deere Tractor Loader brochure.

**Action Required:**   X   Resolution        Motion        Review

---

Board Action

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

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

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

August 19, 2024

Resolution No. 2024 - 36  
Resolution of the Board of Directors  
Marina Coast Water District

Authorize the Purchase of a New John Deere 210P Loader from Pape Machinery for the  
Operations and Maintenance Department

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on August 19, 2024, at 920 Second Avenue, Suite A, Marina, California, as follows:

WHEREAS, Marina Coast Water District (District) operates and maintains the water (CA 2710017) and wastewater systems (3SSO 10287) for Central Marina and the Ord Community; and,

WHEREAS, the Operations and Maintenance department maintains almost 400 miles of water and sewer main line and all associated appurtenances; and,

WHEREAS, the District's current loader has reached its useful life and is in need of replacement; and,

WHEREAS, the current budget for a replacement loader is \$165,000.00; and,

WHEREAS, the District has been a member of Sourcewell, a government unit which falls under intergovernmental purchasing of the District's procurement policy; and,

WHEREAS, the purchase is not through Federal funds; and,

WHEREAS, the District received a proposal from Pape Machinery through Sourcewell for a new John Deere 210P Loader for the Operations and Maintenance Department, in the amount of \$152,947.67; and,

WHEREAS, a John Deere 210P tractor will meet the needs of the District and provide the Operations and Maintenance staff with the ability to install, repair, and replace critical water and sewer infrastructure and maintain necessary access roads to critical infrastructure.

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

1. Adopt Resolution No. 2024-36 to approve the proposal from Pape Machinery in the amount not-to-exceed of \$152,947.67 for the purchase of a new John Deere 210P Loader.
2. Authorize the General Manager or his designee to execute all purchase orders and direct 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 August 19, 2024 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 \_\_\_\_\_

\_\_\_\_\_  
Gail Morton, President

ATTEST:

\_\_\_\_\_  
Remleh Scherzinger, 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. 2024-36 adopted August 19, 2024.

\_\_\_\_\_  
Remleh Scherzinger, Secretary

**Quote Summary****Prepared For:**

MARINA COAST WATER DISTRICT  
2840 4TH AVE  
MARINA, CA 93933

**Prepared By:**

TONY HUNHOFF  
Pape Machinery, Inc.  
415 E 9th Street  
Gilroy, CA 95020  
Phone: 408-848-4150  
thunhoff@papemachinery.com

*This sale is subject to Papé's Terms and Conditions of Sale effective on the date hereof, which are incorporated in full by this reference. The Terms and Conditions of Sale are available at [www.pape.com/terms](http://www.pape.com/terms), and will also be sent by mail or e-mail to the purchaser upon request.*

**Quote Id:** 30221248  
**Created On:** 12 January 2024  
**Last Modified On:** 17 July 2024  
**Expiration Date:** 30 August 2024

<b>Equipment Summary</b>	<b>Selling Price</b>	<b>Qty</b>	<b>Extended</b>
NEW 2024 JOHN DEERE 210 P-tier Cab Tractor Loader	\$ 139,991.46 X	1 =	\$ 139,991.46
<b>Equipment Total</b>			<b>\$ 139,991.46</b>

	<b>Quote Summary</b>	
	Equipment Total	\$ 139,991.46
	CA Tire FEE	\$ 7.00
Sourcewell Contract # 011723-JDC	SubTotal	\$ 139,998.46
	Sales Tax - (9.25%)	\$ 12,949.21
Marina Coast Water District ID# 84814	Total	\$ 152,947.67
	Down Payment	(0.00)
	Rental Applied	(0.00)
	<b>Balance Due</b>	<b>\$ 152,947.67</b>

Includes John Deere Protect -

24 Month/ 2000 Hour Extended Warranty PTH

0-2000 Hour Parts Only PM Program

Salesperson : X Tony Hunhoff

Date: 62

Accepted By : X \_\_\_\_\_

# Selling Equipment

**Quote Id:** 30221248

**Customer:** MARINA COAST WATER DISTRICT

## NEW 2024 JOHN DEERE 210 P-tier Cab Tractor Loader

**Hours:**
**Stock Number:**

			List Price - \$192,186
			Discount off List Price = 39%
			Discount Amount - \$74952.54
Code	Description	Qty	
17J0T	210 P-tier Tractor Loader	1	
<b>Standard Options - Per Unit</b>			<b>\$117,233.46</b>
183E	JDLink™	1	
0202	United States	1	
0259	English	1	
1004	Ultimate Cab	1	
1053	Seat - Suspension Cloth Enhanced with Tilt Steering for Cab	1	
3005	Powershift Transmission - Mechanical Front Wheel Drive (MFWD) with Limited Slip Differential	1	
6153	Dual Battery	1	
6522	Dual Tilt Cylinders	1	
7038	Two-Function Loader Hydraulics, Single Lever with Coupler	1	
7860	92 in. (2.35 m.) General Purpose Coupler Bucket, 1.39 cu. yd. (1.06 cu. m.)	1	
8115	MFWD Driveshaft Guard	1	
8126	Heavy Duty Grille Frame	1	
8159	Machine Security (Software Installed)	1	
8272	Rear Weight - 1,500 lb.	1	
8273	Wheel Weights	1	
8278	88 in. (2.24 m.) Box Blade	1	
8283	Hand Throttle	1	
8284	Transmission Guard	1	
<b>Dealer Attachments</b>			<b>\$7,606.00</b>
AT308139	Forks, Pallet (2) 60 in.(1.52m) with 60 in. (1.52m) Coupler Fork Carriage	1	
BYT12807	Rotating Beacon Kit	1	
	Freight	1	
<b>Other Charges</b>			<b>\$15,152.00</b>
	Freight	1	Factory Freight
	Sourcewell ID#	1	Marina Coast Water District ID# 84814
	Setup	1	Pre-delivery, DEF, FUEL, Manuals

# Selling Equipment



**MACHINERY**

**Quote Id:** 30221248

**Customer:** MARINA COAST WATER DISTRICT

Followup	1	Orientation and Training
Deliver Charge	1	Local Delivery



# 210 P

## Tractor Loader



JOHN DEERE







## ***INDUSTRIAL-STRENGTH BUSINESS MODEL***

For years, the John Deere “skip” loader has been popular on the West Coast. Its go-anywhere grading ability and operating ease have helped make this “secret weapon” one of the worst-kept secrets in the business. With its outstanding versatility and durability, our 210 P-Tier Tractor Loader is more than just a great grading machine. Packed with customer-inspired innovations and plenty of power, this tenacious taskmaster is purpose built for unique applications and designed to fit on a wide range of jobsites. Equip yours with a multipurpose bucket or multitude of other attachments to find out why it’s catching on just about everywhere.



## 210 P-TIER TRACTOR LOADER

## FEATURES

### Go for it

Mechanical-front-wheel drive (MFWD) and differential lock can be engaged on the go to supply extra traction in poor underfoot conditions or for moving heavy loads. Optional limited-slip front axle delivers 65 percent of available power to the tire with the best traction for true all-wheel-drive pulling power.

### Powerful engine technology

Rugged EPA Final Tier 4 (FT4)/EU Stage IV John Deere PowerTech™ EWL engine boosts power, torque, and reliability compared to previous models. Simple two-valve cylinder-head, wet-sleeve design with replaceable cylinder liners provides uniform cooling and aids in reducing oil breakdown and ring wear. Filters have been redesigned and relocated for easier servicing over earlier models.

### Make the grade

Factory-installed Grade-Control-Ready option enables operators to complete finish grading faster, easier, and with greater accuracy. The package includes the base components needed for using a 2D or 3D grade-technology system to control box-blade lift and tilt cylinders. The machine is then completed with a dealer-supplied technology finishing kit of your choice. For less complex grading, an entry-level grade-indication option provides the operator with machine roll and pitch with  $\pm 0.5$ -percent accuracy.

### Positioned for productivity

Hitch design makes it easy to position the box blade over the pile, boosting versatility and productivity. Integral three-point hitch and optional power takeoff (PTO) accommodate a variety of Category 2 tools such as disks, mowers, blades, and box scrapers.



STANDARD MFWD DELIVERS  
**SURE-FOOTED TRACTION**  
IN POOR GROUND CONDITIONS



### Enjoy the ride

Optional ride control reduces tire flexing over rough terrain with a loaded bucket, reducing material spillage and improving machine ride to boost operator comfort and efficiency.

### Comfortable and in control

Including customer-inspired features such as 70-degree seat rotation and an ergonomic loader grip, the 210 P-Tier operator station sets the standard for ease of control and operation. Equipped with either a standard canopy or an optional four-season air-conditioned/heated cab, comfort and productivity are front and center.

### Get a grip

"Palm-on-top" loader-control grip is convenient and easy to use. Optional control of auxiliary proportional roller and momentary mechanical-front-wheel drive (MFWD) is at your fingertips.

### Power lifter

Updated hydraulic gear pump increases hydraulic flow by 15 percent (from 25 to 28.9 gpm) during loader applications, improving loader cycle times over earlier models.

### Tough enough

Large-diameter hitch and tilt cylinder pins reinforce durability, for long life. Optional transmission guard provides more protection from stones, stumps, and debris, while preventing material accumulation when backing over the pile.

### Take a side

Two-position tilt hood enables same-side ground-level access to engine and transmission dipsticks, engine-oil fill, fuel and air filters, and coolant reservoir. Fuel fill is also conveniently close.



**CLEAR SIGHTLINES**  
FROM CAB SEAT TO  
FRONT LOADER BUCKET





## 210 P-TIER TRACTOR LOADER



### Connected machines

John Deere construction equipment comes with in-base connectivity — free from subscriptions or annual renewals. Analyze critical machine data, track utilization, review diagnostic alerts, and more from **the John Deere Operations Center™**. The Operations Center also enables **John Deere Connected Support™**, which uses data from thousands of connected machines to proactively address issues before they arise. With your approval, your dealer can also remotely monitor machine health, diagnose problems, and even update machine software without a trip to the jobsite.\*

\*Availability varies by region and product. Options not available in every country.

## 210 P-TIER TRACTOR LOADER SPECIFICATIONS

While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

Engine		210 P-TIER	
Manufacturer and Model		John Deere PowerTech™ EWL 4.5L turbocharged	
Non-Road Emission Standard		EPA Final Tier 4/EU Stage IV	
Displacement		4.5 L (276 cu. in.)	
Gross Peak Power		76 kW (102 hp) at 1,600 rpm	
Power Ratings			
Net Peak Power (ISO 9249)		75 kW (100 hp) at 1,600 rpm	
Net Peak Torque (ISO 9249)		459 Nm (338 lb.-ft.) at 1,500 rpm	
Net Torque Rise		51%	
Lubrication		Pressure system with spin-on filter and cooler	
Air Cleaner		Dual-stage dry type with safety element and evacuator valve	
Cooling			
Fan Type		Electronically controlled, variable rate, suction-type cooling fan standard	
Engine Coolant Rating		-40 deg. C (-40 deg. F)	
Engine Oil Cooler		Oil to water	
Powertrain			
Transmission		4-speed, helical-cut gears, full PowerShift™ transmission with hydraulic reverser standard; electric clutch cutoff on loader lever	
Torque Converter		Single stage, dual phase with 2.63:1 stall ratio, 280 mm (11 in.)	
Maximum Travel Speeds With Standard PowerShift Transmission, Measured With 16.9L-24 Rear Tires		<i>Forward</i>	<i>Reverse</i>
Gear 1		5.0 km/h (3.1 mph)	6.4 km/h (4.0 mph)
Gear 2		9.2 km/h (5.7 mph)	11.7 km/h (7.3 mph)
Gear 3		19.0 km/h (11.8 mph)	—
Gear 4		34.2 km/h (21.3 mph)	—
Axles			
Axle Oscillation, Stop to Stop, Front Axle		22 deg.	
Axle Ratings		<i>Front</i>	<i>Rear</i>
SAE J43		5500 kg (12,100 lb.)	6000 kg (13,200 lb.)
Dynamic		9000 kg (19,800 lb.)	10 000 kg (22,000 lb.)
Static		24 500 kg (54,000 lb.)	26 500 kg (58,400 lb.)
Ultimate		41 500 kg (91,500 lb.)	41 500 kg (91,500 lb.)
Differentials			
Mechanical-Front-Wheel-Drive (MFWD) Axle		Open – standard; automatic, limited-slip traction control – custom or optional	
Rear Axle		Foot actuated, hydraulically engaged 100% mechanical lock	
Steering (ISO 5010)		Hydrostatic power steering and emergency steering	
Axle		MFWD	
Curb-Turning Radius			
With Brakes		3.46 m (11 ft. 4 in.)	
Without Brakes		3.96 m (13 ft. 0 in.)	
Bucket-Clearance Circle			
With Brakes		9.87 m (32 ft. 5 in.)	
Without Brakes		10.61 m (34 ft. 10 in.)	
Steering Wheel Turns (lock to lock)		2.7	
MFWD and Rear Axle		Heavy duty, outboard planetary final drives distribute shock loads over 3 gears	
Brakes (ISO 3450)			
Service		Power assisted, hydraulic wet disc, mounted inboard, self-adjusting and self-equalizing	
Parking		Spring applied, hydraulically released, wet, multi-disc, independent of service brakes with electric switch control	
Hydraulics			
Main Pump		Open-center system; single-gear pump, integral priority valve	
Pump Flow, Hitch and Loader			
Hitch		45 L/m (12.0 gpm)	
Loader		109 L/m (28.9 gpm)	
System Relief Pressure		22 063 kPa (3,200 psi)	

## 210 P-TIER TRACTOR LOADER SPECIFICATIONS

# 210

# P

While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

Hydraulics (continued)		210 P-TIER	
Hitch Hydraulic Cycle Time			
Hitch Raise (full stroke)	1.7 sec.		
Hitch Lower (to ground level)	1.2 sec.		
Pitch Down	1.8 sec.		
Pitch Up	2.1 sec.		
Tilt Up	1.6 sec.		
Tilt Down	1.2 sec.		
Loader Hydraulic Cycle Time			
Boom Raise to Full Height	4.7 sec.		
Bucket Dump at Maximum Height	2.4 sec.		
Boom Lower (power down)	2.4 sec.		
Controls			
Hitch	4-lever, single tilt cylinder; 5-lever dual tilt (includes auxiliary) optional		
Loader	Single-lever loader/bucket control with electric clutch cutoff switch; separate-lever loader auxiliary function optional; single-lever loader/auxiliary with metered roller switch for auxiliary optional		
Cylinders			
Heat-treated, chrome-plated, polished rods; hardened steel (replaceable bushings) pivot pins			
	Bore	Rod Diameter	Stroke
Loader Boom (2)	80.0 mm (3.15 in.)	50.0 mm (1.97 in.)	790.0 mm (31.10 in.)
Loader Bucket (1)	90.0 mm (3.54 in.)	50.0 mm (1.97 in.)	744.0 mm (29.29 in.)
Hitch Lift (1)	80.0 mm (3.15 in.)	50.0 mm (1.97 in.)	254.0 mm (10.00 in.)
Hitch Pitch (1)	63.5 mm (2.50 in.)	31.8 mm (1.25 in.)	196.9 mm (7.75 in.)
Hitch Tilt (1 or 2)	76.2 mm (3.00 in.)	50.8 mm (2.00 in.)	120.7 mm (4.75 in.)
MFWD (1)	65.0 mm (2.56 in.)	40.0 mm (1.57 in.)	216.2 mm (8.51 in.)
Electrical			
Voltage	12 volt		
Alternator Rating	145 amp with canopy or cab		
Lights	Canopy: 2 halogen front or 4 optional halogen (rear and front; 32,500 candlepower each); turn signals and flashers (2 front and 2 rear); stop- and taillights, 2 front amber reflectors, and 2 rear reflectors; 6 LED light option (2 front, 2 side, and 2 rear); Cab: 4 halogen (rear and front), turn signals and flashers (2 front and 2 rear); stop- and taillights, 2 front amber reflectors, and 2 rear reflectors		
Operator Station			
Type (ISO 3471)	Standard canopy: solid-mounted ROPS/FOPS, left access, with 2-post ROPS and steel roof / optional cab: isolation-mounted ROPS/FOPS, left access, with molded roof and standard HVAC		
Seat Rotation	Standard	Optional	
Left	10 deg.	20 deg.	
Right	40 deg.	50 deg.	
Tires/Wheels			
	Front	Rear	
With MFWD	12X16.5 12 PR R4, XD2010	16.9-24 R4, 8-ply Galaxy	
Serviceability			
Refill Capacities			
Cooling System			
Cab	30.0 L (31.7 qt.)		
Canopy	28.2 L (29.8 qt.)		
Rear Axle	18 L (19 qt.)		
Engine Oil (including vertical spin-on filter)	13 L (13.7 qt.)		
Torque Converter and Transmission	15.1 L (16 qt.)		
Fuel Tank (with ground-level fueling)	117.3 L (31 gal.)		
Diesel Exhaust Fluid (DEF) Tank	14.3 L (3.8 gal.)		
Hydraulic System	111.7 L (29.5 gal.)		
Hydraulic Reservoir	42.7 L (11.3 gal.)		
MFWD Axle			
Differential Housing	6.5 L (6.9 qt.)		
Planetary (each)	0.9 L (1 qt.)		

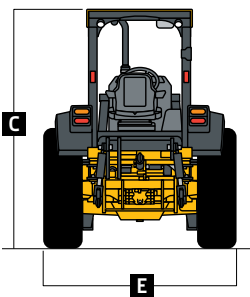
# 210 P-TIER

While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

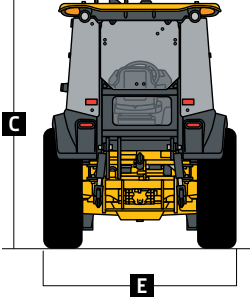
Operating Weights		210 P-TIER
With Full Fuel Tank, 75-kg (165 lb.) Operator, Canopy, and Standard Equipment		5744 kg (12,664 lb.)
Typical With Canopy, 454-kg (1,000 lb.) Wheel Weights, and 2134-mm (84 in.) Box Blade		6878 kg (15,163 lb.)
Optional Components		
Cab (weight difference between canopy and cab)		63 kg (139 lb.)
Box Blade		
2134 mm (84 in.)		680 kg (1,499 lb.)
2235 mm (88 in.)		696 kg (1,534 lb.)
Wheel Weights		454 kg (1,000 lb.)
Hitch Weights		318 kg (700 lb.) / 680 kg (1,500 lb.)
Front Loader Coupler		125 kg (276 lb.)

Overall Dimensions	
A Ground Clearance, Minimum	262 mm (10.3 in.)
B Overall Length, Transport (without box blade)	5.31 m (17 ft. 5 in.)
C Transport Height	
Canopy	2.62 m (8 ft. 7 in.)
Cab	2.64 m (8 ft. 8 in.)
D Length From Axle to Axle (MFWD axle)	2.19 m (7 ft. 2 in.)
E Width Over Tires	2.20 m (7 ft. 3 in.)

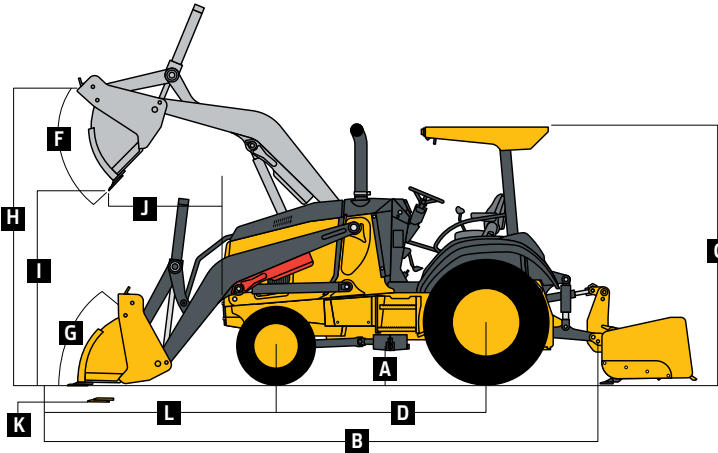
3-Point Hitch Dimensions and Performance	
Hitch Downforce (excluding attachment weight)	8 kN (1,790 lb.)
Lift Capacity, Static at Lower Link	3914 kg (8,629 lb.)
Lower Hitch Point Height	
Maximum	780 mm (30.7 in.)
Minimum	213 mm (8.4 in.)



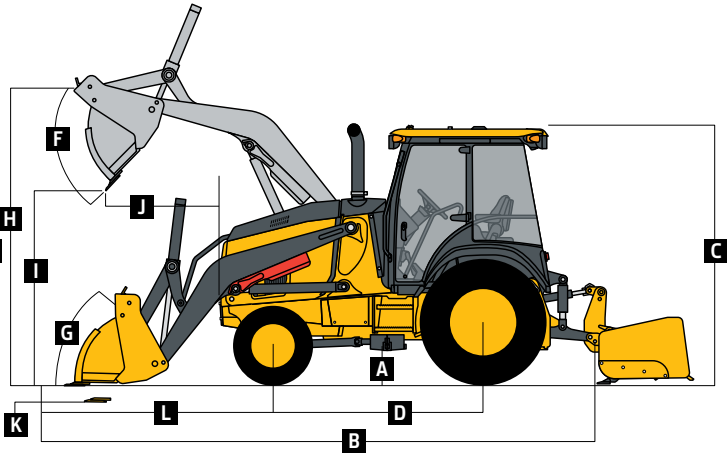
210 P-Tier With Canopy



210 P-Tier With Cab



210 P-Tier Tractor Loader With Canopy



210 P-Tier Tractor Loader With Cab

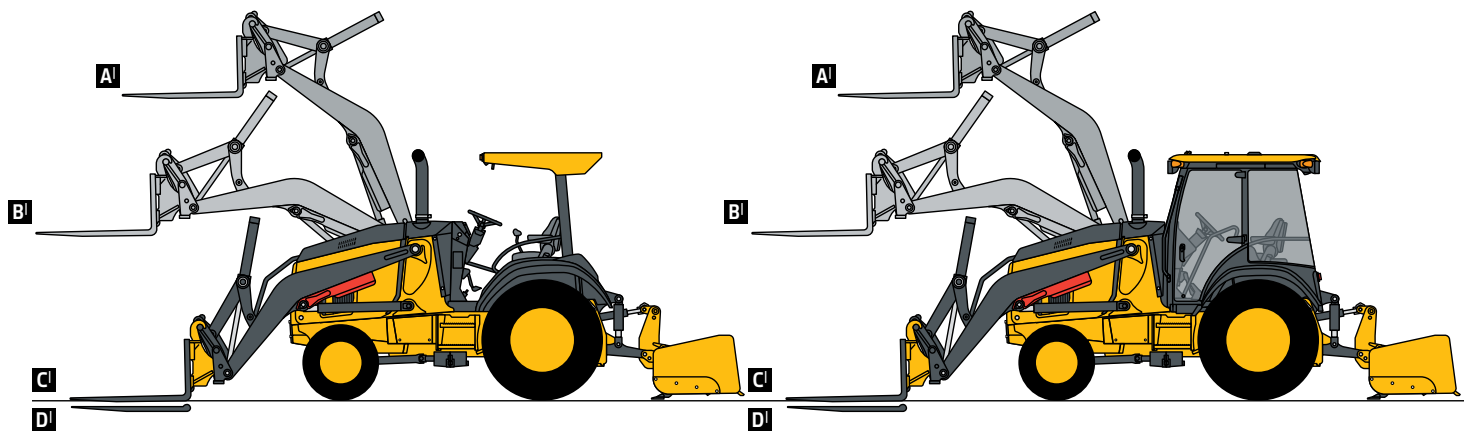


While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

## 210 P-TIER

Loader Dimensions and Performance		210 P-TIER		
<b>F</b>	Bucket Dump Angle, Maximum	45 deg.		
<b>G</b>	Rollback Angle at Ground Level	40 deg.		
<b>Bucket</b>		<i>Heavy-duty</i>	<i>Multipurpose</i>	<i>Heavy-duty coupler</i>
	Capacity	0.86 m <sup>3</sup> (1.12 cu. yd.)	0.96 m <sup>3</sup> (1.25 cu. yd.)	1.00 m <sup>3</sup> (1.31 cu. yd.)
	Width	2184 mm (86 in.)	2184 mm (86 in.)	2346 mm (92 in.)
	Weight	390 kg (860 lb.)	794 kg (1,750 lb.)	480 kg (1,058 lb.)
	Breakout Force (with wheel weights and box blade)	42.3 kN (9,521 lb.)	36.7 kN (8,245 lb.)	39.3 kN (8,824 lb.)
	Lift Capacity, Full Height (with wheel weights and box blade)	2876 kg (6,340 lb.)	2529 kg (5,575 lb.)	2,641 kg (5,822 lb.)
<b>H</b>	Height to Bucket Hinge Pin, Maximum	3.36 m (11 ft. 0 in.)	3.36 m (11 ft. 0 in.)	3.36 m (11 ft. 0 in.)
<b>I</b>	Dump Clearance, Bucket at 45 deg.	2.66 m (8 ft. 9 in.)	2.56 m (8 ft. 5 in.)	2.55 m (8 ft. 4 in.)
<b>J</b>	Reach at Full Height, Bucket at 45 deg.	765 mm (30.1 in.)	803 mm (31.6 in.)	902 mm (35.5 in.)
<b>K</b>	Digging Depth Below Ground, Bucket Level	197 mm (7.8 in.)	238 mm (9.4 in.)	189 mm (7.5 in.)
<b>L</b>	Length From Front Axle Centerline to Bucket Cutting Edge	2.04 m (6 ft. 8 in.)	2.16 m (7 ft. 1 in.)	2.19 m (7 ft. 2 in.)

Lift Capacity With Quick-Coupler Forks		
<b>Hydraulic Capacity</b>	<i>1219-mm (48 in.) Tines</i>	<i>1524-mm (60 in.) Tines</i>
<b>A<sup>1</sup></b>	Maximum Height	1664 kg (3,668 lb.)
<b>B<sup>1</sup></b>	Maximum Reach	2667 kg (5,880 lb.)
<b>C<sup>1</sup></b>	At Ground Line	3374 kg (7,438 lb.)
<b>D<sup>1</sup></b>	Below Ground Line	312 mm (12.3 in.)
Rated Capacity of Tines		3900 kg (8,598 lb.)
Rated Load per SAE J1197		3900 kg (8,598 lb.)



210 P-Tier Tractor Loader With Canopy

210 P-Tier Tractor Loader With Cab

Power Takeoff (PTO) Specs and Performance		210 P-TIER
Type	Dedicated hydrostatic system (pump, motor, and cooling package) suitable for continuous, heavy-duty PTO operations	
Hydromechanical 540-rpm PTO	41 kW (55 hp)	

# Additional equipment

Key: ● Standard ▲ Optional or special

See your John Deere dealer for further information.

210 P Engine
● Vertical spin-on engine oil filter
● Vertical spin-on fuel filter with water separator
● Coolant recovery tank with low-level indicator
● Serpentine belt with automatic belt tensioner
● Oil-to-water engine oil cooler
● Antifreeze, -37 deg. C (-34 deg. F)
● Dual-element dry-type air cleaner
● Enclosed safety fan guard
● Fold-out, hinged cooling system
● Electronically controlled, variable-rate suction-type cooling fan
● High ambient temperature engine cooling
● Muffler, under hood with curved-end exhaust stack
● Self-cleaning exhaust aftertreatment system
● Grid heat
● Eco mode
▲ Electric engine coolant heater, 1,000 watts
● Electronic fuel lift pump
Powertrain
● PowerShift™ transmission: Torque converter with twist-grip Transmission Control Lever (TCL) and neutral safety switch interlock (1st through 4th gears)
● Transmission oil cooler
● Vertical spin-on transmission filter
● Differential lock, electric foot actuated

210 P Powertrain (continued)
● Power-assisted hydraulic service brakes (conform to ISO 3450): Inboard, wet multi-disc, self-adjusting and self-equalizing
● Parking/emergency brake with electric switch control (conforms to ISO 3450): Spring applied, hydraulically released wet multi-disc / Independent of service brakes
● Mechanical-front-wheel drive (MFWD), standard differential, sealed axle
▲ MFWD, limited slip, sealed axle
▲ Transmission guard
▲ MFWD driveshaft guard
Category II 3-Point Hitch
● Integral Category II
● 4th-function sectional hydraulic valve, 4th-function auxiliary with capped hoses
▲ 5th-function hitch valve with control lever, dual-tilt cylinder
Loader
● Hydraulic self-leveling
● Return-to-dig feature
● Bucket-level indicator
● Loader boom service lock
▲ Auxiliary loader hydraulics with single control lever with electrohydraulic auxiliary control (MFWD and clutch disconnect)
● Palm-on-top loader control; single-button clutch disconnect
▲ Palm-on-top loader control; 3-function fingertip control (clutch disconnect, MFWD, and proportional auxiliary roller)
▲ Ride control

210 P Hydraulic System
● 109-L/m (28.9 gpm) rated flow, loader pump
● 45-L/m (12.0 gpm) rated flow, hitch pump
● Independent hydraulic reservoir
● Independent hydraulic oil cooler
● "O"-ring face-seal connectors
▲ Grade-Control Ready
▲ Grade indication
Electrical
● 12-volt system
● 145-amp alternator (canopy or cab)
● Single battery with 175-min. reserve capacity and 950 CCA
▲ Dual batteries with 350-min. reserve capacity and 1,900 CCA
● Positive terminal battery cover
● Blade-type multi-fused circuits
● By-pass start safety cover on starter
▲ Battery disconnect
Lights
● For cab and canopy: Front driving/working halogen (2) / Turn signal/flashing lights (2) / Rear stop and taillights (2) / Rear reflectors (2)
▲ Deluxe electrical package for canopy: Front worklights (2), rear worklights (2), 12-volt outlets (2), and battery-disconnect switch
▲ Premium LED lighting package for canopy: Front worklights (2), rear worklights (2), side worklights (2), 12-volt outlets (2), and battery-disconnect switch

While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

Net engine power is with standard equipment including air cleaner, exhaust system, alternator, and cooling fan at test conditions specified per ISO 9249. Specifications and design subject to change without notice. Wherever applicable, specifications are in accordance with SAE and/or ISO standards. Except where otherwise noted, these specifications are based on a unit with 16.9-24 R4, 8-ply Galaxy rear tires, 12X16.5 12 PR R4, XD2010 front tires, 0.86-m³ (1.12 cu. yd.) loader bucket, full fuel tank, and 75-kg (165 lb.) operator.



# Additional equipment *(continued)*

Key: ● Standard ▲ Optional or special

See your John Deere dealer for further information.

210 P Operator's Station	210 P Operator's Station <i>(continued)</i>	210 P Box Blade
<ul style="list-style-type: none"> <li>● <b>Canopy:</b> 2-post, ROPS/FOPS (Level 1 / meets ISO 3471/SAE J1040), steel roof</li> <li>▲ <b>Cab:</b> ROPS/FOPS (Level 1 / meets ISO 3471/SAE J1040), air conditioning (7.6-kW [26,000 Btu/h] output and CFC-free R-134a refrigerant), headliner, dome light, tinted safety glass, deluxe interior trim, molded floor mats, left cab door, right emergency egress, front windshield wiper, front windshield washer, heater/defroster/pressurizer (11.7-kW [40,000 Btu/h] heater), 12-volt outlets (2), rear working lights (2), and 50-deg. (10 left, 40 right) rotating mechanical-suspension cloth seat</li> <li>● Electric monitor system with audible and/or visual warning: Service code / Air cleaner restriction / Low alternator voltage / Engine coolant temperature / Engine oil pressure / Hydraulic filter restriction / Park brake on/off / Seat belt / Transmission oil temperature / Hour meter / Engine rpm / System voltage / Job timer / Machine information</li> <li>● Engine coolant temperature gauge and fuel gauge</li> <li>● Left front access</li> <li>● Slip-resistant steps and ergonomically located handholds</li> <li>● Built-in Operator's Manual storage compartment with manual</li> </ul>	<ul style="list-style-type: none"> <li>● Interior rearview mirror</li> <li>● Foot throttle</li> <li>▲ Hand throttle</li> <li>● Horn</li> <li>● Key start switch with electric fuel shutoff</li> <li>● Suspension vinyl seat, 50-deg. (10 left, 40 right) rotating with flip-up armrests, backrest angle adjustment, swivel base, and 76-mm (3 in.) retractable seat belt</li> <li>▲ Non-suspension vinyl seat, 50-deg. (10 left, 40 right) rotating with flip-up armrests and 76-mm (3 in.) retractable seat belt</li> <li>▲ Suspension cloth fabric seat, 50-deg. (10 left, 40 right) rotating with flip-up armrests, backrest angle adjustment, swivel base, and 76-mm (3 in.) retractable seat belt (for use with optional cab)</li> <li>▲ Enhanced mechanical suspension seat, 70-deg. (20 left, 50 right) rotating with flip-up armrests and tilt steering</li> </ul>	<ul style="list-style-type: none"> <li>▲ 2134-mm (84 in.) heavy-duty with hydraulically actuated ripper bar and replaceable router bits</li> <li>▲ 2235-mm (88 in.) heavy-duty with hydraulically actuated ripper bar and replaceable router bits</li> </ul>
	<b>Loader Buckets</b>	<b>Overall Vehicle</b>
	<ul style="list-style-type: none"> <li>● Less bucket, with bucket pins</li> <li>▲ General-purpose bucket with cutting edge and skid plates</li> <li>▲ Heavy-duty bucket</li> <li>▲ Multipurpose bucket with cutting edge and skid plates</li> <li>▲ Loader coupler</li> </ul>	<ul style="list-style-type: none"> <li>● 1-piece unitized construction mainframe</li> <li>● Vehicle tie-downs (2 front and 2 rear)</li> <li>● Vandal protection for instrument panel, access doors, fuel tank, and hydraulic reservoir</li> <li>● Reverse warning alarm</li> <li>▲ Rear-hitch counterweight (318 kg [700 lb.]* and 680 kg [1,500 lb.])</li> <li>▲ Wheel weights</li> <li>▲ Hydromechanical power takeoff (PTO), 41 kW (55 hp), 540 rpm</li> <li>▲ Drawbar, fixed single position</li> <li>▲ Machine security</li> <li>▲ Tilt steering</li> <li>▲ French language kit</li> <li>▲ Spanish language kit</li> <li>● JDLink™ wireless communication system (available in specific countries; see your dealer for details)</li> </ul>
		<i>*Compatible with PTO.</i>

While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

Net engine power is with standard equipment including air cleaner, exhaust system, alternator, and cooling fan at test conditions specified per ISO 9249. Specifications and design subject to change without notice. Wherever applicable, specifications are in accordance with SAE and/or ISO standards. Except where otherwise noted, these specifications are based on a unit with 16.9-24 R4, 8-ply Galaxy rear tires, 12X16.5 12 PR R4, XD2010 front tires, 0.86-m<sup>3</sup> (1.12 cu. yd.) loader bucket, full fuel tank, and 75-kg (165 lb.) operator.



**JOHN DEERE**



**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 11-E

**Meeting Date:** August 19, 2024

**Prepared By:** Derek Cray

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Adopt Resolution No. 2024-37 to Award a Sole Source Contract to Calcon Systems Inc. for the Programmable Logic Controller Replacement Project Phase 2

**Staff Recommendation:** Adopt Resolution No. 2024-37 to Award a Sole Source Contract to Calcon Systems Inc. for the Programmable Logic Controller Replacement Project Phase 2, in the amount of \$487,995.00, plus a 3% contingency for a total not-to-exceed of \$502,634.85, and authorize the General Manager to execute the contract and all necessary documents.

**Background:** *Strategic Plan, Goal No. 2 Infrastructure – Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers.*

The Marina Coast Water District (District) operates the water and wastewater for Central Marina and the Ord Communities. The District's water system (# CA2710017) is regulated by the State Water Resources Control Board, Division of Drinking Water, and the wastewater collection system is regulated under State Water Resources Control Board Statewide General Discharge Requirements Order No. 2022-0103-DWQ.

The District's pump stations are controlled remotely via a Programmable Logic Controller (PLC), which allows the sites to talk and communicate with each other and houses the necessary logic to make the water and sewer systems function. The PLC is one of the most critical components in the system and must always remain operational and reliable. Calcon Systems Inc. recently finished Phase 1 of the PLC replacements (as authorized by the MCWD Board on January 22, 2024), which focused on the critical water well sites as a priority. Phase 2 of the PLC replacements would complete the water reservoir sites, booster pump stations, and all sewer lift station sites.

**Discussion/Analysis:** The District's current PLC model is reaching a manufacturer's end of life and will no longer be supported after 2025. While the PLCs themselves are robust pieces of hardware, it is critical for these pieces of hardware to remain current to allow for repair or replacement, in addition to providing security in order to prevent unauthorized control of MCWD's sites. The District's current on-call system integrator, Calcon Systems, Inc., successfully completed Phase 1 of the replacement project in June 2024 within budget and with no contingencies used.

Therefore, staff is recommending the Board to award phase 2 of the project for the programming of the remaining PLCs to Calcon Systems Inc., which will complete the project in its entirety. Calcon currently works on all of the District's pump stations, has extensive knowledge of programming for each site, and coordinates well with staff to ensure no service interruption during critical programming cutovers.

All labor, equipment, and services are provided with a one-year warranty, and Calcon is ready to commence as soon as a notice to proceed is issued. The estimated completion time is six months and payment terms are lump sum.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** Legal Counsel has reviewed the proposal and resolution.

**Climate Adaptation:** Having reliable pump stations with PLCs that can be programmed allows the District to optimize its pump sites and reduce PGE power costs as much as possible. Keeping the PLCs up to date will allow the District to continue to program the sites to run at maximum efficiency while providing redundant safeguards to help prevent or mitigate failures in our pumping systems.

**Financial Impact:**   X   Yes        No Funding Source/Recap: \$553,000.00 was budgeted this year between bond and Capital Replacement funds for the project (WD 2503). There is sufficient funding to award the project in its entirety. The following chart represents the allocation, budget, and proposed amounts per each cost center for the project:

Cost Center	Allocation	CIP Budget (WD 2503)	Amount	Amount with Contingency
Marina Water	6%	\$35,000.00	\$29,100.00	\$29,973.00
Marina Sewer	15%	\$85,000.00	\$73,460.00	\$75,663.80
Ord Water	16%	\$83,000.00	\$76,980.00	\$79,289.40
Ord Sewer	63%	\$350,000.00	\$308,455.00	\$317,708.65
Grand Total	100%	\$553,000.00	\$487,995.00	\$502,634.85

**Other Considerations:** None

**Material Included for Information/Consideration:** Resolution No. 2024-37; and, a copy of the Calcon Systems Inc. PLC Upgrade Phase 2 proposal.

**Action Required:**   X   Resolution        Motion        Review

---

Board Action

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

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

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

August 19, 2024

Resolution No. 2024 - 37  
Resolution of the Board of Directors  
Marina Coast Water District  
To Award a Contract to Calcon Systems Inc. for the  
Programmable Logic Controller Replacement Project Phase 2

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on August 19, 2024, at 920 Second Avenue, Suite A, Marina, California, as follows:

WHEREAS, Marina Coast Water District (District) operates and maintains the water (CA 2710017) and wastewater systems (3SSO 10287) for Central Marina and the Ord Community; and,

WHEREAS, the District's water booster stations, water storage tanks, and sewer lift stations are critical infrastructure in providing water and wastewater services to the District's customers; and,

WHEREAS, each pump station is controlled by a programmable logic controller (PLC) that allows the site to run in an automatic and remote setting; and,

WHEREAS, the District's current PLC is nearing its manufacturer's end of life, and will no longer be supported; and,

WHEREAS, it is critical to replace the PLCs with new and supported devices to allow for repair, troubleshooting, future programming and security safeguards; and,

WHEREAS, Calcon Systems, Inc. has been the District's sole integrator for the last six years and is currently in contract as the District's on-call SCADA and Motor Control Center contractor; and,

WHEREAS, Calcon System, Inc. completed Phase 1 of the PLC replacement project in June 2024 within budget; and,

WHEREAS, Phase 2 of the project has an approved budget of \$553,000.00 and has sufficient funding available to fund the entirety of the project.

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

1. Adopt Resolution No. 2024-37 to award a sole source contract for goods and services to Calcon Systems, Inc. for the amount of \$487,995.00, plus a 3% contingency for a total not-to-exceed of \$502,634.85.
2. Authorize the General Manager to execute the PLC Replacement Phase 2 Project contract and direct 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 August 19, 2024, 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 \_\_\_\_\_

\_\_\_\_\_  
Gail Morton, President

ATTEST:

\_\_\_\_\_  
Remleh Scherzinger, 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. 2024-37 adopted August 19, 2024.

\_\_\_\_\_  
Remleh Scherzinger, Secretary

**Funding 0x-00-160-456**

**Task No. CIPxWD-2503GN**

**CONTRACT DOCUMENTS**

**Contract for PLC Replacement Project Phase 2**

**EFFECTIVE DATE OF CONTRACT:** September \_\_, 2024

**NAME AND ADDRESS OF CONTRACTOR:**

**CHECK APPROPRIATE BOX**

Calcon Systems Inc.  
12919 Alcosta Blvd., Ste9  
San Ramon, CA 94583

☐ Individual  
☐ Partnership  
☐ Joint Venture  
☒ Corporation,  
in the State of California

1. The above Contractor and the Marina Coast Water District (District) hereby mutually agree to perform this Contract in strict accordance with the following designated documents, in order of precedence and which are attached and hereby incorporated into this Contract by reference:

1. Water Sites PLC Upgrade Proposal dated 07/09/2024 from Calcon Systems Inc.;
2. Bonds and Certificates of Insurance (as required for Public Works projects over \$25,000.00);
3. DIR Registration;
4. Non-Collusion Declaration;
5. General Provisions;
6. District Harassment Policy.

The Contractor shall be required to commence work under this Contract within thirty (30) calendar days after the date the Contractor receives the Notice to Proceed. Work shall start by October 1, 2024, and be completed by June 30, 2025.

This Contract, together with all documents and exhibits incorporated herein by reference, constitutes the entire agreement of the parties. All prior or contemporaneous oral agreements between the parties are revoked by this Contract.

In the event any section, sentence, clause, or phrase of this Contract is adjudicated by a court of last resort and of competent jurisdiction, to be invalid or illegal, the remainder of this Contract shall be unaffected by such adjudication and all other provisions of this Contract shall remain in full force and effect as though the section, sentence, clause, or phrase so adjudicated to be invalid had not been included herein.

**ALTERATIONS:** The following alterations were made in this Contract before it was signed by the parties hereto (if no alterations, state "NONE"): NONE

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date entered on the first page of the Contract.

MARINA COAST WATER DISTRICT,  
a California Water District

CALCON SYSTEMS, INC.

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Remleh Scherzinger

\_\_\_\_\_  
(Type or Print Name)

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
(Title of Authorized Representative)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

#### INSTRUCTIONS

1. The full name and business address of the Contractor must be inserted in the space provided on Page 1 of this Contract. The Contractor shall sign in the space provided above with his or her usual signature and typewrite or print his or her name under the signature.
2. An officer or a corporation, a member of a partnership, or agent signing for the Contractor shall place his or her signature, name, and title after the word "by" under the name of the Contractor. A Contract executed by an attorney-in-fact or agent on behalf of the Contractor shall be accompanied by two authenticated copies of his or her Power of Attorney or other evidence of his or her authority to act on behalf of the Contractor.



## CONTRACT DOCUMENTS PAYMENT BOND

	CONTRACTOR AS PRINCIPAL	SURETY	OWNER
Company:			Marina Coast Water District,
Legal Status:			a California Water District
Address:			11 Reservation Road
City, State, Zip:			Marina, CA 93933

**CONSTRUCTION CONTRACT:**

Date:

Construction Contract Amount: \$487,995.00

Description (Name &amp; Locations): PLC Replacement Project Phase 2

**BOND:**

Date (Not earlier than Construction Contract Date): \_\_\_\_ / \_\_\_\_ / \_\_\_\_ (mm/dd/yyyy)

Percentage of Construction Contract Amount:

Bond Amount:

The Contractor as Principal, and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract as so executed, which is incorporated herein by reference.

NOW, THEREFORE, if the Principal herein or its subcontractors shall fail to pay for any material, services, supplies, implements, or machinery, used in, upon, for or about the performance of all work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor as required by applicable statutory provisions, the Surety herein shall pay for the same in an amount not exceeding the sum specified in this Bond, otherwise the above obligations shall be void.

In the event suit is brought upon this Bond and judgment entered in the claimant's favor, the Surety shall pay all costs incurred by the claimant in such suit, including reasonable attorney's fees to be fixed by the court.

This Bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claim under applicable State Law, including but not limited to those persons, companies, and corporations entitled to serve a stop notice under Section 3181 of the Civil Code so as to give a right of action to them or their assigns in any suit brought upon this Bond.

No prepayment or delay in payment and no change, extension, addition, or alteration of any provision of the Construction Contract agreed to between the Principal and the Marina Coast Water District, and no forbearance on the part of the Marina Coast Water District, shall operate to relieve the Surety from liability on this Bond, and consent to make such changes, extensions, additions, and alterations without further notice to or consent by such Surety is hereby given; and the Surety hereby waives the provisions of Section 2819 of the California Civil Code.

IN WITNESS WHEREOF, the above bound parties have executed this instrument under their several seals this \_\_\_\_\_ day of, \_\_\_\_\_, \_\_\_\_\_ the name and  
(Day) (Month (Year)  
 corporate seal of each corporate party being hereto affixed and these presents duly signed by its authorized representative.

(Seal)

\_\_\_\_\_  
(Principal)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Phone#: \_\_\_\_\_

(Seal)

\_\_\_\_\_  
(Surety)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Phone#: \_\_\_\_\_

NAIC#: \_\_\_\_\_

CAID#: \_\_\_\_\_

License#: \_\_\_\_\_

Note: The signature of the Surety must be acknowledged before a Notary Public. An executed Power of Attorney indicating that the Surety's representative is authorized to bind the Surety must accompany this Bond.

### CONTRACT DOCUMENTS PERFORMANCE BOND

	CONTRACTOR AS PRINCIPAL	SURETY	OWNER
Company:			Marina Coast Water District,
Legal Status:			a California Water District
Address:			11 Reservation Road
City, State, Zip:			Marina, CA 93933

**CONSTRUCTION CONTRACT:**

Date:

Construction Contract Amount: \$487,995.00

Description (Name &amp; Locations): PLC Replacement Project Phase 2

**BOND:**

Date (Not earlier than Construction Contract Date): \_\_\_\_ / \_\_\_\_ / \_\_\_\_ (mm/dd/yyyy)

Percentage of Construction Contract Amount:

Bond Amount:

The Contractor as Principal, and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract as so executed, which is incorporated herein by reference.

NOW THEREFORE, if the Principal herein shall promptly and faithfully perform said Construction Contract in all respects, and shall well and truly and fully perform all work contracted to be done under said Construction Contract and within the time prescribed therein, then this obligation shall be void; otherwise to remain in full force and effect

No prepayment or delay in payment and no change, extension, addition, or alteration of any provision of the Construction Contract agreed to between the Principal and the Marina Coast Water District and no forbearance on the part of the Marina Coast Water District shall operate to relieve the Surety from liability on this Bond and consent to make such changes, extensions, additions, and alterations without further notice to or consent by such Surety is hereby given and the Surety hereby waives the provisions of Section 2819 of the California Civil Code.

In the event suit is brought upon this Bond by the Marina Coast Water District and judgment is entered in its favor, the Surety shall pay all costs incurred by the Marina Coast Water District in such suit, including reasonable attorney's fees to be fixed by the Court.

IN WITNESS WHEREOF, the above bound parties have executed this instrument under their several seals this \_\_\_\_\_ day of, \_\_\_\_\_, \_\_\_\_\_ the name and  
(Day) (Month) (Year)  
corporate seal of each corporate party being hereto affixed and these presents duly signed by its authorized representative.

(Seal)

\_\_\_\_\_  
(Principal)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Phone#: \_\_\_\_\_

(Seal)

\_\_\_\_\_  
(Surety)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Phone#: \_\_\_\_\_

NAIC#: \_\_\_\_\_

CAID#: \_\_\_\_\_

License#: \_\_\_\_\_

Note: The signature of the Surety must be acknowledged before a Notary Public. An executed Power of Attorney indicating that the Surety's representative is authorized to bind the Surety must accompany this Bond.



July 9, 2024

Marina Coast Water District  
2840 4th Avenue  
Marina, CA 93933

Attention: Derek Cray, Operations and Maintenance Manager

**Subject: PLC Upgrades Phase 2 Proposal**

Mr. Cray,

Calcon Systems is pleased to offer this quotation for the upgrade project we discussed, with each scope item listed below.

If you or your team have any questions, please contact me any time.

Thank you for considering Calcon Systems for this project.

Best Regards,

*Ryan Smith*

Ryan Smith  
**Calcon Systems, Inc.**  
Cell (925) 570-5122  
E-mail [rsmith@calcon.com](mailto:rsmith@calcon.com)  
License C-10 No. 508284 | UL File No. E303943



## Contents

CONTENTS	2
SCOPE OF WORK	3
Pricing: Ord	4
Pricing: Marina	5
Terms	5



## Scope of work

Replacement of the existing [REDACTED] PLCs at the sites listed below with new [REDACTED] PLCs.

For each site:

- Design PLC upgrade – specify PLC hardware and installation parts, procurement.
- Programming of new PLC system.
  - Create new PLC program version for [REDACTED]
  - Tag creation and matching to existing SCADA tags
  - Bench testing
  - SCADA integration and testing
  - Update of [REDACTED] tags for new PLC system
  - Configuration of communications with other sites via radio
  - Configuration and testing of radio/cellular redundancy
- Installation of new PLC and wiring into existing control panel.
- Startup and testing.
  - Functional testing
  - Alarm testing



Pricing: Ord

#	Ord Water Sites:	Price
1	D Booster	\$29,100.00
2	Reservoir B	\$15,960.00
3	Reservoir C	\$15,960.00
4	Reservoir F	\$15,960.00
Ord Water sites total:		\$76,980.00

#	Ord Sewer Sites:	Price
1	Booker lift station	\$18,365.00
2	Carmel lift station	\$18,365.00
3	Clark lift station	\$18,365.00
4	East Garrison lift station	\$18,365.00
5	Fritzche lift station	\$18,365.00
6	Gigling lift station	\$18,365.00
7	Hatten	\$18,365.00
8	Hodges lift station	\$18,365.00
9	Imjin lift station	\$18,365.00
10	Landrum lift station	\$18,365.00
11	Neeson lift station	\$18,365.00
12	Ord Village lift station	\$18,365.00
13	Promontory lift station	\$18,365.00
14	reservation lift station	\$18,365.00
15	Schoonover lift station	\$18,365.00
16	Wittenmyer lift station	\$18,365.00
17	Ord WWTP Flume station	\$14,615.00
Ord Sewer sites total:		\$308,455.00





Pricing: Marina

#	Marina Water Sites:	Price
1	Reservoir 2	\$29,100.00
Marina Water sites total:		\$29,100.00

#	Marina Sewer Sites:	Price
1	Cosky lift station	\$18,365.00
2	Crescent lift station	\$18,365.00
3	Dunes lift station	\$18,365.00
4	San Pablo lift station	\$18,365.00
Marina Water sites total:		\$73,460.00

Total project price:	\$487,995.0
----------------------	-------------

Terms

- This quotation is valid for 60-days.
- Warranty: 1-year parts and labor.
- Payment Terms: Net-30 days.

**PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION**

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No quote will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Quoter hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.

Name of Quoter: \_\_\_\_\_

DIR Registration Number: \_\_\_\_\_

Quoter further acknowledges:

1. Quoter shall maintain a current DIR registration for the duration of the project.
2. Quoter shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
3. Quoter shall submit certified payroll through the DIR.
4. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.
5. If applicable, the quoter shall comply with Labor Code section 1775.5, an apprenticeship program.

Quoter's Signature: \_\_\_\_\_

Quoter's Name and Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

**END OF DOCUMENT**

## MARINA COAST WATER DISTRICT

### NON-COLLUSION DECLARATION

By signing below, the Bidder submitting this bid declares that the bid is not submitted in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation and that the bid is genuine and not collusive or sham.

The Bidder also declares that they have not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded, conspired, connived, agreed with any bidder, anyone who shall refrain from bidding, or anyone else, to put in a sham bid. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Bidder, or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or that of any other bidder, or to secure any advantage against the District or anyone interested in the contract.

The Bidder has not, directly or indirectly, submitted their bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

If at any time it is found that the person, firm, or corporation to whom a contract has been awarded has, in submitting a bid, colluded with any other party or parties, said person, firm or corporation shall be liable to the District for all loss or damage which the District may incur as the result of the collusive activity, including, but not limited to, the cost of advertising and awarding of a new contract for the required work. In addition, the collusive Bidder will be disqualified from bidding on future District contracts for a period to be determined by the District.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

BIDDER'S BUSINESS NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

(Signature in Ink)

**GENERAL PROVISIONS**  
(Feb. 2023 Edition)

**TABLE OF CONTENTS**

<b>Section</b>	<b>Description</b>	<b>Page</b>
1	Definitions .....	GP-2
2	General Scope of Work .....	GP-3
3	Control of Work.....	GP-6
4	Control of Materials .....	GP-11
5	Legal Responsibilities .....	GP-13
6	Prosecution and Progress .....	GP-17
7	Measurement and Payment .....	GP-23
8	Warranty of Construction.....	GP-28

## GENERAL PROVISIONS

(Feb. 2023 Edition)

### SECTION 1 DEFINITIONS

- 1.01. Definitions (Rev. Feb. 2013). Whenever in this Contract the following terms (whether initially capitalized or not) and abbreviations, or pronouns in place of them, are used, the intent and meaning shall be as follows:
- A. Directors. The Board of Directors of the Marina Coast Water District.
  - B. Contract. The Construction Contract between the Contractor and the District and including all documents incorporated into the Contract by reference.
  - C. Contracting Officer. The Contracting Officer, as stated in the bid documents, is the District's authorized representative under this Contract.
  - D. Contracting Officer's Representative. The authorized representative of the Contracting Officer acting within the limits of the authorized representative's authority.
  - E. Contractor. An individual, firm, or corporation entering into this Contract for the performance of the Work.
  - F. Day. A calendar Day. Saturdays, Sundays, and District holidays as well as weekdays are counted as Days.
  - G. District or Owner. The Marina Coast Water District, a public entity.
  - H. Engineer or Architect-Engineer. As stated in the bid documents, is the independent engineering firm retained by the District to perform certain engineering services for the project. See GP § 1.02 on the relationship between the District's Contracting Officer and the Engineer.
  - I. Shop Drawings or Drawings. All Drawings, diagrams, illustrations, schedules and other data which are specifically prepared by the Contractor, a Subcontractor, manufacturer, fabricator, supplier or distributor to illustrate some portion of the Work to be performed under this Contract and all illustrations, brochures, standard schedules, performance charts, instructions, diagrams and other information prepared by a manufacturer, fabricator, supplier or distributor and submitted by the Contractor to illustrate material or equipment for some portions of the Work.
  - J. Specifications. Those portions of the Contract consisting of (1) written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work under this Contract, administrative provisions applicable thereto, and (2) all Drawings and designs.
  - K. Subcontractor. An individual, firm, or corporation having a direct Contract with the Contractor or with any other Subcontractor for the performance of any part of the Work or the furnishing of any materials under this Contract. The term shall include Subcontractors and suppliers at all tiers.
  - L. Work. The entire completed construction or the various separately identifiable parts thereof required to be furnished under this Contract. Work includes but is not limited to materials, workmanship, and manufacture and fabrications of components. Work is the result of performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction, all as required by this Contract.
- 1.02 Relationship between District's Contracting Officer and the Engineer (Rev. July 2009).
- A. The Engineer is the Contracting Officer's Representative. The scope of the Engineer's authority under this project is set forth in the agreement between the Engineer and the District. A copy of the agreement will be available to the Contractor.
  - B. All references in the special provisions, the Specifications, and the Drawings to "Engineer" shall be understood to refer to the Contracting Officer who may choose to delegate certain duties, functions, and responsibilities under such Parts to the Engineer as the Contracting Officer's Representative. These matters shall be covered in the pre-construction conference to be held after award of this Contract.

[End of GP § 1]

### SECTION 2 GENERAL SCOPE OF WORK

2.01. Site Investigation, Conditions Affecting Work and Hazardous Materials (Rev. July 2009).

- A. The Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the Work, and that it has investigated and satisfied itself as to the conditions which can affect the Work, including but not limited to (1) conditions bearing upon transportation, disposal, handling, and storage of materials; (2) the availability of labor, water, electric power, and roads; (3) uncertainties of weather, river stages, tides, or similar physical conditions at the site; (4) the conformation and conditions of the ground; (5) drainage on, into and out of the site; and (6) the character of equipment and facilities needed preliminary to and during prosecution of the Work. The Contractor also acknowledges that it has satisfied itself as to the character, quality and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory Work done by the District, as well as from information presented by the Specifications made a part of this Contract. Any failure by the Contractor to take the actions described and acknowledged in this paragraph (A) will not relieve the Contractor from responsibility for estimating properly the difficulty or cost of successfully performing the Work, or for proceeding to successfully perform the Work without additional expense to the District.
- B. The District assumes no responsibility for any conclusions or interpretations made by the Contractor on the basis of the information made available by the District; nor does the District assume responsibility for any understanding reached or representation made concerning conditions which can affect the Work by any of its officers, employees, or agents before the execution of this Contract, unless that understanding or representation is expressly stated in this Contract.

2.02. Intent of Specifications (Rev. Jan. 1981). The intent of the Specifications is to describe a complete project and prescribe the details for the construction and completion of the Work which the Contractor undertakes to perform in accordance with the terms of this Contract. Where the Specifications describe portions of the Work in general terms, but not in complete detail, it is understood that only the best general practice is to prevail and that only materials and workmanship of the first quality are to be used. Unless otherwise specified, the Contractor shall furnish all labor, materials, tools, equipment, and incidentals, and do all the Work involved in executing this Contract in a satisfactory and workmanlike manner.

2.03. Discovery of Errors, Omissions, or Discrepancies in the Contract (Rev. Jan. 1981). If the Contractor discovers any errors, omissions, discrepancies, or conflicts in this Contract, the Contractor shall immediately so inform the Contracting Officer in writing. The Contracting Officer will promptly clarify such matters and so inform the Contractor. Any Work affected by such discoveries which is performed by the Contractor prior to authorization by the Contracting Officer shall be at the Contractor's own risk.

2.04. Ownership and Use of Contract Documents (Rev. Jan. 1981). The Contractor, any Subcontractor, manufacturer, fabricator, supplier, or distributor (1) shall not have or acquire any title to or ownership rights in any of the Specifications or the other Contract documents (or copies of any thereof) prepared by the District or the District's Architect-Engineer for this Contract, and (2) shall not reuse any of them on any other project without written consent of the District.

2.05. Variations in Estimated Quantities (Rev. May 1988).

- A. If (1) the quantity of a unit-priced item in this Contract is an estimated quantity, (2) total price for the item (based upon the unit price multiplied by the estimated quantity) is at least equal to five percent (5%) of the Contract price, and (3) the actual quantity of the unit-priced item varies more than fifteen percent (15%) above or below the estimated quantity, then an equitable adjustment in the Contract price shall be made upon demand of either party. The equitable adjustment shall be based upon any increase or decrease in costs due solely to the variation above one hundred fifteen percent (115%) or below eighty-five percent (85%) of the estimated quantity.
- B. If (1) GP § 2.05(A) applies and (2) the quantity variation is such as to cause an increase in the time necessary for completion, then the Contractor may request, in writing, an extension of time, to be received by the Contracting Officer within ten (10) Days from the beginning of the delay. See GP § 2.12 for additional requirements. Upon the receipt of a written request for an extension, the Contracting Officer shall ascertain the facts and make an adjustment for extending the completion date as, in the judgment of the Contracting Officer, is justified.

2.06. Changes (Rev. March 1987).

- A. The Contracting Officer may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make any change within the scope of the Work of this Contract, including but not limited to changes:
  - 1. in the Specifications (including Drawings and designs);
  - 2. in the method or manner of performance of the Work;
  - 3. in the District-furnished facilities, equipment, materials, services, or site; or
  - 4. directing acceleration in the performance of the Work, except that no change shall be deemed to occur if the Contractor is behind schedule as a result of other than an excusable delay (GP § 6.06(D)(1)) and the Contracting Officer has directed the Contractor to take appropriate action to bring the Contractor's Work on schedule.
- B. Any other written order or an oral order (which terms as used in this paragraph (B) shall include direction, instruction, interpretation, or determination) from the Contracting Officer that causes a change, shall be treated as a change order under this GP.
- C. Except as provided in this GP, no order, statement or conduct of the Contracting Officer shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.
- D. If any change under this GP causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the Work under this Contract, the Contracting Officer shall make an equitable adjustment and modify the Contract in writing. However, except for claims based on defective Specifications, no claim for any change under (B) above shall be allowed for any costs incurred more than twenty (20) Days before the Contractor gives written notice as required. In the case of defective Specifications for which the District is responsible, the equitable adjustment shall include any increased cost reasonably incurred by the Contractor in attempting to comply with the defective Specifications.
- E. The Contractor must submit any claim under this GP § within thirty (30) Days after (1) receipt of a written change order under (A) above or (2) receipt of a written or oral order under (B) above which the Contractor regards as a change order, by submitting to the Contracting Officer a written statement setting forth the general nature and monetary extent of such claim. If the claim is based upon an alleged (B) change order, such written statement shall also include (1) the date, circumstances, and source of the order and (2) that the Contractor regards the order as a change order.
- F. No claim of the Contractor under this clause shall be allowed unless the Contractor has properly complied with all applicable notice requirements of (E) above.
- G. No claim by the Contractor for an equitable adjustment shall be allowed if asserted after final payment under this Contract.
- H. Nothing in this clause shall excuse the Contractor from proceeding with the Contract as changed.
- I. The value of any Work covered by a change order or of any claim for an increase or decrease in the Contract price shall be determined in one of the following ways:
  - 1. Where the Work involved is covered by unit prices contained in this Contract, by application of such unit prices to the quantities of the items involved.
  - 2. By mutual acceptance of a lump sum.
  - 3. On the basis of the Cost of Force Account Work determined as provided in GP § 7.03.

2.07. Extra Work (Rev. Jan. 1981).

- A. Work will be classed as extra Work when determined by the Contracting Officer that such Work is not covered by any of the various items for which there is a bid price or by combinations of such items. In the event portions of such Work are determined by the Contracting Officer to be covered by some of the various items for which there is a bid price or combinations of such items, the remaining portion of such Work will be classed as extra Work. Extra Work also includes Work specifically designated as extra Work in the Specifications.
- B. The Contractor shall do such extra Work and furnish material and equipment therefor upon receipt of a change order or other written order of the Contracting Officer.

- C. Payment for extra Work, in the absence of an agreement between the parties on compensation for the extra Work, will be made by force account.

2.08. Differing Site Conditions (Rev. July 2009).

- A. The Contractor shall promptly (in no event later than five (5) days after such conditions are discovered), and before such conditions are disturbed, notify the Contracting Officer in writing of (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this Contract, or (2) unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in Work of the character provided for in this Contract, or (3) material that the Contractor believes may be hazardous material, as defined in Section 25117 of the Health and Safety Code that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- B. The Contracting Officer shall promptly investigate the conditions after receiving the notice. If the Contracting Officer finds that such conditions do materially so differ or do involve hazardous material and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the Work under this Contract, whether or not changed as a result of such conditions, an equitable adjustment shall be made under this clause and the Contract modified in writing accordingly.
- C. In the event a dispute arises between the District and the Contractor whether the conditions materially differ, or involve hazardous material, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the Work, the Contractor shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all Work to be performed under the Contract. The Contractor shall retain any and all rights provided whether by Contract or by law which pertain to the resolution of disputes and protests. However, no claim by the Contractor for an equitable adjustment to the Contract shall be allowed unless the Contractor has given the written notice required in (A) above.

2.09. Consent of Surety (Rev. Jan. 1981). All alterations, extensions of time, extra and additional Work, and other changes authorized by the Specifications or any other part of this Contract may be made without securing the consent of the surety or sureties on the Contract Bonds.

2.10. Cleaning Up (Rev. Jan. 1981). The Contractor shall at all times keep the construction and storage areas ("premises") free from accumulations of waste material or rubbish and, prior to completion of the Work, remove any rubbish from the premises and all tools, scaffolding, equipment, and materials not the property of the District. Upon completion of the construction the Contractor shall leave the Work and premises in a clean, neat and workmanlike condition satisfactory to the Contracting Officer. The Contractor shall restore to their original condition those portions of the premises not designated for alterations by this Contract. Full compensation for final cleaning up will be considered as included in the prices paid for the various Contract items of Work and no separate payment will be made therefor.

2.11. Notice of Potential Claim (Rev. Sept. 1984).

- A. The Contractor shall not be entitled to the payment of any additional compensation for any act, or failure to act by the Contracting Officer, including failure or refusal to issue a change order, or for the happening of any event, thing, occurrence, or other cause, unless the Contractor shall have given the Contracting Officer due written notice of potential claim as hereinafter specified; provided, however, that compliance with this GP § 2.11 shall not be a prerequisite as to matters within the scope of the notice provisions in GP § 2.06, in GP § 2.08 or in GP § 6.06(D)(2).
- B. The written notice of potential claim shall set forth the reasons for which the Contractor believes additional compensation will or may be due, the nature of the costs involved, and, insofar as possible, the amount of the potential claim. The said notice as above required must have been given to the Contracting Officer prior to the time that the Contractor shall have performed the Work giving rise to the potential claim for additional compensation if based on an act or failure to act by the Contracting Officer, or in all other cases within thirty (30) Days after the happening of the event, thing, occurrence, or other cause giving rise to the potential claim.
- C. It is the intention of this GP § 2.11 (as well as of all the other notice provisions in this Contract) that differences between the parties arising under and by virtue of the Contract be brought to the attention of the Contracting Officer at the earliest possible time in order that the District may know the extent of any potential additional Contract costs before they are incurred and in order that such matters may be settled, if possible, or other appropriate action promptly taken. The Contractor hereby agrees that it



shall have no right to additional compensation for any claim that may be based on any such act, failure to act, event, thing, or occurrence for which no written notice of potential claim as herein required was filed.

2.12. Request for Time Extensions; Time Extensions (Rev. Sept. 1986).

- A. As a part of every Contractor's proposal or claim involving a request for a time extension, the Contractor shall submit the Contractor's standard scheduling diagram if approved by the Contracting Officer, showing the detail Work necessitated by or involved in the alleged claim and the impact of the proposed time adjustment on other Work and on the project schedule.
- B. This GP § 2.12 shall apply to all requests for time extensions under this Contract, including but not limited to GP § 2.06, GP § 2.08, GP § 2.11, and GP § 3.03(G), and to delay notices under GP § 6.06(D)(2).
- C. Notwithstanding any other provision of this Contract, time extensions shall only be granted for excusable delays that actually delay scheduled project completion. The granting of time extension for changes in the Work will depend upon the extent, if any, by which the changes cause actual delay in the completion of the various elements or phases of construction. The change order or other order of the Contracting Officer granting the time extension may provide that the Contract completion date will be extended only for those specific elements or phases so delayed and that the remaining Contract completion dates for all other portions of the Work will not be altered and may further provide for an equitable readjustment of liquidated damages under the new completion schedule.

2.13. Right to Audit Accounting Records When Claim Made (June 1985). The District shall have the right to audit Contractor's accounting records, and the accounting records of any Subcontractor whose claim is included in any claim by the Contractor under this Contract, to ascertain the extent of the costs actually incurred by the Contractor and/or Subcontractor as alleged in the Contractor's claim. This provision shall be incorporated in all subcontract agreements for the Work required by this Contract.

[End of GP § 2]

### **SECTION 3 CONTROL OF WORK**

3.01. Authority of Contracting Officer (Rev. Jan. 1981). The Contracting Officer shall decide all questions which may arise as to the quality or acceptability of materials furnished and Work performed and as to the manner of performance and rate of progress of the Work; all questions which may arise as to the interpretation of this Contract; all questions as to the acceptable fulfillment of the Contract on the part of the Contractor; and all questions as to compensation. The Contracting Officer's decision shall be final and the Contracting Officer shall have authority to enforce and make effective such decisions and orders which the Contractor fails to carry out promptly.

3.02. Contractor Supervision (Rev. Jan. 1981).

- A. The Contractor shall supervise, direct, and coordinate all Work under this Contract using its best skills and attention. It is understood and agreed that the Contractor shall act as an independent Contractor in performing Work under this Contract, maintaining complete control over its employees and all of its Subcontractors. The Contractor shall perform all Work in accordance with its own methods subject to compliance with this Contract. The Contractor shall perform all Work in an orderly and workmanlike manner, enforce strict discipline and order among its employees and assure strict discipline and order by its Subcontractors.
- B. Before starting Work, the Contractor shall designate a competent authorized representative to represent and act for the Contractor and shall inform the Contracting Officer of the name of such representative. Such representative shall be present or duly represented at the site of Work at all times when Work is actually in progress and, during periods when Work is suspended, arrangements acceptable to the Contracting Officer shall be made for any emergency Work which may be required. The Contractor's authorized representative shall be supported by competent assistants as necessary, and the authorized representative and its assistants shall be satisfactory to the Contracting Officer. All directions, instructions and other communications given to the authorized representative by the Contracting Officer shall be as binding as if given to the Contractor.

3.03. Inspection of Construction (Rev. Sept. 1986).

- A. The Contractor shall maintain an adequate inspection system and perform such inspection as will ensure that the Work called for by this Contract conforms to Contract requirements. The Contractor shall maintain complete inspection records and make them available to the District. All Work is subject to District inspection and test at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the Contract.
- B. District inspections and tests are for the sole benefit of the District and do not;
  - 1. Relieve the Contractor of responsibility for providing adequate quality control measures;
  - 2. Relieve the Contractor of responsibility for damage to or loss of the material before acceptance;
  - 3. Constitute or imply acceptance; or
  - 4. Affect the continuing rights of the District after acceptance of the completed Work under (H) below.
- C. The presence or absence of a District inspector does not relieve the Contractor from any Contract requirement, nor is the inspector authorized to change any term or condition of the Specification without the Contracting Officer's written authorization.
- D. The Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by the Contracting Officer. The District may charge to the Contractor any additional cost of inspection or test when Work is not ready at the time specified by the Contractor for inspection or test, or when prior rejection makes reinspection or retest necessary. The District shall perform all inspections and tests in a manner that will not unnecessarily delay the Work. Special, full size, and performance tests shall be performed as described in the Contract.
- E. The Contractor shall, without charge, replace or correct Work found by the District not to conform to Contract requirements, unless in the District's interest the District consents to accept the Work with an appropriate adjustment in Contract price. The Contractor shall promptly segregate and remove rejected material from the premises.
- F. If the Contractor does not promptly replace or correct rejected Work, the District may (1) by Contract or otherwise, replace or correct the Work and charge the cost to the Contractor or (2) terminate for default the Contractor's right to proceed.
- G. If, before acceptance of the entire Work, the District decides to examine already completed Work by removing it or tearing it out, the Contractor, on request, shall promptly furnish all necessary facilities, labor, and material. If the Work is found to be defective or nonconforming in any material respect due to the fault of the Contractor or its Subcontractors, the Contractor shall defray the expenses of the examination and of satisfactory reconstruction. However, if the Work is found to meet Contract requirements, the Contracting Officer shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the Work was thereby delayed, an extension of time if requested by the Contractor. See GP § 2.12.
- H. Unless otherwise specified in the Contract, the District shall accept, as promptly as practicable after completion and inspection, all Work required by the Contract. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or the District's rights under any warranty or guarantee.
- I. Any Work done beyond the lines and grades shown on the plans or established by the Contracting Officer, or any extra Work done without written authority will be considered as unauthorized Work and will not be paid for. Upon order of the Contracting Officer unauthorized Work shall be remedied, removed, or replaced at the Contractor's expense.
- J. Upon failure of the Contractor to comply promptly with any order of the Contracting Officer made under this clause, the District may cause rejected or unauthorized Work to be remedied, removed, or replaced, and to deduct the costs from any moneys due or to become due the Contractor.

3.04. [Not Used]

3.05. Equipment and Plants (Rev. Sept. 1986).

- A. Only equipment and plants suitable to produce the quality of Work and materials required will be permitted.

- B. Plants shall be designed and constructed in accordance with general practice for such equipment and shall be of sufficient capacity to insure the production of sufficient materials to carry the Work to completion within the time limit.
- C. The Contractor shall provide adequate and suitable equipment and plants to meet the above requirements, and when ordered by the Contracting Officer shall remove unsuitable equipment from the Work and discontinue the operation of unsatisfactory plants.

3.06. [Not Used]

3.07. Normal Working Hours (Rev. Jan. 2019).

- A. The Contractor shall schedule its working hours to coincide with the business hours of the District. Marina Coast Water District's business hours are Monday through Thursday 06:30 am - 4:00 pm and every other Friday 06:30 am - 3:00 pm, District holidays excepted. Alternating Fridays, the District is closed. The Contractor shall not perform Work under this Contract on other than Work Days or during other hours without the written approval of the Contracting Officer.
- B. If the Contractor, for its convenience, desires to perform Work under this Contract during other than normal working hours or on other than normal working Days, the Contractor shall reimburse the District for any additional expense occasioned the District thereby, such as, but not limited to, overtime pay for District inspectors.

3.08. Protection of Persons and Property (Rev. July 2007).

- A. Contractor bears sole responsibility under the law for the safety of its own personnel and for all persons entering Work site. Contractor also bears sole responsibility for posting applicable danger signs and warnings against hazards, erecting safety barriers, promulgating safety regulations, and notifying owners and users of adjacent utilities. This requirement shall apply continuously under this Contract and shall not be limited to normal working hours.
- B. In the event of the occurrence of a situation wherein life and/or valuable property is in apparent imminent danger, the Contractor is hereby authorized and required without any special instructions from the Owner or Owner's representative to act at its own discretion to prevent injury to persons or damage to property.
- C. The Contractor shall comply with all applicable federal, state, county, and local laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the safety of persons or property or their protection from damage, injury or loss ("safety laws"). Contractor, upon becoming aware of a violation of one of the above laws, ordinances, rules, regulations or orders, or is informed of the existence of an otherwise unsafe/unhealthy condition, shall immediately take corrective measures. The District assumes no responsibility for the existence of the condition or for corrective measures, regardless of who observed the condition.
- D. The Contractor shall immediately notify the District's Contracting Officer, and any other applicable governmental agency (e.g., CAL OSHA) as required by law, of any damage, injury, death, or loss under this Contract. Contractor shall furnish to the Owner detailed written reports of all injuries occurring on the job.
- E. Should Owner, Owner's representative, or any person witness a situation wherein life is in apparent, imminent danger, upon being notified or becoming aware of the condition, Contractor will address and immediately remedy such situation and enforce the applicable safety rules. Such notification action by Owner or Owner's representative shall be viewed as exercising independent prudent judgment based on an immediate threat and shall not be construed as controlling or enforcing safety for the project or as Owner assuming the controlling authority for safety.
- F. The Contractor shall promptly remedy all damage or loss to any property caused in whole or in part by the Contractor, any Subcontractor at any tier, or anyone directly or indirectly employed by any of them, or by anyone for whose acts or omissions any of them may be liable and for which the Contractor is responsible under this Contract.
- G. The Contractor shall designate in writing to the District's Contracting Officer, a project safety officer who shall be a responsible member of its organization for safety at the Work site.

- H. The Contractor shall have an Injury & Illness Prevention Program (IIPP) meeting all of the requirements of Title 8, California Code of Regulations, § 3203 and shall provide a copy of their current version to the District prior to starting Work.

3.09. Utilities (Rev. July 2009).

- A. Unless otherwise indicated, the Contractor shall at the Contractor's expense remove, relocate, and protect (1) all existing main or trunkline utility facilities identified in the Specifications with reasonable accuracy and (2) all other utility facilities (such as existing service laterals or appurtenances) whether or not identified in the Specifications. The expense to remove, relocate, and protect utility facilities or other obstructions for the convenience of construction shall also be borne by the Contractor.
- B. If a main or trunkline utility facility is not identified in the Specifications with reasonable accuracy and if such utility facility could not have been located or any damage to such utility facility could not have been prevented had the Contractor exercised reasonable care, the Contractor shall be compensated for the cost of (1) locating, (2) repairing damage not due to the failure of the Contractor to exercise reasonable care, (3) removing or relocating such utility facility, and (4) equipment on the project necessarily idled during such Work. All such costs shall be calculated in accordance with GP § 7.03.
- C. The Contractor shall not be assessed liquidated damages for a delay in the completion of this Contract to the extent such delay was primarily caused by the failure of the District to identify all existing main or trunkline utility facilities in the Specifications with reasonable accuracy and was not caused by the Contractor's failure to exercise reasonable care in locating, removing, relocating, or protecting such utility facilities.
- D. If the Contractor while performing the Contract discovers any utility facilities not identified by the District in the Specifications, the Contractor shall immediately notify the District and the owner of such facilities in writing.
- E. The District, the owners of any utility facilities, and their respective authorized agents shall have the right to enter upon the project site for the purpose of making such changes and performing such Work as are necessary for the rearrangement of their facilities or for making necessary connections or repairs to their properties. The Contractor shall cooperate with forces engaged in such Work and shall conduct its operations in such a manner as to avoid any unnecessary delay or hindrance to the Work being performed by such other forces. The owner of a utility facility shall have the sole discretion to perform repairs or relocation Work or permit the Contractor to do such repairs or relocation Work; the cost of such Work to be borne by the owner of the facility, the Contractor, and/or District as determined in accordance with this GP § and the applicable law.
- F. At least forty-eight (48) hours before excavating, the Contractor shall call USA Underground Service Alert at 811 or (800) 227-2600 (toll free). The Contractor shall be deemed not to have exercised reasonable care if it fails to comply with this notification requirement.

3.10. Indemnity (Rev. March 2004).

- A. To the fullest extent permitted by law, the Contractor shall indemnify, hold harmless, and defend the District and the Architect-Engineer and their respective Directors, officers, employees and agents (including any subconsultants), from and against all loss, damage, liability, claims, citations, suits, costs, and demands, arising out of or resulting from this Contract or the performance or prosecution of the Work, whether such losses, damages, liability, claims, citations, suits, costs, and demands are caused by the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, or by products installed on this project by the Contractor or any Subcontractor, and regardless of whether the entity or person indemnified hereunder was actively or passively negligent. Such Contractor obligations shall extend to losses, damages, liability claims, citations, suits, costs, and demands for injury or damage occurring within the applicable statute of limitations period after completion of the project as well as during the Work's progress.

3.11. Patent Indemnity (Rev. Sept. 1986). The Contractor shall indemnify and save harmless the District and the Architect-Engineer, their respective Directors, officers, representatives, agents and employees, from and against all losses, damages, liabilities, claims, citations, suits, costs, and demands and expenses, including attorneys' fees, incurred by the District and the Architect-Engineer, their respective Directors, officers, representatives agents and employees, as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent and arising out of the use of the equipment or materials furnished under this Contract by the Contractor, or out of the process or actions employed by the Contractor

in connection with the performance of the Work under this Contract; and the Contractor shall at its expense promptly defend against any such claim or action; provided that the Contractor's aforementioned obligations shall not apply to equipment, materials or processes specified by or furnished by the District; and provided further, that the District shall have notified the Contractor upon becoming aware of such claims or actions. The Contractor shall have the right in order to avoid such claims to substitute at its own expense non-infringing equipment, materials or processes, or to modify at its own expense such infringing equipment, materials and processes so they become non-infringing; provided that such substituted and modified equipment, materials and processes shall meet the requirements of this Contract.

- 3.12. Contractor's Responsibility for the Work and Materials (Rev. Jan. 1981). Until the final acceptance of all the Work under the Contract, the Contractor shall have the charge and care of the Work and of the materials to be used therein and shall bear the risk of injury, loss, or damage to any part thereof by the action of the elements or from any other cause, whether arising from the execution or from the non-execution of the Work. The Contractor shall rebuild, repair, restore, and make good all injuries, losses, or damage to any portion of the Work or the materials occasioned by any cause before its completion and acceptance and shall bear the expense thereof. The suspension of the Work from any cause whatever shall not relieve the Contractor of its responsibility for the Work and materials herein specified.
- 3.13. Documents and Samples at Work Site (Rev. Jan. 1981). The Contractor shall maintain at the Work site for the District one (1) record copy of all Drawings, Specifications, change orders, and other modifications, in good order and marked currently to record all changes made during construction and of all approved Shop Drawings, product data, and samples. These shall be available to the Contracting Officer and shall be delivered to him upon completion of the Work.
- 3.14. Work by District or by Other Contractors (Rev. July 2009).
- A. When separate Contracts are awarded for different portions of the project or for other Work on the site by the District or by other contractors, the Contractor shall afford the District and such other contractors reasonable opportunity for the introduction and storage of their materials and equipment and the execution of their Work, and shall connect and coordinate its Work with theirs as required by this Contract.
  - B. If any part of the Contractor's Work depends for proper execution or results upon the Work of the District or any other contractor (not including a Subcontractor at any tier of the Contractor), the Contractor shall, prior to proceeding with its Work, promptly report to the Contracting Officer any apparent discrepancies or defects in such other Work that render it unsuitable for such proper execution and results. Failure of the Contractor to so report shall constitute an acceptance by the Contractor of the District's or other contractor's Work as fit and proper to receive the Contractor's Work, except as to hidden or concealed defects which may subsequently become apparent in such Work by others.
  - C. Any costs caused by defective or ill-timed Work shall be borne by the party responsible therefor.
  - D. Should the Contractor cause damage to the Work or property of the District or to other work on the site, the Contractor shall promptly remedy such damage.
  - E. Should the Contractor cause damage to Work or property of any other contractor, the Contractor shall upon due notice promptly attempt to settle with such other contractor by agreement, or otherwise to resolve the dispute. If such other contractor sues or initiates any other proceeding against the District on account of any damage alleged to have been caused by the Contractor, the District shall notify the Contractor who shall defend such proceedings and indemnify and hold the District harmless in accordance with the indemnification requirements of this Contract.
- 3.15. Shop Drawings (Rev. July 2009).
- A. If this Contract requires Shop Drawings, the Contractor shall coordinate all such Drawings and review them for accuracy, completeness, and compliance with Contract requirements and shall indicate its approval thereon as evidence of such coordination and review. Shop Drawings submitted to the Contracting Officer without evidence of the Contractor's approval may be returned for resubmission. The Contracting Officer will indicate his or her approval or disapproval of the Shop Drawings and if not approved as submitted shall indicate his reasons therefor. Any Work done prior to such approval shall be at the Contractor's risk. Approval by the Contracting Officer shall not relieve the Contractor from responsibility for any errors or omissions in such Drawings, nor from responsibility for complying with the requirements of this Contract, except with respect to variations described and approved in accordance with (B) below.

- B. If Shop Drawings show variations from the Contract requirements, the Contractor shall describe such variations in writing, separate from the Drawings, at the time of submission. If the Contracting Officer approves any such variation(s), the Contracting Officer shall issue an appropriate Contract per GP § 2.06, except that, if the variation is minor and does not involve a change in price or in time of performance, a modification need not be issued.
- C. The Contractor shall submit to the Contracting Officer for approval four copies (unless otherwise indicated herein) of all Shop Drawings as called for under the various headings of these Specifications. Three sets (unless otherwise indicated herein) of all Shop Drawings will be retained by the Contracting Officer and one set will be returned to the Contractor.
- D. Rights in Shop Drawings. The District may duplicate, use, and disclose in any manner and for any purpose Shop Drawings delivered under this Contract.

[End of GP § 3]

#### **SECTION 4 CONTROL OF MATERIALS**

- 4.01. Source of Supply and Quality of Materials (Rev. Sept. 1986).
  - A. The Contractor shall furnish all materials required to complete the Work, except materials that are designated in the Specifications to be furnished by the District.
  - B. Only materials conforming to the requirements of the Specifications shall be incorporated in the Work.
  - C. The materials furnished and used shall be new, except as may specifically be provided elsewhere in the Specifications. The materials shall be manufactured, handled, and used in a workmanlike manner to insure completed Work in accordance with the Specifications.
  - D. The Contractor shall furnish the Contracting Officer a list of its sources of materials. The list shall be furnished to the Contracting Officer in sufficient time to permit proper inspecting and testing of materials to be furnished from such listed sources in advance of their use. The Contractor shall furnish without charge such samples as may be required. Inspection and tests will be made by the Contracting Officer or the Contracting Officer's Representative, but it is understood that such inspections and tests, if made at any point other than the point of incorporation in the Work, in no way shall be considered as a guarantee of acceptance of such material nor of continued acceptance of material presumed to be similar to that upon which inspections and tests have been made.
  - E. Manufacturer's warranties, guarantees, instruction sheets and part's lists, which are furnished with certain articles or materials incorporated in the Work, shall be delivered to the Contracting Officer before final acceptance of all Work.
  - F. Reports and records of inspections made and tests performed may be examined by the Contractor.
- 4.02. Storage of Materials (Rev. Nov. 1978). Articles or materials to be incorporated in the Work shall be stored in such a manner as to insure the preservation of their quality and fitness for the Work and to facilitate inspection.
- 4.03. Defective Materials (Rev. Nov. 1986). All materials which the Contracting Officer determined do not conform to the requirements of the Specifications will be rejected, whether in place or not. They shall be removed immediately from the site of the Work, unless otherwise permitted by the Contracting Officer. No rejected material, the defects of which have been subsequently corrected, shall be used in the Work, unless approval in writing has been given by the Contracting Officer. Upon failure of the Contractor to comply promptly with any order of the Contracting Officer made under this GP §, the Contracting Officer shall have authority to cause the removal and replacement of rejected material and to deduct the cost thereof.
- 4.04. Plant Inspection (Rev. Sept. 1986). The Contracting Officer may inspect the production of materials, or the manufacture of products at the source of supply. The District assumes no obligation to inspect materials at the source of supply. Both the Contractor and the material producer shall cooperate and assist the Contracting Officer in any plant inspection. The Contracting Officer or the Contracting Officer's authorized representative shall have free entry at all times to such parts of the plant as concerns the manufacture or production of the materials or products for this Contract. Adequate facilities shall be furnished free of charge to make the necessary inspection.
- 4.05. Testing (Rev. June 1985).

- A. If this Contract or if the laws, ordinances, rules, regulations or orders of any public authority having jurisdiction require any portion of the Work to be inspected, tested or approved, the Contractor shall give the timely notice of its readiness so the Contracting Officer may observe such inspection, testing or approval. The Contractor shall bear all costs of such inspections, tests or approvals conducted by public authorities. Unless otherwise provided in the Contract, the District shall bear all costs of other inspections, tests or approvals.
- B. If the Contracting Officer determines that any portion of the Work requires special inspection, testing, or approval which (A) above does not include, the Contracting Officer will instruct the Contractor to order such special inspection, testing or approval, and the Contractor shall give notice as provided in (A) above. If such special inspection or testing reveals a failure of the Work to comply with requirements of the Contract, the Contractor shall bear all cost thereof; otherwise the District shall bear such costs, and an appropriate change order shall be issued.
- C. Whenever a reference is made in the Specifications to a test method by California Number, it shall mean the test method in effect on the Day the bids for this Contract are opened.
- D. Whenever a reference is made in the Specifications to a specification or test designation of the ASTM, Federal Specifications, or any other recognized national organization, and the number or other identification accompanying the test designation representing the year of adoption or latest revision of the test is omitted, it shall mean the test method in effect on the Day the bids for this Contract are opened.
- E. When requested by the Contracting Officer, the Contractor shall furnish, without charge, samples of all materials entering into the Work, and no material shall be used prior to approval by the Contracting Officer, except as provided in this GP §. Samples of material from local sources shall be taken by or in the presence of the Contracting Officer, otherwise the samples will not be considered for testing.

4.06. District-Furnished Property (Rev. Aug. 1998).

- A. The District shall deliver to the Contractor, for use only in connection with this Contract, the property described in the Specifications (hereinafter referred to as "District-furnished property"), at the times and locations stated therein. If the District-furnished property, suitable for its intended use, is not so delivered to the Contractor, the Contracting Officer shall, upon timely written request made by the Contractor, and if the facts warrant such action, equitably adjust any affected provision of this Contract pursuant to the procedures of the GP § 2.06 clause hereof.
- B. Title to District-furnished property shall remain in the District. The Contractor shall maintain adequate property control records of District-furnished property in accordance with sound industrial practice.
- C. Unless otherwise provided in this Contract, the Contractor, upon delivery to him of any District-furnished property, assumes the risk of, and shall be responsible for, any loss thereof or damage thereto except for reasonable wear and tear, and except to the extent that such property is required to be consumed and is in fact consumed in the performance of this Contract.
- D. The Contractor shall, upon completion of this Contract, prepare for shipment, deliver f.o.b. destination, or dispose of all District-furnished property not consumed in the performance of this Contract or not theretofore delivered to the District, as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the Contract price or paid in such other manner as the Contracting Officer may direct.

4.07. "Brand Name or Equal" Items; Substitutes (Rev. Nov. 1986).

- A. When the Specifications list a product or item to be furnished or used in the Work on a "Brand Name or Equal" basis, the Contractor shall have twenty (20) Days after receipt of the Notice to Proceed in which to submit a request for substitution of "equal" items along with data substantiating the request.
- B. All other requests for substitutions or product options where permitted by the Specifications shall be submitted to the Contracting Officer for review in accordance with the applicable submittals provision in the Specifications or the special provisions. No tests or action relating to the approval of a substitute will be made until the request for substitution is made in writing by the Contractor accompanied by complete data as to the equality of the product, item or material proposed. Such request shall be made in ample time to permit adequate review by the Contracting Officer and the Architect-Engineer without delaying the performance of the Work.

- C. The burden of proof as to the quality and suitability of substitutes shall be upon the Contractor and it shall furnish all information necessary as required by the Contracting Officer or the Architect-Engineer. The Contracting Officer shall be the sole judge as to the quality and suitability of substitute products, items, or materials and the Contracting Officer's decision shall be final.

[End of GP § 4]

## **SECTION 5 LEGAL RESPONSIBILITIES**

**5.01. Laws to be Observed (Rev. Jan. 2015).**

A. The Contractor shall at all times observe and comply with, and shall cause all its agents and employees to observe and comply with all existing and future laws, ordinances, regulations, orders, and decrees of governmental entities having any jurisdiction or authority over the Work or any portion thereof which in any manner affect those engaged or employed in the Work, or the materials used in the Work, or which in any way affect the conduct of the Work. The Contractor shall protect and indemnify the District and all of its officers, employees, and agents thereof connected with the Work against any claim or liability arising from or based on a violation of any such law, ordinance, regulation, order or decree.

B. A Contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for Public Work, as defined in this chapter, unless currently registered and qualified to perform Public Work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

**5.02. Compliance with District Rules (Dec. 2012).** The Contractor shall at all times observe and comply with all District Rules. Copies of all rules are available upon request from the District.

**5.03. California Environmental Protection Agency (CEPA) Air Resources Board (ARB), Truck and Bus Regulation (Dec. 2012).** Contractors, who operate any vehicle(s) in the State of California, regardless of state of registration, for Work on behalf of the District, shall comply with the CEPA ARB Truck and Bus Regulation. This regulation applies to diesel-powered vehicles with a GVWR greater than 14,000 pounds which are privately or federally owned. The District requires the Contractor to declare compliance with this regulation prior to awarding any Work by submitting a statement of compliance and/or certificates of compliance with the Contractor's submittal. For Work which may overlap a calendar year, the Contractor is required to submit to the District an updated statement of compliance and/or current certificates of compliance by February 1<sup>st</sup> of each year. A Contractor who does not comply with this regulation will be subject to Work stoppages until the Contractor provides current compliance with this regulation. Contractor is responsible for confirming that all subcontractors hired by the Contractor are also in compliance with this regulation. For further information about this regulation and how it applies to the Work provided by Contractor see [www.arb.ca.gov/dieseltruck](http://www.arb.ca.gov/dieseltruck).

**5.04. Discrimination & Harassment (Rev. Feb. 2023).** Attention is directed to Section 1735 of the Labor Code which provides: "No discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons, except as provided in Section 12940 of the Government Code, and every contractor for public works violating this section is subject to all the penalties imposed for a violation of this chapter". Contractor must comply with the MCWD Employee Handbook, Section 3.2, Harassment and Section 3.3, Bullying, regarding all conduct toward District employees while performing the Work.

**5.05. Prevailing Wage (Rev. April 2016).**

A. Not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which this Contract is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in Chapter 1 (commencing with Section 1720), Part 7, Division 2 of the Labor Code, shall be paid to all workmen employed on this public work.

B. Information on the prevailing rate per diem wages is available by calling the State of California's Labor Market Information (LMI) at 415-703-4774 or on the Internet at [www.dir.ca.gov](http://www.dir.ca.gov).

A copy of the prevailing rate of per diem wages shall be posted by the Contractor at each job site.



- C. The Contractor shall, as a penalty to the District, forfeit \$200.00 for each calendar Day, or portion thereof, for each workman paid less than the prevailing rates as determined by the Director of the Department of Industrial Relations for such work or craft in which such workman is employed for any public work done under this Contract by him or by any Subcontractor under him. The difference between such prevailing wage rates and the amount paid to each workman for each calendar Day or portion thereof for which each workman was paid less than the prevailing wage rate shall be paid to each workman by the Contractor. Labor Code Section 1775.
- D. The Contractor and each Subcontractor shall keep an accurate payroll record, showing the name, address, last four digits of their social security number, work classification, straight time and overtime hours worked each Day and week, the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Contractor or Subcontractor in connection with the project, and such other information as required by law, and such payroll records shall be certified and made available for inspection all in accordance with Labor Code Section 1776 and 8 California Code of Regulations Section 16000 et seq. The Contractor may be required to file with the District certified copies of its and all its Subcontractors' payroll records within thirty (30) calendar Days after completion of each payroll period at no cost to the District. The foregoing sentence does not bar the District from making specific requests for certified payrolls pursuant to 8 California Code of Regulations Section 16400 which only allows the Contractor ten (10) working Days to respond.
- E. The District shall not recognize any claim for additional compensation from the Contractor because of the payment by the Contractor of any wage rate in excess of the prevailing rate of per diem wages. The possibility of wage increases is one of the elements to be considered by the Contractor in determining its bid and will not, under any circumstances, be considered as the basis of a claim against the District under this Contract.
- F. The Contractor shall be required to pay travel and subsistence payments to each workman needed to execute the Work, as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with Labor Code Section 1773.8.

5.06. Apprentices (Rev. Jan. 1981).

- A. It shall be the responsibility of the Contractor to insure that it and all Subcontractors on the project comply with the apprenticeship requirements set forth in Labor Code, Section 1777.5.
- B. Information relative to number of apprentices, identification, wages, hours of employment and standards of working conditions may be obtained from the Director of the Department of Industrial Relations, who is the Administrative Officer of the California Apprenticeship Council, or from the Division of Apprenticeship Standards and its branch offices.

5.07. Hours of Labor (Rev. Jan. 1981). Eight hours labor constitutes a legal Day's work. The Contractor shall forfeit, as a penalty to the District, \$25.00 for each workman employed in the execution of the Contract by the Contractor or any Subcontractor under it for each calendar Day during which such workman is required or permitted to work more than 8 hours in any one calendar Day and 40 hours in any one calendar week in violation of Labor Code, Sections 1810 to 1815, except that Work performed by employees of Contractors in excess of 8 hours per Day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per Day at not less than one and one-half times the basic rate of pay, as provided in Section 1815. The Contractor and each Subcontractor shall keep accurate records of the hours of employment in accordance with Labor Code, Section 1812.

5.08. Fair Labor Standard Act (Rev. Jan. 1981). The Wage and Hour Division, US Department of Labor states that contractors engaged in public construction work are required to meet the provisions of the Fair Labor Standards Act of 1938 and as amended (52 Stat. 1060).

5.09. Permits and Licenses (Rev. Nov. 1986). Except as to permits and licenses (if any) specifically stated in this Contract as being obtained by the District, the Contractor shall obtain all required permits and licenses for construction of this project and pay all charges and fees therefor at its own expense. All Contractors shall have a valid and current California State Contractor's License.

5.10. Workers' Compensation and Public Liability Insurance (Rev. April 2016).

A. Workers' Compensation and Employer's Liability Insurance.

- 1. The Contractor shall take out and maintain during the life of the Contract, Workers' Compensation and Employer's Liability Insurance for all of its employees on the project and shall comply with Labor

Code, Section 3700. In lieu of evidence of Workers' Compensation Insurance, the District will accept a Self-Insuring Certificate from the State of California.

2. The following certification, required by Labor Code Section 1861, is incorporated by reference into this Contract:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

By signing the Contract with the District, the Contractor is signing and filing the above certification with the District.

3. The Contractor shall require all Subcontractors to provide the Contractor with evidence of Workers' Compensation and Employer's Liability Insurance, all in strict compliance with California State Law.

**B. Public Liability Insurance.**

1. The Contractor shall take out and maintain during the life of this Contract Comprehensive Automobile Insurance and General Liability Insurance that provide protection for claims which may arise out of or result from operations or performance under this Contract, whether such operations or performance be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.
2. The amount of insurance shall be not less than the following:

Single Limit Coverage applying to  
Bodily and Personal Injury Liability  
and Property Damage: \$1,000,000.00 each  
occurrence, \$2,000,000.00 annual aggregate.
3. Coverage must include the following provisions and must be indicated on the certificate and by endorsement to the policy: The District, and the Architect-Engineer, their respective Directors, officers, employees, and agents are named as Additional Insureds in the policy with respect to the Contract
  - b. The coverage is PRIMARY and no other insurance carried by the District will be called upon to contribute to a loss under this coverage;
  - c. The policy covers Blanket Contractual Liability;
  - d. The policy limits of liability are provided on an Occurrence basis;
  - e. The policy covers Special Form Property Damage Liability;
  - f. The policy covers Personal Injury as well as Bodily Injury Liability including coverage for personal injury claims against any insured by employees of any other insured;
  - g. The policy covers Explosion, Collapse and Underground hazards;
  - h. The policy covers Products and Completed Operations for a period of not less than three (3) years following final completion or termination of this Contract.
  - i. The policy covers use of Non-owned Autos;
  - j. The coverage shall not be canceled nor materially altered unless thirty (30) Days written notice is given to the District;
  - k. "Cross Liability" or "Severability of Interest" clause.
  - l. An insurer's waiver of subrogation in favor of all insureds and additional insureds under the policies of insurance provided.

**5.11. Builder's Risk Insurance (Rev. Aug. 1998).**

Not used

**5.12. Insurance-General (Rev. June 1985).**

- A. Within the time specified in the Bid Form and prior to commencement of any Work, the Contractor shall deliver to the District certificates of insurance issued in duplicate covering all policies providing the required insurance. Such certificates shall make reference to all provisions and endorsements referred to above and shall be signed on behalf of the insurer by its authorized representative. The Contractor agrees upon written request by the District to furnish copies of such policies, certified by an authorized representative of the insurer. These certificates shall contain a provision that coverages afforded under policies will not be canceled or reduced until at least thirty (30) Days' prior notice has been given to the District. Acceptance of the certificate of insurance shall not relieve the Contractor of any of the insurance requirements nor decrease the liability of the Contractor.
- B. The foregoing requirements as to the types, limits and the District's approval of insurance coverage to be maintained by the Contractor, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Contractor under the Contract.
- C. If the Contractor fails to maintain the required insurance coverage, the District may obtain such insurance coverage as is not being maintained, in form and amount substantially the same as set forth above, and the District may deduct the cost of such insurance from any amounts due or which may become due the Contractor under the Contract.

5.13. Performance, Payment, and Warranty Bonds (Rev. Feb. 2010).

- A. The Contractor shall furnish to the District a Performance Bond and Payment Bond as security for the faithful performance and payment of all Contractor's obligations under this Contract. The Performance and Payment Bonds shall be in an amount equal to one hundred percent (100%) of the Contract price and shall furnish a Warranty Bond in an amount at least equal to ten percent (10%) of the Contract price as security for the faithful performance of all of Contractor's warranty obligations under the Contract. The Performance Bond shall remain in effect until final acceptance of the Work by the District. The Payment Bond shall remain in effect until the last of the following occur: (1) the statutory time has expired to commence a legal action on the Payment Bond and no legal action was filed, (2) satisfaction of all judgments against the Payment Bond, and (3) as otherwise provided by law. The Warranty Bond shall remain in effect until all Contractor's warranty obligations under the Contract have expired. The Contractor shall also furnish such other Bonds as are required by the special provisions.
- B. All Bonds shall be in the forms prescribed by the bidding documents or the special provisions and be executed by such sureties as are licensed to conduct business as sureties in the State of California. All Bonds signed by an agent must be accompanied by a certified copy of the authority to act.
- C. If the surety on any Bond furnished by the Contractor is declared a bankrupt or becomes insolvent or its right to do business is terminated in California or it ceases to meet the requirements of clauses (1) and (2) of (A) above, the Contractor shall within five (5) Days thereafter substitute another Bond and surety, both of which shall be acceptable to the District.

5.14. Antitrust Claims (Rev. Nov. 1993).

The following subdivision of section 7103.5 of Chapter 7 of the Public Contract Code of the State of California shall be complied with by the Contractor and all Subcontractors under this Contract:

"Section 7103.5. Assignment by contractor to awarding body of rights under federal law arising from purchases under public works Contract.

"(b) In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties."

[End of GP § 5]

## SECTION 6 PROSECUTION AND PROGRESS

6.01. Progress Schedule (Rev. Aug. 1998).

- A. The Contractor may be required to, within thirty (30) Days after award of the Contract or within five (5) Days after the Work commences, whichever occurs first, prepare and submit to the Contracting Officer for approval three (3) copies of a practicable schedule showing the order in which the Contractor proposes to perform the Work, and the dates on which the Contractor contemplates starting and completing the several salient features of the Work (including, but not limited to, acquiring materials). The schedule shall be in the form of a progress chart of suitable scale to indicate appropriately the percentage of Work scheduled for completion by any given date during the period. If the Contractor fails to submit a schedule within the time prescribed, the Contracting Officer may withhold approval of progress payments until the Contractor submits the required schedule.
- B. The Contractor shall enter the actual progress on the chart as directed by the Contracting Officer, and upon doing so shall immediately deliver three (3) copies of the annotated schedule to the Contracting Officer. If, in the opinion of the Contracting Officer, the Contractor falls behind the approved schedule, the Contractor shall take steps necessary to improve its progress, including those that may be required by the Contracting Officer, without additional cost to the District. In this circumstance, the Contracting Officer may require the Contractor to increase the number of shifts, overtime operations, Days of Work, and/or the amount of construction plant, and to submit for approval any supplementary schedule or schedules in chart form as the Contracting Officer deems necessary to demonstrate how the approved rate of progress will be regained.
- C. Failure of the Contractor to comply with the requirements of the Contracting Officer under this clause shall be grounds for a determination by the Contracting Officer that the Contractor is not prosecuting the Work with sufficient diligence to ensure completion within the time specified in the Contract. Upon making this determination, the Contracting Officer may terminate the Contractor's right to proceed with the Work, or any separable part of it, in accordance with the default clause of this Contract.

6.02. Subcontracts (Rev. April 2016).

- A. The Contractor with its own organization shall perform Work under the Contract equaling in value to at least forty percent (40%) of the Contract price except that any designated "Specialty Items" may be performed by subcontract and the amount of any such "Specialty Items" so performed may be deducted from the Contract Price before computing the amount required to be performed by the Contractor with its own organization. Specialty Items to be identified by the District.
- B. The Contractor shall require each Subcontractor at every tier, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the term of this Contract and to assume toward the Contractor all the obligations and responsibilities which the Contractor by this Contract assumes toward the District. No subcontract shall relieve the Contractor of any of its liabilities or obligations under the Contract; and the Contractor agrees that it is fully responsible to the District for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by them in the performance of the Contract. The Contractor shall assure that each Subcontractor and supplier complies with the provisions of any applicable Workmen's Compensation Act or similar law having application to Subcontractor's or supplier's employees. The Contractor shall at its expense, upon request of the Contracting Officer, furnish the Contracting officer with two (2) copies of all of its subcontracts or supply contracts; provided that the prices thereon may be deleted. Nothing contained in the Contract shall create any contractual relationship between any Subcontractor and the District.

6.03. Assignment (Rev. Nov. 1978).

- A. The performance of the Contract may not be assigned, except upon the written consent of the Contracting Officer. Consent will not be given to any proposed assignment which would relieve the original Contractor or its surety of their responsibilities under the Contract.
- B. The Contractor may assign moneys due or to become due him under the Contract and such assignment will be recognized by the District, if given proper notice thereof, to the extent permitted by law, but any assignments of moneys shall be subject to all proper set-offs in favor of the District and to all deductions provided for in the Contract and particularly all money withheld, whether assigned or not, shall be subject to being used by the District for the completion of the Work in the event that the Contractor should be in default therein.

6.04. Suspension of Work (Rev. Nov. 1986).

- A. The District may, at its sole option and discretion, suspend at any time the performance of all or any portion of the Work by the Contractor for a period of not more than ninety (90) Days by notice in writing

to the Contractor which notice shall fix the date on which Work shall be resumed. Such notice shall also designate the amount and type of labor, equipment, and plant to be committed to the project by the Contractor during the period of suspension. The Contractor shall use its best efforts to utilize its labor, equipment, and plant in such a manner as to minimize costs associated with the suspension.

- B. Upon receipt of any such notice of suspension, the Contractor shall, unless the notice requires otherwise, do the following:
  - 1. Immediately discontinue Work on the date and to the extent specified in the notice;
  - 2. Place no further orders or subcontracts for materials, services or facilities with respect to the suspended Work other than to the extent required in the notice;
  - 3. Promptly make every reasonable effort to obtain suspension, upon terms satisfactory to the Contracting Officer, of all orders, subcontracts and rental agreements to the extent they relate to performance of Work suspended; and
  - 4. Continue to protect and maintain the Work, including those portions of the Work which have been suspended, and continue to perform those portions of the Work which have not been suspended.
- C. Except as provided in (F) below, as full compensation for such suspension, the Contractor shall be reimbursed for the following costs, reasonably incurred, without duplication for any item, to the extent such costs resulted directly from such suspension:
  - 1. A standby charge to be paid to the Contractor during the period of suspension of Work, which standby charge shall be sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the Work in a standby status;
  - 2. All reasonable costs associated with demobilization and remobilization of Contractor's labor, equipment, and plant; and
  - 3. An equitable amount to reimburse the Contractor for the cost of maintaining and protecting that portion of the Work upon which Work has been suspended.
- D. On the date specified in the notice of suspension or on such other date as specified in writing by the Contracting Officer ("resumption of Work date"), the Contractor shall resume performance of the suspended Work.
- E. Any claim by the Contractor for costs under (C) above and for any extension of time under this Contract because of such suspension of Work must be made not later than ten (10) Days after the resumption of Work date. Any such claim must be accompanied by a revised construction schedule and a revised payment schedule as required by GP § 2.12 or GP § 6.01(B).
- F. To the extent the suspension of Work was caused by the failure of the Contractor to comply with any provision of this Contract, the Contractor shall not be entitled to reimbursement of costs under (C) above and shall not be entitled to an extension of time under this Contract.

6.05. Liquidated Damages (Rev. July 2009).

- A. If the Contractor fails to complete the Work within the time specified in the Contract, or any extension thereof, the Contractor shall pay to the District as liquidated damages, the sum as stated in the bid documents for each calendar Day of delay. The District may deduct the amount of such liquidated damages from any moneys due or that may become due the Contractor under this Contract.
- B. If the Contractor fails to complete the Work within the time specified in the Contract, or any extension thereof, because of a non-excusable delay or delays but the Contracting Officer determines (1) that it is in the District's interest not to terminate the Contractor's right to proceed or to impose liquidated damages and (2) grants the Contractor an extension of time in which to complete the Work, the District shall have the right to charge the Contractor for the cost of engineering, inspection, Contract administration, equipment, and related overhead expenses incurred by the District for this Contract and which accrue during the period of the extension, except that the cost of the final inspection shall not be included in such charges. The District may deduct the amount of such charges from any moneys due or that may become due the Contractor under this Contract.

6.06. Default (Rev. May 1988).

- A. If the Contractor refuses or fails to prosecute the Work or any separable part, with the diligence that will insure its completion within the time specified in this Contract including any extension, or fails to

complete the Work within this time, the District may, by written notice to the Contractor, terminate the right to proceed with the Work (or the separable part of the Work) that has been delayed. In this event, the District may take over the Work and complete it by Contract or otherwise, and may take possession of and use any materials, appliances, and plant on the Work site necessary for completing the Work. The Contractor and its sureties shall be liable for any damage to the District resulting from the Contractor's refusal or failure to complete the Work within the specified time, whether or not the Contractor's right to proceed with the Work is terminated. This liability includes any increased costs incurred by the District in completing the Work.

- B. If the District terminates the Contractor's right to proceed, the resulting damage will consist of increased costs occasioned the District in completing the Work.
- C. If the District does not terminate the Contractor's right to proceed, the resulting damage will consist of liquidated damages until the Work is accepted.
- D. The Contractor's right to proceed shall not be terminated nor the Contractor charged with damages under this clause, if:
  - 1. The delay in completing the Work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the District in its contractual capacity, (3) acts of another Contractor in the performance of a Contract with the District, (4) fires, (5) floods, (6) epidemics, (7) quarantine restrictions, (8) strikes, (9) freight embargoes, (10) unusually severe weather, or (11) delays of Subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Contractor and the Subcontractors or suppliers; and
  - 2. The Contractor, within ten (10) Days from the beginning of any delay, notifies the Contracting Officer in writing of the causes of delay. See also GP § 2.12. The Contracting Officer shall ascertain the facts and the extent of delay. If, in the judgment of the Contracting Officer, the findings of fact warrant such action, the time for completing the Work shall be extended. The findings of the Contracting Officer shall be final and conclusive on the parties, but subject to appeal under the Disputes clause.
- E. If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the District.
- F. The rights and remedies of the District in this clause are in addition to any other rights and remedies provided by law or under this Contract.

6.07. Termination for Convenience of District (Rev. Nov. 1978).

- A. The District may at its option terminate the Contract in whole or from time-to-time in part, at any time by written notice to the Contractor, whether or not the Contractor is in default.
- B. Upon any such cancellation and termination, the Contractor agrees to waive any claim for damages, including loss of anticipated profits on account thereof, but as the sole right and remedy of the Contractor and the District, the District shall pay the Contractor in accordance with (D) below; provided however, that the provisions of this Contract, which by their very nature survive final acceptance under this Contract, shall remain in full force and effect after such cancellation and termination to the extent provided in such provision.
- C. Upon receipt of any such notice, the Contractor shall, unless the notice directs otherwise:
  - 1. Immediately discontinue Work on the date and to the extent specified in the notice;
  - 2. Place no further orders or subcontracts for materials, services, or facilities, other than as may be necessary for completion of such portion of Work under this Contract as is not terminated;
  - 3. Promptly make every reasonable effort to obtain cancellation upon terms satisfactory to the District of all order and subcontracts to the extent they relate to the performance of Work terminated; and
  - 4. Assist the District as specifically requested, in writing, in the maintenance, protection and disposition of property acquired by the District under this Contract.
- D. Upon any such termination, the District will pay to the Contractor an amount determined in accordance with the following (without duplication of any item):

1. All amounts due and not previously paid to the Contractor for Work completed in accordance with the Contract prior to such notice, and for Work thereafter completed as specified in such notice;
2. The cost of settling and paying claims arising out of the termination of Work under subcontracts or orders as provided in (C) (3) above;
3. The reasonable costs incurred pursuant to (C) (4) above;
4. Any other reasonable costs incidental to such termination of Work;
5. The foregoing amounts shall include a reasonable sum under all of the circumstances as profit for any Work performed by the Contractor.

6.08. Disputes (Rev. Jan. 2017).

- A. Any dispute arising under this Contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his or her decision to writing and mail or otherwise furnish a copy thereof to the Contractor.
- B. The decision of the Contracting Officer shall be final and conclusive unless, within thirty (30) Days from the date of receipt of the Contracting Officer's decision, the Contractor complies with the following:
  1. In any dispute involving three hundred seventy-five thousand dollars (\$375,000) or less, the Contractor shall comply with the requirements of Article 1.5 of Part 3 of the Public Contract Code.
    - a. The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing in this GP § is intended to extend the time limit or supersede notice requirements otherwise provided by this Contract for the filing of claims.
    - b. (1) For claims of less than fifty thousand dollars (\$50,000), the District shall respond in writing to any written claim within forty-five (45) Days of receipt of the claim, or may request, in writing, within thirty (30) Days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the District may have against the Contractor.
      - (2) If additional information is thereafter required, it shall be requested and provided pursuant to this GP §, upon mutual agreement of the District and the Contractor.
      - (3) The District's written response to the claim, as further documented, shall be submitted to the Contractor within fifteen (15) Days after receipt of the further documentation or within a period of time no greater than that taken by the Contractor in producing the additional information, whichever is greater.
    - c. (1) For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the District shall respond in writing to all written claims within sixty (60) Days of receipt of the claim, or may request, in writing, within thirty (30) Days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the District may have against the Contractor.
      - (2) If additional information is thereafter required, it shall be requested and provided pursuant to this GP §, upon mutual agreement of the District and the Contractor.
      - (3) The District's written response to the claim, as further documented, shall be submitted to the Contractor within thirty (30) Days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.
    - d. If the Contractor disputes the District's written response, or the District fails to respond within the time prescribed, the Contractor may so notify the District, in writing, either within fifteen (15) Days of receipt of the District's response or within fifteen (15) Days of the District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the District shall schedule a meet and confer conference within thirty (30) Days for settlement of the dispute.
    - e. Following the meet and confer conference, if the claim or any portion remains in dispute, the Contractor may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government

Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to (A) above until the time that claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

- f. This GP § does not apply to tort claims and nothing in this GP § is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.
  - g. Within sixty (60) Days, but no earlier than thirty (30) Days, following the filing or responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) Days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) Days of the submittal, and shall be concluded within fifteen (15) Days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the fifteen (15) Day period, any party may petition the court to appoint the mediator.
  - h. (1) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this GP § consistent with the rules pertaining to judicial arbitration.  
  
(2) Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators appointed for purposes of this article shall be experienced in construction law, and, upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.  
  
(3) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorney's fees of the other party arising out of the trial de novo.
  - i. The court may, upon request by any party, order any witnesses to participate in the mediation or arbitration process.
2. In any dispute involving more than three hundred seventy-five thousand dollars \$375,000, the Contractor shall personally serve the Contracting Officer with either
- a. a demand for arbitration under the Construction Industry Arbitration Rules of the American Arbitration Association ("Rules") setting forth the nature of the dispute and the claim or relief sought (including the amount, if any)
    - (1) The dispute shall be submitted to one (1) neutral arbitrator selected from the panels of arbitrators of the American Arbitration Association if the Contractor and the District cannot mutually agree on a person to serve as the neutral arbitrator.
    - (2) The District and the Contractor agree that they will faithfully observe the Rules and will abide by and perform any award rendered by the neutral arbitrator and that a judgment of the court having jurisdiction may be entered on the award. Notwithstanding the Rules, discovery shall be permitted and the provisions of the California Code of Civil Procedure Section 1283.05 are incorporated herein by reference.
    - (3) The arbitrator hearing shall be held in Turlock, California, unless the parties agree otherwise.
  - b. a written notice stating that the Contractor elects to have the dispute resolved by litigation and in addition shall, within sixty (60) Days from the date of receipt of the Contracting Officer's



decision, personally serve the District with a summons and complaint concerning the dispute filed in a California State court of proper jurisdiction.

3. Within thirty (30) Days after receipt of the Contractor's demand for arbitration under (B)(2)(a) above, the District shall have the right to elect to have the dispute resolved by litigation and, if the District so elects, the Contractor shall have sixty (60) Days from the date of receipt of the District's election to litigate the dispute in which to personally serve the District with a summons and complaint concerning the dispute filed in a California State court of proper jurisdiction.
- C. The validity, performance and all matters relating to the interpretation and effect of this Contract and any amendments thereto shall be governed by the laws of the State of California and this Contract shall be deemed to have been entered into in Monterey County, California.
- D. The Contractor hereby consents to the jurisdiction of the courts of Monterey County, California for the confirmation, correction or vacation of any arbitration award and for the adjudication of any disputes relating to this Contract.
- E. The District will comply with Public Contract Code Section 9204, which reads as follows:

9204. (a) The Legislature finds and declares that it is in the best interests of the state and its citizens to ensure that all construction business performed on a public works project in the state that is complete and not in dispute is paid in full and in a timely manner.

(b) Notwithstanding any other law, including, but not limited to, Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2, Chapter 10 (commencing with Section 19100) of Part 2, and Article 1.5 (commencing with Section 20104) of Chapter 1 of Part 3, this section shall apply to any claim by a contractor in connection with a public works project.

(c) For purposes of this section:

(1) "Claim" means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.

(B) Payment by the public entity of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.

(C) Payment of an amount that is disputed by the public entity.

(2) "Contractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who has entered into a direct contract with a public entity for a public works project.

(3) (A) "Public entity" means, without limitation, except as provided in subparagraph (B), a state agency, department, office, division, bureau, board, or commission, the California State University, the University of California, a city, including a charter city, county, including a charter county, city and county, including a charter city and county, district, special district, public authority, political subdivision, public corporation, or nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

(B) "Public entity" shall not include the following:

(i) The Department of Water Resources as to any project under the jurisdiction of that department.

(ii) The Department of Transportation as to any project under the jurisdiction of that department.

(iii) The Department of Parks and Recreation as to any project under the jurisdiction of that department.

(iv) The Department of Corrections and Rehabilitation with respect to any project under its jurisdiction pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code.

(v) The Military Department as to any project under the jurisdiction of that department.

(vi) The Department of General Services as to all other projects.

(vii) The High-Speed Rail Authority.

(4) "Public works project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

(5) "Subcontractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with a contractor or is a lower tier subcontractor.

(d) (1) (A) Upon receipt of a claim pursuant to this section, the public entity to which the claim applies shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the claimant a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, a public entity and a contractor may, by mutual agreement, extend the time period provided in this subdivision.

(B) The claimant shall furnish reasonable documentation to support the claim.

(C) If the public entity needs approval from its governing body to provide the claimant a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the public entity shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the claimant a written statement identifying the disputed portion and the undisputed portion.

(D) Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. If the public entity fails to issue a written statement, paragraph (3) shall apply.

(2) (A) If the claimant disputes the public entity's written response, or if the public entity fails to respond to a claim issued pursuant to this section within the time prescribed, the claimant may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the public entity shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(B) Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the public entity shall provide the claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. Any disputed portion of the claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the public entity and the claimant sharing the associated costs equally. The public entity and claimant shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

(C) For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

(D) Unless otherwise agreed to by the public entity and the contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

(E) This section does not preclude a public entity from requiring arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program, if mediation under this section does not resolve the parties' dispute.

(3) Failure by the public entity to respond to a claim from a contractor within the time periods described in this subdivision or to otherwise meet the time requirements of this section shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the public entity's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of the claimant.

(4) Amounts not paid in a timely manner as required by this section shall bear interest at 7 percent per annum.

(5) If a subcontractor or a lower tier subcontractor lacks legal standing to assert a claim against a public entity because privity of contract does not exist, the contractor may present to the public entity a claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier subcontractor, that the contractor present a claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the claim be presented to the public entity shall furnish reasonable documentation to support the claim. Within 45 days of receipt of this written request, the contractor shall notify the subcontractor in writing as to whether the contractor presented the claim to the public entity and, if the original contractor did not present the claim, provide the subcontractor with a statement of the reasons for not having done so.

(e) The text of this section or a summary of it shall be set forth in the plans or specifications for any public works project that may give rise to a claim under this section.

(f) A waiver of the rights granted by this section is void and contrary to public policy, provided, however, that (1) upon receipt of a claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) a public entity may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the provisions of this section, so long as the contractual provisions do not conflict with or otherwise impair the timeframes and procedures set forth in this section.

(g) This section applies to contracts entered into on or after January 1, 2017.

(h) Nothing in this section shall impose liability upon a public entity that makes loans or grants available through a competitive application process, for the failure of an awardee to meet its contractual obligations.

(i) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

[End of GP § 6]

## **SECTION 7 MEASUREMENT AND PAYMENT**

### **7.01. Measurement of Quantities (Rev. May 1988).**

- A. Quantities will be determined by the Contracting Officer in accordance with the applicable measurement provisions of the Contract. The Contractor shall complete all required measurements to determine these quantities, using such methods as the Contracting Officer considers appropriate for the class of Work to be measured.
- B. Unless otherwise provided in the measurement provisions of the Contract, the Contracting Officer will decide the method to be used in determining the weight of the parts and items to be paid for by weight. Payment will only be made on the basis of net weight. The Contractor shall, if required by the Contracting Officer, and at the Contractor's expense, furnish scales and provide assistance for weighing and measuring such materials without additional charge.
- C. Wherever the payment provisions of the Contract provide that payment for the item or items listed therein will be made at the Contract unit price or the Contract lump sum price therefor, whichever is set forth in the bidding schedule, such payment shall be full compensation to the Contractor for all Work referred to in such provision, including but not limited to the following: all labor, supervision, tools, materials, and equipment; the performance of all operations; all other direct expenses; taxes and duties; items of overhead; general and administrative expenses; and profit, for the applicable Contract item.

### **7.02. Scope of Payment (Rev. Nov. 1978).**

- A. The Contractor shall accept the compensation provided in the Contract as full payment for furnishing all labor, materials, tools, equipment, and incidentals necessary to the completed Work and for performing all Work contemplated and embraced under this Contract; also for all loss or damage arising from the nature of the Work, or from the action of the elements, or from any unforeseen difficulties which may be encountered during the prosecution of the Work until final acceptance by the District and for all risks of every description connected with the prosecution of the Work, also for all expenses incurred in consequence of the suspension or discontinuance of the Work as provided in this Contract; and for completing the Work according to the Specifications. Neither the payment of any estimate nor of any retained percentage shall relieve the Contractor of any obligation to make good any defective Work or material.
- B. No payment will be made in any case for loss of anticipated profits.

7.03. Cost of Force Account Work (Rev. Aug. 1998).

- A. The term Cost of Force Account Work means the sum of all costs necessarily incurred and paid by the Contractor in the performance of the Force Account Work. Except as otherwise may be agreed to in writing by the District, such costs shall be in amounts no higher than those prevailing in the locality of the project, shall include only the following items and shall not include any of the costs itemized in (B) below:
  - 1. Direct Labor Costs—Payroll costs for all manual job classifications in the direct employ of the Contractor in the performance of the Force Account Work up to and including foremen, but not including those job classifications and related job classifications listed in (B) below. The District and the Contractor shall agree in writing upon a schedule of covered manual job classifications before commencing any Force Account Work. Payroll costs for employees (including but not limited to foremen) not employed full time on the Force Account Work shall be apportioned on the basis of their time spent on the Force Account Work.
    - a. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits which shall include social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto in effect during the actual performance of the Force Account Work.
    - b. The expenses of performing Force Account Work after regular working hours, on Sunday or legal holidays, shall be included in the above to the extent such after-hours Work is authorized in writing by the District's Contracting Officer.
    - c. The Contractor employees' Work times to be charged to Force Account Work shall be subject to the daily approval of the Contracting Officer and no charges shall be accepted by the District unless evidence of such approval is submitted by the Contractor with its billing.
  - 2. Equipment Costs—Costs for the rental and operation of construction and motor vehicle equipment furnished and used by the Contractor in the Force Account Work, except equipment or tools with a current new unit cost at point of origin of five hundred dollars (\$500) or less each.
    - a. The equipment rental rates used shall be those rates listed in "Labor Surcharge and Equipment Rental Rates" as published by the California Department of Transportation ("CalTrans") in effect as of the effective date of the Contract. Those rates shall include the cost of fuel, oil, lubrication, supplies, small tools, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance, and all incidentals. Such rates shall not include costs for operating labor, which will be paid as provide in (1), Direct Labor Cost, above or for transportation of equipment to and from the location of the Force Account Work. Rental rates for equipment actually used for which rental rates are not set forth in the CalTrans publication shall be agreed upon by the Contractor and the District. Unless otherwise provided in the Contract, all equipment rental rates shall be agreed upon in writing by the Contractor and the District before commencing any Force Account Work.
    - b. When the operational use of the equipment is infrequent and, as determined by the Contracting Officer, the equipment need not remain at the project site continuously, payment shall be limited to actual hours of use. Equipment not operating but retained at the location of the Force Account Work at the Contracting Officer's direction shall be paid for at a rate equal to the rental rate times the right of way delay factor in the above referenced CalTrans publication.

- c. Equipment time charged to Force Account Work shall be subject to the daily approval of the Contracting Officer and no charges shall be accepted by the District unless evidence of such approval is submitted by the Contractor with its billing.
- 3. Material Costs—Cost of all materials and equipment furnished and incorporated in the Force Account Work, including costs of transportation and storage thereof, and manufacturers' field services required in connection therewith; provided that the furnishing and use of such materials and equipment was specifically authorized by the Contracting Officer and the actual use was verified by the Contracting Officer.
  - a. All cash discounts shall accrue to the Contractor unless the District deposits funds with the Contractor with which to make payments, in which case the cash discounts shall accrue to the District. All trade discounts, rebates and refunds, and all returns from sale of surplus materials and equipment shall accrue to the District and the Contractor shall make provisions so that they may be obtained. If materials are obtained from a supply or source owned wholly or in part by the purchaser, payment therefor will not exceed the price paid by the purchaser for similar materials furnished from said source on Contract items or the current wholesale price for such materials delivered to the job site, whichever is lower.
  - b. The invoice from the vendor of the materials or equipment shall accompany the Contractor's billing to the District along with the verifications by the Contracting Officer of the actual use of such materials or equipment in the project.
  - c. The District reserves the right to furnish such materials and equipment as it deems advisable, and the Contractor shall have no claim for costs and profit on such materials or equipment.
- 4. Subcontract Costs—Payment for Work and services subcontracted by the Contractor in the performance of Force Account Work shall be allowed only when both the Subcontractor and the terms of payment for the Subcontractor's Work have been approved in writing by the Contracting Officer before the Subcontractor begins on the Force Account Work. If required by the District, the Contractor shall obtain competitive bids from Subcontractors acceptable to the Contractor and shall deliver such bids to the District who will then determine which bids will be accepted. If a subcontract provides that the Subcontractor is to be paid on the basis of Cost of Force Account Work plus a fixed fee, the Subcontractor's Cost of Force Account Work shall be determined in the same manner as the Contractor's Cost of Force Account Work. All subcontracts shall be subject to the other provisions of this Contract insofar as applicable.
- 5. Costs of special consultants (including but not limited to, Engineers, architects, testing laboratories and surveyors) who actually provide services specifically related to and needed for the Force Account Work; provided that both the consultant and the terms of payment for the consultant's Work have been approved in writing by the Contracting Officer before the consultant begins on the Force Account Work.
- 6. Supplemental costs including the following:
  - a. The proportion of necessary transportation, travel and subsistence expenses of the Contractor's employees incurred in discharge of duties connected with the Force Account Work.
  - b. Cost (including transportation and maintenance) of all materials, supplies, equipment, machinery, appliances, office and temporary facilities at the site which are consumed in the performance of the Force Account Work, and cost less market value of such items used but not consumed which remain the property of Contractor. Transportation costs for bringing equipment to the project site and for returning the equipment to the point of origin, exclusively for use on the Force Account Work, shall be reimbursed to the Contractor based on invoices; provided that prior written approval for the use and transportation of the equipment has been given by the Contracting Officer to the Contractor.
  - c. Sales, use or similar taxes related to the Force Account Work, and for which the Contractor is liable, imposed by any governmental authority.
  - d. Royalty payments and fees for permits and licenses necessary for the Force Account Work.
  - e. Losses and damages (and related expenses), not compensated by insurance or otherwise, to the Work or otherwise sustained by Contractor in connection with the execution of the Work, provided they have resulted from causes other than the negligence of Contractor, any

Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of the District. No such losses, damages and expenses shall be included in the Cost of the Work for the purpose of determining Contractor's fee. If, however, any such loss or damage requires reconstruction and Contractor is placed in charge thereof, Contractor shall be paid for services a fee proportionate to that state in (C)(2) below.

- f. The cost of utilities, fuel and sanitary facilities at the site.
  - g. Minor expenses such as telegrams, long distance telephone calls, telephone service at the site, expressage and similar petty cash items in connection with the Work.
  - h. Cost of premiums for additional Bonds and insurance required because of the Force Account Work.
- B. The term Cost of Force Account Work shall not include any of the following:
- 1. Payroll costs and other compensation of the Contractor's officers, executives, principals (of partnership and sole proprietorships), general managers, Engineers, architects, estimators, lawyers, auditors, accountants, purchasing and contracting agents, expeditors, superintendents, assistant superintendents, general foremen, surveyors, office personnel, maintenance mechanics, timekeepers, clerks and other personnel employed by the Contractor whether at the site or in its principal or a branch office for general administration of the Force Account Work and not specifically included in the agreed upon schedule of job classifications referred to in (A)(1) above, all of which are to be considered administrative costs covered by the Contractor's fee.
  - 2. Expenses of the Contractor's principal and branch offices other than the Contractor's office at the site.
  - 3. Any part of the Contractor's capital expenses, including interest on the Contractor's capital employed for the Force Account Work and charges against the Contractor for delinquent payments.
  - 4. Cost of premiums for all Bonds and for all insurance whether or not the Contractor is required by the Contract Documents to purchase and maintain the same (except for additional Bonds and insurance required because of the Force Account Work).
  - 5. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied and making good any damage to property.
  - 6. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in (A) above.
  - 7. Allowable costs under this clause shall not include the cost of presenting or prosecuting any claim under this Contract.
- C. Contractor's Fee. The Contractor's Fee allowed to Contractor for overhead and profit shall be determined as follows:
- 1. a mutually acceptable fixed fee; or if none can be agreed upon,
  - 2. a fee based on the following percentages of the various portions of the Cost of Force Account Work:
    - a. for costs incurred under (A)(1) above, the Contractor's Fee shall be TWENTY PERCENT (20%);
    - b. for costs incurred under (A)(2) above, the Contractor's Fee shall be FIFTEEN PERCENT (15%);
    - c. for costs incurred under (A)(3) above, the Contractor's Fee shall be FIFTEEN PERCENT (15%);
    - d. for costs incurred under (A)(4) above, the Contractor's Fee shall be TEN PERCENT (10%); and if a subcontract is on the basis of cost of the Work plus a fee, the maximum allowable to the Subcontractor as a fee for overhead and profit shall be fifteen percent (15%), and
    - e. no fee shall be payable on the basis of costs itemized under (A)(5), (A)(6), and (B) above.
- D. The amount of credit to be allowed by Contractor to the District for any such change which results in a net decrease in cost will be the amount of the actual net decrease. When both additions and credits are

involved in any one change, the combined overhead and profit shall be figured on the basis of the net increase, if any.

- E. The Contractor shall maintain its records in such a manner as to provide a clear distinction between the direct costs of Work paid for on a force account basis and the costs of other operations.
- F. The Contractor shall furnish the Contracting Officer with report sheets in duplicate of each Day's Work paid for on a force account basis no later than seven (7) Days following the performance of said Work. The daily report sheets shall (1) itemize all cost claimed under (A) above in sufficient detail to properly determine those costs and (2) be signed by the Contractor or its authorized agent.

7.04. Progress Payments (Rev. March 2012).

- A. Unless otherwise provided in this Contract, monthly progress payments will be made as Work proceeds. Such payments will be made in accordance with estimates made by the Contracting Officer of the amount and value of Work satisfactorily performed by the Contractor up to the time of each estimate. Estimates will not include any allowance for materials or equipment not incorporated into any Work; provided that the District may in its sole discretion make progress payments thereon. In making progress payments, the District will retain five percent (5%) of the cumulative estimated amount until final acceptance of all Work under this Contract, unless a higher percentage is allowed pursuant to a finding made under California Public Contract Code section 7201(b)(4).
- B. In addition, the District may deduct from any payments due the Contractor (1) any amounts the District may be authorized to retain pursuant to Federal, State or local laws, (2) any amounts due the District from the Contractor, and (3) any other amounts which the District is otherwise authorized to retain under this Contract or under any other Contract with the District. Such Contracting Officer's estimates covering Work performed since the previous estimate will be made in writing on or about the twenty-fifth (25th) Day of each calendar month and payment will normally be made within fifteen (15) calendar Days thereafter. Such progress estimates will not be required to be made by strict measurement but may be made by measurement or by estimation or partly by one method and partly by another.
- C. Progress payments submitted by the Contractor will be administered in accordance with Public Contract Code Section 20104.50 as follows:
  - 1. Upon receipt of a progress payment request from the Contractor, the District shall review the payment request as soon as practicable for the purpose of determining that the payment request is a proper payment request.
  - 2. The District shall make payment to the Contractor within thirty (30) Days after receipt of an undisputed and properly submitted payment request.
  - 3. Any payment request determined not to be a proper payment request suitable for payment shall be returned to the Contractor as soon as practicable, but not later than seven (7) Days, after receipt. A request returned pursuant to this GP § shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper.
  - 4. The number of Days available to the District to make a payment without incurring interest shall be reduced by the number of Days by which the District exceeds the seven (7) Day return requirement set forth above.
- D. All equipment, materials and Work covered by progress payments will upon such payment become the sole property of the District, but this provision shall neither be construed as constituting acceptance of any Work or as relieving the Contractor from the sole responsibility for all equipment, materials and Work upon which payments have been made, including the restoration of any damaged or lost equipment, materials and Work until final acceptance thereof, nor as a waiver of the right of the District to require fulfillment of all of the terms of this Contract.
- E. If the Contractor's right to proceed with any Work should be discontinued, as provided in the Termination for Default Clause or Termination for Convenience of District Clause, no further progress payments will thereafter be made to the Contractor for Work so terminated until completion of such Work or final settlement thereof.

7.05. Final Payment and Release (Rev. Aug. 1998).

- A. Whenever the Contractor deems that its obligations under this Contract have been fulfilled, the Contractor shall notify the Contracting Officer. Upon receipt of such notice, the Contracting Officer will

in company with the Contractor, inspect the Work which has been performed. If the Contracting Officer determines that all Work which, by the terms of the Contract is necessary or required to be performed, has been satisfactorily performed, the Contracting Officer will cause to be filed in the office of the County Recorder of the County (or Counties) in which such Work is located, a notice of completion of all Work under the Contract.

- B. Within sixty (60) Days after the notice of completion of all Work is filed in the office of the County Recorder of the County (or Counties) in which such Work is located, the retention held by the District shall be released; provided, however, that in the event of a dispute between the District and the Contractor, the District may withhold from the final payment an amount not to exceed one hundred fifty percent (150%) of the disputed amount.
- C. Upon expiration of the statutory periods for filing of stop notices, complaints on stop notices, and complaints on the Payment Bond, and provided no such notices and complaints have been filed, the District will pay the Contractor the amount remaining after deducting from such amount all such amounts as will have been previously paid to the Contractor under this Contract, and also any amounts which by the terms of this Contract, the District is or may be authorized or required to reserve or retain.
- D. No claim shall be made or filed by the Contractor and the District will not be liable to pay any money other than as specifically provided in the Contract.
- E. Final payment by District, and acceptance of it by the Contractor, shall constitute:
  - 1. A waiver of all claims by District against the Contractor except: (1) claims arising from unsettled liens, (2) claims based on fraud or gross mistakes amounting to fraud, (3) claims for defective Work after final inspection pursuant to (A) above, or (4) any warranties or guarantees specified therein. However, it shall not constitute a waiver by District to any rights with respect to the Contractor's continuing obligations under the bid documents; and
  - 2. A waiver of all claims by the Contractor against the District other than those *previously made* in writing and still unsettled.

7.06. Substitution of Securities for Retention (Rev. July 1998). Pursuant to Public Contract Code Section 22300 and upon Contractor's request, the District will make payments into escrow of funds which would otherwise be retained from progress payments under GP § 7.04(A) if the Contractor deposits into that escrow securities eligible for investment under Public Contract Code Section 22300 (hereafter collectively referred to as "securities"), upon the following terms and conditions:

- A. The escrow agent shall be either the District Treasurer or a state or federal chartered bank acceptable to the District.
- B. The Contractor shall bear all expenses of the District and of the escrow agent in connection with the escrow.
- C. The fair market value of the securities shall be at least equal to one hundred percent (100%) of the cash amount withheld as retention under the Contract and the amount of the required securities shall be adjusted from time to time based upon changes in the fair market value of the securities on deposit with the escrow agent. Such securities shall be valued by the District Treasurer whose decision on valuation of the securities shall be final.
- D. The Contractor shall enter into an escrow agreement substantially similar in form to that prescribed in Public Contract Code Section 22300.
- E. The Contractor shall obtain the written consent to the escrow agreement of the surety or sureties furnishing Contractor with its Performance and Payment Bonds.

[End of GP § 7]

## **SECTION 8 WARRANTY OF CONSTRUCTION**

8.01. One-Year Warranty of Construction (Rev. March 1987).

- A. In addition to any other warranties in this Contract, the Contractor warrants, except as provided in (J) of this clause, that Work performed under this Contract conforms to the Contract requirements and is free of any defect in equipment, material, or design furnished, or workmanship performed by the Contractor or any Subcontractor or supplier at any tier.



- B. This warranty shall continue for a period of ONE (1) YEAR from the date of final acceptance of the Work.
- C. The Contractor shall remedy at the Contractor's expense any failure to conform, or any defect. In addition, the Contractor shall remedy at the Contractor's expense any damage to District-owned or controlled real or personal property, when that damage is the result of:
  - 1. The Contractor's failure to conform to Contract requirements; or
  - 2. Any defect of equipment, material, workmanship, or design furnished by the Contractor.
- D. The Contractor shall restore any Work damaged in fulfilling the terms and conditions of this clause. The Contractor's warranty with respect to Work repaired or replaced will run for ONE (1) YEAR from the date of repair or replacement.
- E. The Contracting Officer shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage.
- F. If the Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, the District shall have the right to replace, repair, or otherwise remedy the failure, defect, or damage at the Contractor's expense.
- G. With respect to all warranties, express or implied, from Subcontractors, manufacturers, or suppliers for Work performed and materials furnished under this Contract, the Contractor shall:
  - 1. Obtain all warranties that would be given in normal commercial practice;
  - 2. Require all warranties to be executed, in writing, for the benefit of the District, if directed by the Contracting Officer; and
  - 3. Enforce all warranties for the benefit of the District, if directed by the Contracting Officer.
- H. In the event the Contractor's warranty under (B) of this clause has expired, the District may bring suit at its expense to enforce a Subcontractor's, manufacturer's, or supplier's warranty.
- I. Unless a defect is caused by the negligence of the Contractor or Subcontractor or supplier at any tier, the Contractor shall not be liable for the repair of any defects of material or design furnished by the District or for the repair of any damage that result from any defect in District-furnished material or design.
- J. This warranty shall not limit the District's rights under this Contract with respect to latent defects, gross mistakes, or fraud.
- K. Defects in design or manufacture of equipment specified by the District on a "brand name and model" basis shall not be included in this warranty. In that event, the Contractor shall require the Subcontractors, manufacturers, or suppliers thereof to execute their warranties, in writing, directly to the District for such equipment.

[End of GP § 8]



# Employee Handbook



# Marina Coast Water District



# Employee Handbook

**Amended February 25, 2020**

**Administration and Customer Service**

11 Reservation Road, Marina, CA 93933-2099

**Engineering and Operations & Maintenance**

2840 4th Avenue, Marina, CA 93933

**Telephone:** (831)384-6131

**Website:** [www.mcwd.org](http://www.mcwd.org)

## 3.2 Harassment

MCWD is committed to providing a workplace free of harassment. In keeping with this commitment, MCWD maintains a strict policy prohibiting all forms of unlawful harassment, including sexual harassment and harassment based on race, color, creed, religion, religious dress practices, religious grooming practices, sex, national origin, age, sexual orientation, gender (including gender identity and gender expression), national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, military/veteran status or any other basis protected by federal, state or local law. MCWD also prohibits harassment based on the perception that anyone has any of those characteristics, or based on association with a person who has or is perceived as having any of those characteristics. The California Department of Fair Employment and Housing Act (DFEH) defines “sex” as including pregnancy, childbirth, breastfeeding and related medical conditions. This policy applies to all representatives and employees of MCWD, including supervisors, department heads, and non-supervisory employees, and prohibits harassment of employees in the workplace by any person, including non-employees. It also extends to harassment of or by vendors, independent contractors, and others doing business with MCWD. Furthermore, this policy prohibits unlawful harassment in any form, including verbal, physical, and visual harassment. It also prohibits retaliation of any kind against individuals who file complaints in good faith or who assist MCWD in an investigation.

Training: The labor law is as follows:

California's Fair Employment and Housing Act (FEHA) and the federal Title VII of the Civil Rights Act of 1964 make sexual harassment illegal in the workplace. California's [AB 1825](#), enacted in 2005, makes certain employer action items and training mandatory.

Effective Jan. 1, 2015, amendment [AB 2053](#) requires all California employers subject to the mandatory training requirement under AB 1825 to include a component on preventing "abusive conduct."

Effective Apr. 1, 2016, [FEHA regulations](#) were revised to clarify and expand the protections, employer actions and training requirements.

Effective Jan. 1, 2018, [SB 396](#) expanded required training for supervisors to prevent sexual harassment to include gender identity, gender expression and sexual orientation.

[SB 1343](#) amended the FEHA regulations and requires businesses with five or more employees to provide sexual-harassment-prevention training to *all* workers by Jan. 1, 2020, and every two years thereafter.

- A. Definition - Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
  - Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
  - Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race or any other protected basis;
  - Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss and offers of employment benefits in return for sexual favors; and
  - Retaliation for reporting or threatening to report harassment.
- B. Reporting Procedures - Any employee or other person who believes he/she has been harassed by a co-worker, supervisor, agent of MCWD, or anyone encountered in the course of performing MCWD work should promptly report the facts of the incidents(s) and the names of the individuals involved to his/her supervisor, department head, HR/Risk Administrator or General Manager. It is the responsibility of each employee to immediately report any violation of suspected violation of this policy to one or more of the individuals identified above.
- C. Investigation - It is MCWD's policy to investigate all reports or complaints of harassment thoroughly, promptly, and discreetly. To the extent possible, the confidentiality of an employee or other person who has reported an incident and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. The outcome of the investigation and a timely resolution of each complaint will be reached and communicated to the employee and the other parties involved. If an investigation has concluded that harassment occurred, MCWD will take appropriate remedial corrective action, up to and including termination as identified in Section 13.

Co-workers can be held legally responsible for sexual harassment, meaning their personal assets are at risk. Any employee is personally liable if he/she engages in sexual harassment. This is true regardless of whether the employer knows or should have known of the contact and fails to take immediate and appropriate corrective action.

### **3.3 Bullying**

- A. Workplace bullying is behavior that harms, intimidates, offends, degrades or humiliates an employee, possibly in front of other employees, clients, or customers. Workplace bullying may cause the loss of trained and talented employees, reduce productivity and morale, and create legal risks. Examples of bullying include: spreading rumors, gossip and innuendo, intimidating a person, undermining or deliberately impeding a person's work, physically abusing or threatening abuse, removing areas of responsibilities without cause, withholding

necessary information, making jokes that are obviously offensive, intruding on a person's privacy by pestering/spying/stalking, creating a feeling of uselessness, yelling or using profanity, criticizing a person consistently or constantly, belittling a person's opinion, unwarranted punishment, blocking applications for training/leave/promotion, tampering with a person's personal belongings. If in doubt if an action could be bullying, ask yourself if a reasonable person would consider the action acceptable.

- B. Preventive/Response Measure: Report bullying to your supervisor or the HR/Risk Administrator. An informal investigation will be conducted. In the event the informal stage is not sufficient, or the offense is of a serious nature, a formal investigation will be conducted. Any reports of workplace bullying will be treated seriously and investigated promptly. Managers and supervisors must ensure employees who make complaints, or witnesses are not victimized.

Training: In order to eliminate and/or minimize risks involved with bullying and incivility, the HR/Risk Administrator is responsible for scheduling training for employees. Staff is responsible for implementing the training. Managers and supervisors are responsible for enforcing the policy.

### **3.4 Governmental Administrative Remedies for Discrimination and Harassment**

Discrimination, harassment and retaliation for opposing harassment or participating in investigations of harassment are illegal. In addition to notifying MCWD about discrimination, harassment or retaliation complaints, affected employees may also direct complaints to the California Department of Fair Employment and Housing (DFEH), which has the authority to conduct investigations. The deadline for filing complaints with the DFEH is one (1) year from the date of the alleged unlawful conduct. The employee can contact the nearest DFEH office or the Equal Employment Opportunity Commission (EEOC) at locations listed on MCWD's Employment Law posters located at each of the work facilities.

### **3.5 Conflicts of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interests. MCWD's reputation for integrity is its most valuable asset and is directly related to the conduct of its employees. Therefore, employees must avoid entering into transactions where it may appear that they are improperly benefiting from their employment with MCWD. An employee who has influence on purchases, contracts, or leases, shall not use that influence to benefit himself/herself or any relative or family member. Such employee should disclose the nature of the influence to his/her immediate supervisor, General Manager or designee, in order to avoid an appearance of a conflict of interest and so that appropriate safeguards can be established to protect all parties.

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 11-F

**Meeting Date:** August 19, 2024

**Prepared By:** Mary Lagasca, CPA

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Adopt Resolution No. 2024-38 to Approve FY 2024-2025 Professional Services Agreement with Regional Government Services Authority to Provide Human Resources and Risk Management Services to the District

**Staff Recommendation:** Adopt Resolution No. 2024-38 to approve the FY 2024-2025 Professional Services Agreement with Regional Government Services to provide Human Resources and Risk Management services to the District.

**Background:** *Strategic Plan, Goal 5.0 – Organizational Health and Personnel – Our objective is to recruit and retain highly qualified, diverse and inspired workforce that delivers essential services of our mission statement to the public while providing outstanding customer service. Our strategy is to utilize sound policies and personnel practices, offer competitive compensation and benefits, employee tenure recognition, and provide opportunities for training, development, and professional growth while ensuring a safe and secure workplace.*

In May 2023, the District's Human Resources Risk Administrator position became vacant. Subsequently, the District contracted with Regional Government Services Authority (RGS) to provide interim Human Resources and Risk Management services.

**Discussion/Analysis:** Staff is seeking approval for the FY 2024-2025 professional services agreement with RGS, with a maximum not-to-exceed amount of \$190,000. From May 2023 to June 2024, the District has realized salary savings of \$49,000 from the vacant HR/Risk Administrator position. For FY 2024-2025, the District is projecting salary savings of at least \$20,000.

**Key Highlights from RGS Initiatives:**

- **Recruitment Efforts:** RGS has supported the District in securing 9 permanent positions, 1 contractual employee, and 4 interns through 30 recruitment efforts.
- **Human Resources Policies/Programs:** RGS has assisted in developing and updating key HR policies and programs, including the Workplace Violence Prevention Program, COVID Protocol Updates, and Vehicle Policy Updates.
- **Unemployment Claims:** Successfully managed and resolved two unemployment claims, preventing unnecessary financial impacts on the District.
- **Administrative Support:** RGS managed various administrative matters such as insurance issues, terminations/separations, and MOU negotiations.

Additional details on RGS initiatives are provided in Attachment A. The scope of services and staff rates are outlined on the FY 2025 professional services agreement, Attachment B.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** None required.

**Climate Adaptation:** Not applicable.

**Financial Impact:**      X   Yes           No        **Funding Source/Recap:** Funded through  
FY 2024-2025 Operating Budget of Marina and Ord Cost Centers.

**Other Consideration:** None.

**Material Included for Information/Consideration:** Resolution No. 2024-38; (Attachment A) RGS Initiatives; and, (Attachment B) FY 2024-2025 Professional Services Agreement with Regional Government Services Authority.

**Action Required:**      X  Resolution          Motion          Review

## Board Action

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

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

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



August 19, 2024

Resolution No. 2024-38  
Resolution of the Board of Directors  
Marina Coast Water District

Approving the Professional Services Agreement between Marina Coast Water District and Regional Government Services Authority for Human Resources and Risk Management Services

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), regular meeting duly called and held on August 19, 2024 at 920 Second Avenue, Suite A, Marina, California as follows:

WHEREAS, the District’s Human Resources Risk Administrator position became vacant in May 2023; and,

WHEREAS, the District subsequently contracted with Regional Government Services Authority (RGS) to provide interim Human Resources and Risk Management services; and,

WHEREAS, the District is seeking approval for a professional services agreement with RGS for Fiscal Year 2024-2025, with a maximum not-to-exceed amount of \$190,000; and,

WHEREAS, the District has realized salary savings of \$49,000 from May 2023 to June 2023, and an estimated savings of \$20,000 is projected for Fiscal Year 2025 due to the services provided by RGS; and,

WHEREAS, RGS has contributed significantly to the District through various initiatives, including but not limited to:

- **Recruitment Efforts:** RGS has supported the District in securing 9 permanent positions, 1 contractual employee, and 4 interns through 30 recruitment efforts.
- **Human Resources Policies/Programs:** RGS has assisted in developing and updating key HR policies and programs, including the Workplace Violence Prevention Program, COVID Protocol Updates, and Vehicle Policy Updates.
- **Unemployment Claims:** Successfully managed and resolved two unemployment claims, preventing unnecessary financial impacts on the District.
- **Administrative Support:** RGS has managed various administrative matters such as insurance issues, terminations/separations, and MOU negotiations.

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

1. adopt Resolution No. 2024-38 approving the Fiscal Year 2025 contract with Regional Government Services Authority (RGS), with a maximum not-to-exceed amount of \$190,000.00; and,
2. authorize the General Manager to execute the contract and direct 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 August 19, 2024 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 \_\_\_\_\_

\_\_\_\_\_  
Gail Morton, President

ATTEST:

\_\_\_\_\_  
Remleh Scherzinger, 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. 2024-38 adopted August 19, 2024.

\_\_\_\_\_  
Remleh Scherzinger, Secretary

## RGS – Human Resources & Risk Management Initiatives:

1. Recruitments
  - Open - 18
  - Promotional – 8
  - Interns - 4 (new summer Engineer Intern program)
2. Positions filled
  - 9 permanent hires
  - 1 contract employee
  - 4 interns
3. Temporary services employee staffing
4. Terminations/Separations
5. Contract interpretation and administration
6. HR Policies
7. Workplace Violence Prevention Program Development
8. Vehicle policy updates
9. Covid protocol updates
10. Employee relations
11. Uniform/apparel updates
12. MOU reviews and meetings with unions
13. Callback provision
14. Protected leave management and administration
  - 11 cases; 5 active
15. Classification and compensation – job descriptions and salary surveys
16. Unemployment hearings

17. EDD information requests
18. Bilingual policy development, testing implementation, and administration
19. Insurance matters
  - Insurance policy management
  - Insurance claims management and point of contact
20. Insurance inquiries from staff and outside partners
21. Empower deferred compensation administration
22. Benefit updates and oversight
23. Open enrollment
24. Wellness program grant development
25. CalPERS contact to resolve matters
26. Board HR agenda item development
27. HR record maintenance and management
28. Training management and oversight for required training, i.e., defensive driving, sexual harassment, workplace violence, bilingual competencies
29. Surplus auction coordination
30. Employee evaluation administration
31. Pay related management and administration

**AGREEMENT FOR PROFESSIONAL SERVICES**  
**BETWEEN MARINA COAST WATER DISTRICT**  
**AND REGIONAL GOVERNMENT SERVICES AUTHORITY**  
**FOR HUMAN RESOURCE SERVICES**

Funding: Consulting Services (01-01-038-111, 02-01-038-111, 03-01-038-111, 04-01-038-111, 05-01-038-111, 07-01-038-111)

Task No. PSAxWD-4017AD

THIS AGREEMENT, made and entered into this Human Resource Consulting and Risk Management Services, by and between Marina Coast Water District, 11 Reservation Road, Marina, CA, 93933, hereinafter called "DISTRICT", and Regional Government Services Authority, with its principal offices at P.O. Box 1350, Carmel Valley, CA 93924 hereinafter called the "CONSULTANT":

WHEREAS, the DISTRICT, desires to receive the professional services related to Human Resources and Risk Management with a scope generally defined in Appendix A; and,

WHEREAS, DISTRICT is desirous of engaging the services of said CONSULTANT to perform or furnish said services; and,

WHEREAS, CONSULTANT has available and offers to provide personnel and facilities necessary to accomplish said services in a timely manner, for an amount not-to-exceed \$190,000.

NOW, THEREFORE, said DISTRICT and said CONSULTANT, for the considerations hereinafter set forth, mutually agree as follows:

**ARTICLE I - PROFESSIONAL ENGAGEMENT**

DISTRICT hereby engages REGIONAL GOVERNMENT SERVICES AUTHORITY as an independent contractor, to perform or furnish the services hereinafter more particularly described in Appendix A, commencing on the date of this Agreement.

CONSULTANT hereby agrees to perform or furnish as an independent contractor the indicated services as set forth herein. CONSULTANT may retain qualified subconsultants to assist in the performance of professional services. DISTRICT shall be notified prior to CONSULTANT sub-contracting such services and sufficient time shall be provided to allow DISTRICT to review the subconsultant's qualification. Should DISTRICT, based upon reasonable cause, not accept any such subcontractor or subconsultant for use on the Project, DISTRICT shall so notify CONSULTANT within five (5) days following DISTRICT 's receipt of such notice from CONSULTANT, and CONSULTANT shall not subcontract with any such subcontractor or subconsultant for the Project. DISTRICT shall

have the right at any time to revoke its acceptance (whether given affirmatively or by its failure to object within said five (5) day period) of any subcontractor or subconsultant on the basis of reasonable cause, in which case CONSULTANT shall submit an acceptable substitute and a Task Order equitably adjusting CONSULTANT's compensation will be issued. No acceptance of any subcontractor or subconsultant shall waive: (1) DISTRICT's right not to accept defective services performed or furnished for CONSULTANT by said subcontractor or subconsultant; or (2) any other right or remedy DISTRICT has under this Agreement, including but not limited to its rights to suspend or terminate services under this Agreement.

CONSULTANT is an independent contractor and is not and shall not be deemed to be an employee, agent, servant, partner, or joint venturer of DISTRICT. CONSULTANT shall have the exclusive supervision, direction and control of all employees, subconsultants, subcontractors, suppliers, materials, equipment and facilities employed, contracted with or used by, CONSULTANT in performing or furnishing services under this Agreement. Further, DISTRICT confirms that CONSULTANT employer are not assuming and are not expected to assume any DISTRICT staff position(s).

## **ARTICLE II - SCOPE OF SERVICES**

The scope of services performed or furnished by CONSULTANT under the terms of this Agreement is defined in Appendix A and in the executed Amendment(s) pursuant hereto which will authorize CONSULTANT to perform specific Human Resource services related to the project. Unless modified in writing by both parties through an Amendment, duties of CONSULTANT shall not be construed to exceed those services specifically established in Appendix A. (**NOTE: ANY ADDITIONAL FEES ASSOCIATED WITH SERVICES NOT INCLUDED IN APPENDIX A MUST BE DEFINED AND AGREED TO BY DISTRICT IN WRITING PRIOR TO INITIATION OF THESE SERVICES.**)

## **ARTICLE III – GENERAL PROVISIONS**

A. The CONSULTANT hereby represents that all work described herein shall be performed only by persons under the supervision of a person who is currently licensed, if applicable, to perform such work and that to the best of its professional ability, all work shall be performed in accordance with applicable Federal, State, and local laws and regulations.

B. The CONSULTANT shall not discriminate in employment practices, in the performance of the terms of this Agreement, either directly or indirectly, on the grounds of race, color, religion, sex, age, or national origin, and shall take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to race, color, religion, sex, age or national origin.

C. The General Manager of the DISTRICT shall forward an executed copy of this Agreement to the CONSULTANT within ten (10) days of execution of this Agreement by the DISTRICT.

#### **ARTICLE IV: COOPERATION BY DISTRICT**

DISTRICT shall, to the extent reasonable and practicable, cooperate with CONSULTANT in the performance of CONSULTANT's services hereunder. Such cooperation shall include, but not necessarily be limited to: providing right of access to work sites as required for CONSULTANT to perform or furnish services under this Agreement; providing relevant material available from DISTRICT 's files such as maps, drawings as available (WHETHER OR NOT AS-BUILT DRAWINGS), records, and operation and maintenance information; serving all notices; attending all hearings; payment of all permit and other required fees associated with the Project; and rendering assistance in determining the location of existing facilities and improvements which may be affected by the Project.

DISTRICT shall be responsible for providing legal services which it deems necessary for the Project including review of contract documents, public advertising and contract letting. DISTRICT shall pay fees for utility services to the Project.

DISTRICT shall appoint Paula Riso and Mary Lagasca as DISTRICT REPRESENTATIVE's with respect to the services to be performed under this Agreement. DISTRICT'S REPRESENTATIVE shall have complete authority to transmit instructions, receive information, and interpret and define DISTRICT's policies. CONSULTANT shall be entitled to rely on representations made by DISTRICT's REPRESENTATIVE unless otherwise specified in writing by DISTRICT.

#### **Article V – SCHEDULE**

A schedule for carrying out services performed by CONSULTANT under the terms of this Agreement is set forth in Appendix A. CONSULTANT will exert all reasonable efforts to perform or furnish all services under this Agreement in accordance with said schedule.

DISTRICT will be kept informed as to the progress of the services under this Agreement under the terms presented in Appendix A. Neither party shall hold the other responsible for damages caused by, arising out of or resulting from delays in performance caused by acts of God, strikes, lockouts, or events beyond the control of the other party.

#### **Article VI – LITIGATION**

The Agreement does not require CONSULTANT to prepare for or appear as a witness in any litigation or alternative dispute resolution proceeding on behalf of DISTRICT, other than as specified in Appendix A, except in consideration of additional reasonable compensation negotiated as part of an Amendment specifically issued for such purpose. Notwithstanding the preceding, CONSULTANT shall participate without additional compensation in any litigation or alternative dispute resolution proceeding in which CONSULTANT is a party or in which a claim is made against DISTRICT based in whole or in part on CONSULTANT's negligence, professional errors or omissions, breach of contract or deficiencies resulting from CONSULTANT's services hereunder.

## **ARTICLE VII: COMPENSATION**

Payment for the Human Resource Services set forth in Appendix A and specific executed Amendment(s) shall be made by DISTRICT to CONSULTANT and shall be considered as full compensation for such services and all personnel, materials, supplies, and equipment used and costs incurred in carrying out such services. In no event shall the amount of compensation exceed the total fee specified in Appendix A without approval from the DISTRICT.

A. If payment for services performed or furnished under terms of Appendix A and/or Amendment(s) is to be on a lump sum basis, compensation shall be as described below:

1. Appendix A and/or Amendments must specify that the work is to be performed on a lump sum basis.
2. Compensation to CONSULTANT shall be a lump sum amount specified in Appendix A and Amendment(s).
3. Payments shall be monthly, based on percent completion. As each payment is due, a statement describing the services which have been performed or furnished and listing the percent of completion and the total amount of prior payments paid by DISTRICT shall be submitted to DISTRICT. Payment shall be made for the balance due under such statement, without retention unless DISTRICT contests all or part of said billing in which event only that portion so contested will be retained by DISTRICT pending resolution of the dispute and any uncontested portion will be paid.

B. If payment for services performed or furnished under terms of Appendix A and/or Amendment(s) is to be on a time and expense reimbursable basis, with a total cost not-to-exceed, compensation shall be as described below:

1. Appendix A and/or Amendments must specify that the work is to be performed on a time and expenses basis with a total cost not-to-exceed.
2. Compensation to CONSULTANT shall be on a time and expense reimbursement basis in accordance with CONSULTANT's Schedule of Charges. A current copy of the Schedule of Charges will be included with each Amendment.
3. Payments for services provided by CONSULTANT on a time and expense basis shall be made monthly by the DISTRICT based on an itemized invoice from CONSULTANT which lists actual costs and expenses or units of work performed on the Project in the immediate preceding month. Such payments shall be for the invoice amount, without



retention unless DISTRICT contests all or part of said billing in which event only that portion so contested will be retained by DISTRICT pending resolution of the dispute and any uncontested portion will be paid.

4. A budget for compensation for services provided by CONSULTANT on a time and expense basis will be established in the Compensation section of Appendix A and/or the Amendment. The budget established shall not be exceeded without DISTRICT's written authorization.

5. The budget may be increased by Amendment if necessary to complete the scope of work. If appropriate, CONSULTANT will advise DISTRICT of the anticipated expenditure over the budgeted amount at the fifty (50) percent completion point of the Amendment work and request additional budget authorization.

6. Amendments using a time and expense reimbursement should be limited in scope. The product of these Amendment(s) should adequately define the specific scope and effort necessary to achieve the necessary addition/modification and develop a lump sum proposal for the required engineering services.

C. CONSULTANT's final statement or invoice for any services which include construction, or the final statement or invoice for the Project, whichever occurs earlier in time, shall include properly completed and executed Releases of Liens and Claims (see Appendix C). Payment of any invoice not satisfying these requirements may be withheld until the requirements has been satisfied.

D. The CONSULTANT shall submit an itemized statement or invoice of costs to the DISTRICT for each month that work is performed. The DISTRICT shall pay the CONSULTANT by the 25<sup>th</sup> of the month for invoices and itemized statements submitted by the first day of the same month. Payments are due upon receipt of a statement or invoice prepared in a manner acceptable to DISTRICT and approved by DISTRICT.

## **ARTICLE VIII: RECORDS**

The CONSULTANT shall keep and maintain accurate records of costs incurred, and the time expended relating to all services to be compensated hereunder. All records shall be available to the DISTRICT for review thereof upon request by the DISTRICT or its authorized representative. All fiscal and accounting records and other supporting papers of the CONSULTANT shall be maintained for a minimum of three (3) years following the close of the DISTRICT fiscal year of expenditures.

## **ARTICLE IX: TITLE TO DOCUMENTS**

All reports, drawings, specifications, submittals and other materials collected or produced by the CONSULTANT hereunder shall, after completion and acceptance, become the property of the DISTRICT.

The CONSULTANT may utilize existing materials developed by the CONSULTANT prior to the commencement of this engagement including, but not limited to, customized computer routines developed using proprietary or commercial software packages, reports, documents, maps, graphs, charts, photographs and photographic negatives. These materials shall remain the property of the CONSULTANT.

CONSULTANT shall be entitled to a reproducible copy of all material furnished to DISTRICT, the costs of which is included on the compensation amounts specified in Appendix A and/or the Amendment(s). Any uncompleted work of CONSULTANT delivered to DISTRICT due to cancellation of all or portions of the work or contract termination, which utilized by DISTRICT in any way, shall have CONSULTANT name removed, and DISTRICT agrees to defend, Indemnify, and hold harmless CONSULTANT from all claims, damages, and expenses including attorney's fees arising from any use by DISTRICT of such uncompleted work Product.

## **ARTICLE X: KEY PERSONNEL**

The CONSULTANT shall specifically assign a project manager and necessary staff to complete the Scope of Work.

The CONSULTANT hereby agrees that the assigned personnel directly responsible for conducting the Scope of Work in Appendix A shall not be changed during the course of the work without prior written consent of the DISTRICT, which consent shall not be unreasonably withheld.

## **ARTICLE XI: ASSIGNMENT AND SUBCONTRACTING**

The CONSULTANT shall not assign, sell, mortgage, hypothecate, or otherwise transfer its interest or obligations in this agreement without written consent of the DISTRICT. Further, none of the services covered by this agreement shall be subcontracted beyond that which is specifically noted in the CONSULTANT'S proposal unless approved by the DISTRICT in writing.

## **ARTICLE XII: INSURANCE AND LIABILITY**

The CONSULTANT agrees to indemnify, defend against third party claims, and save harmless the DISTRICT, its officers, agents, and employees as provided in Appendix B, attached hereto and hereby incorporated by reference to the fullest extent permitted by law. CONSULTANT shall indemnify, hold harmless and defend DISTRICT against third party claims, its officers, directors, employees and agents, and authorized volunteers as provided in Attachment 4 from and against all claims, damages, costs, losses and expenses

(including but not limited to reasonable attorneys' fees) to the extent caused by, arising out of or related to the negligence (including but not limited to professional negligence, errors or omissions) of CONSULTANT, its partners, officers, employees, agents, subconsultants and subcontractors in the performance or furnishing of services under this agreement, provided however, that CONSULTANT's liability to DISTRICT shall not exceed the percentage share of such claim, damages, cost, loss and expense that the negligence (including professional negligence, errors or omissions) of CONSULTANT, its partners, officers, employees, agents subconsultants and subcontractors bears to the total negligence of all negligent entities and individuals determined on the basis of comparative negligence principles.

DISTRICT acknowledges that, pursuant to California Government Code §990, CONSULTANT, as a public entity, may satisfy the coverage requirements set forth herein with a combination of self-insurance and self-insured pool insurance. Insurance coverage shall provide that such insurance is primary insurance.

Coverages described in Appendix B shall be maintained through the term of this Agreement, and the CONSULTANT shall file with the DISTRICT prior to the execution of this Agreement, and as policy renewals occur, a Certificate of Insurance evidencing that the insurance coverages required herein have been obtained and are currently in effect.

A. CONSULTANT and its subcontractors shall maintain worker's compensation and employers' liability insurance in accordance with the amount(s) and coverage(s) in the attached Appendix B.

B. CONSULTANT and its subcontractors shall maintain commercial general liability and automobile liability insurance protecting it against claims arising from bodily or personal injury or damage to property, including loss of use thereof, resulting from operations of CONSULTANT pursuant to this AGREEMENT or from the use of automobiles and equipment of or by CONSULTANT. The amount(s) and coverage(s) shall be in accordance with Appendix B.

C. CONSULTANT shall maintain a policy of professional liability insurance, protecting it against claims arising out of the negligent acts, errors, or omissions for which it is legally liable in the performance or furnishing of professional services pursuant to this AGREEMENT. (Such insurance shall be maintained for one (1) year after final completion of construction. The amount(s) and coverage(s) shall be in accordance with Appendix B.

D. CONSULTANT shall submit to the DISTRICT a Certificate of Insurance evidencing that the insurance coverages required herein have been obtained and are currently in effect. Upon written request from DISTRICT CONSULTANT is Required to provide DISTRICT with complete copies of such policies or certified evidence of coverage. Approval or acceptance of said insurance by DISTRICT shall not relieve or decrease the liability of CONSULTANT hereunder.

E. DISTRICT agrees to endeavor to include a provision in the DISTRICT 'S contract with the Construction Contractor engaged on the Project which requires that CONSULTANT be listed as an additional insured on such Construction Contractor(s) liability insurance policy and property insurance (Builder's Risk) policy, if any.

### **Article XIII – SUSPENSION OF WORK**

DISTRICT may, at DISTRICT'S discretion, suspend, in writing, all or a portion of the services under this Agreement. CONSULTANT may suspend the services under this Agreement in the event DISTRICT does not make payment in accordance with the payment terms in Article VII. The services under this AGREEMENT will only be suspended for non-payment after written notice is received by DISTRICT from CONSULTANT of its intention intending to suspend performance and a cure period of seven (7) days after receipt of this notification by DISTRICT. The time for completion of the services under this AGREEMENT shall be extended by the number of days the services under this AGREEMENT is suspended. If the period of suspension exceeds ninety (90) days, the terms of this AGREEMENT are subject to renegotiations, and both parties shall have the option to terminate the services under this AGREEMENT on the suspended portion of Project in accordance with Article XII.

### **ARTICLE XIV: TERMINATION**

Either party may terminate this Agreement upon substantial breach of the terms thereof by the other party. Either party may terminate this agreement at any time upon giving thirty (30) days written notice to the other party. Such notice shall set forth the effective date of such termination.

DISTRICT, by notifying CONSULTANT in writing, may terminate any or all of the services covered by this AGREEMENT. In the event of such termination, CONSULTANT shall have the right to expend a reasonable amount of additional time to assemble work in progress for the purpose of proper filing and closing of the job. Such additional time shall not exceed five percent (5%) of the total time expended to the date of notice of termination or a designated total time agreed upon in an Amendment. All charges thus incurred, together with associated expenses reasonably incurred by CONSULTANT and reasonable charges for any other commitments outstanding at the time of termination (such as for termination of subconsultants, rental agreements, orders for printing, etc.), shall be payable by DISTRICT within forty-five (45) days following submission of a final statement by CONSULTANT. However, in the event that termination of said AGREEMENT with CONSULTANT occurs at the completion of a specific phase of the design, the aforesaid provision for the proper filing and closing will not apply unless agreed to by DISTRICT under a specific Amendment. The payment provided for under this Article XII shall constitute full satisfaction of any obligation DISTRICT has, may have or could be found to have to pay for services performed or furnished and expenses or charges incurred by CONSULTANT pursuant to this AGREEMENT and any and all liabilities or damages arising out of or resulting from the termination of this AGREEMENT.

## **ARTICLE XV: NOTICE**

Any notice to be given hereunder shall be delivered to the party to be noticed by either personal delivery or by first class mail, postage prepaid, and addressed as follows:

TO: Marina Coast Water District  
2840 4<sup>th</sup> Avenue  
Marina, CA 93933  
Attention: General Manager

TO: Regional Government Services Authority  
P.O. Box 1350  
Carmel Valley, CA 93924  
Attention: Sophia Selivanoff, Executive Director

## **ARTICLE XVI: BINDING EFFECT; AMENDMENTS; COUNTERPART EXECUTION; CONSTRUCTION**

This Agreement supersedes and integrates all prior writings and understandings between the parties concerning, is binding on the parties and their successors, and may be amended only by written agreement signed by the DISTRICT and the CONSULTANT. This Agreement may be signed in counterparts, each of which when fully executed shall be considered a duplicate original document. Both parties have participated fully in the review and revision of this Agreement, and neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code section 1654.

## **ARTICLE XVII: DISPUTES**

The parties must submit any disputes arising under this Agreement to non-binding mediation before filing suit to enforce or interpret this Agreement. Upon request by either party, the parties will within ten (10) days select a single mediator, or if the parties cannot agree, they shall ask the then presiding Judge of the Monterey County Superior Court to select a mediator to mediate the dispute within fifteen (15) days of such selection.

In the event of legal proceedings to interpret or enforce this agreement, the prevailing party shall be awarded reasonable attorney fees and costs, including reasonable costs of experts reasonably engaged by the attorney.

IN WITNESS WHEREOF, the parties hereto have accepted, made and executed this Agreement upon the terms, conditions and provisions above stated the day and the year first above written.

Marina Coast Water District

Regional Government Services  
Authority

\_\_\_\_\_  
Remleh Scherzinger  
General Manager

\_\_\_\_\_  
Sophia Selivanoff, Acting Exe Director

Appendix A includes:

Consultant's Proposal (Scope of Services and Rates)

**Appendix A**  
**Scope of Services for Fiscal Year 2024-2025**

This Cost Proposal is in accordance with Article VII, Section B, on a time and expense basis with a total cost not-to-exceed \$190,000.00

Subject to the terms and conditions of this Agreement, RGS shall assign RGS employee(s) to serve as Advisors to the Marina Coast Water District, hereafter “District”, which may require performing any or all of the functions described below:

1. Provide as needed human resources consulting services to the District. Consulting services include implementation of work on identified priority projects, and also include the following activities as needed:
  - 1.1. Provide professional advice regarding best practice to facilitate the effective and compliant administration of District’s personnel rules, human resources related policies and practices, and payroll practices.
  - 1.2. Provide professional guidance and assistance to District staff in the areas of performance management, training development, compensation, and benefits.
  - 1.3. Development and coordination of executive and non-executive level recruitments.
  - 1.4. Review payroll processes and practices to ensure compliance with state and federal laws and best practices.
  - 1.5. Benefit review and analyze of administration; assist with benefit administration.
  - 1.6. Analyze a variety of information and recommend appropriate management action; provide written documentation of analysis and recommendations as needed.
  - 1.7. Draft specific documentation relevant to resolving a range of human resources issues; coach managers as needed on effective actions and communications to achieve resolution; coach supervisors on conducting sensitive personnel conversations.
  - 1.8. Draft required communications, including administrative policies, procedures, forms and templates as needed to develop an effective and compliant system of human resources management practices and transactions.
  - 1.9. Review of classification descriptions and FLSA designation and recommend updates as needed.
  - 1.10. Conduct salary surveys of comparable agencies.
  - 1.11. Coordinate and assist with leave management, including but not limited to workers’ compensation, medical leaves, and reasonable accommodation.
  - 1.12. As requested, assist with employee/employer relations; assist with labor negotiations
  - 1.13. Update HR systems documentation for current best practices.
  - 1.14. Review of the occupational safety policies, resources and administrative systems to ensure legal compliance and best practices.

- 1.15. Serves as risk manager in matters relating to workers compensation, liability and property damage claims; ensures that safety issues and concerns of employees and the public are addressed.
  - 1.16. Manages the employee relations program and policies to ensure effective supervisory practices, advises and collaborates with managers and supervisors to utilize employee relations best practice strategies, assists with problem solving and the facilitation of conflict resolution.
  - 1.17. Administers the workers compensation program to include management of claims, monitoring employee injuries and accidents and follows up on treatment, procedures and payment of claims.
  - 1.18. Responds to grievances and assists managers and supervisors in administering disciplinary actions.
  - 1.19. Monitors changes in laws, regulations and technology that may affect the human resources function; implements policy and procedural changes as required.
2. Be reasonably available to perform the services during the normal work week. Meet as often as necessary for the purpose of consulting about the scope of work performed with the appropriate District project manager and with the RGS Lead Advisor or Advisors.
  3. RGS will maintain open communication lines with District staff through written documentation, video conference calls, phone, and e-mail.
  4. The District will only be invoiced for the actual hours worked. The work will be done remotely or onsite.
  5. Projects and activities may be modified on request of the District. The District will only be invoiced for the actual hours worked.
  6. The RGS team assigned will be led by a Lead Advisor, who will both perform work and direct projects to other RGS staff as needed. RGS staff, with equal or lower bill rates, will be assigned to projects or tasks at Lead Advisor's discretion.

#### **RGS STAFF RATES**

<b>CLASSIFICATION</b>	<b>HOURLY RATE</b>
Strategic Services Consultant	\$186
Senior Advisor	\$157
Advisor	\$135
Technical Specialist	\$119
Administrative Specialist	\$106



Appendix B Includes:

Insurance Requirements

Indemnification Agreements / Insurance Requirements

## **Appendix B**

### **Insurance Requirements**

#### **INDEMNIFICATION AGREEMENTS** **INSURANCE REQUIREMENTS**

#### **AGREEMENTS**

**Workers' Compensation Insurance** - By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of the work of this contract.

**Indemnification** - To the fullest extent permitted by law, Consultant, at Consultant's own cost, shall defend against third party claims, and indemnify and hold harmless the Marina Coast Water District (District), its directors, officers, employees and each of them from and against:

- a. When the law establishes a professional standard of care for Consultant's services, all claims and demands of all persons to the extent that arise out of, pertain to, or relate to the Consultant's negligence, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. Consultant shall defend itself against any and all liabilities, claims, losses, damages, and costs to the extent arising out of or alleged to arise out of Consultant's performance or non-performance of the work hereunder, and shall not tender such claims to the District nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Other than in the performance of professional services, all claims and demands of all third parties arising out of the performance of the work or the furnishing of materials; including but not limited to, claims by the Consultant or Consultant's employees for damages to persons or property except for the negligence or willful misconduct or, with respect to construction, the active negligence of the District, its directors, officers, employees, or authorized volunteers.
- c. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, to the extent arising out of, resulting from, or on account of the violation of any governmental law or regulation, where the compliance with which is the responsibility of Consultant.

- d. Any and all losses, expenses, damages (including damages to the work itself), reasonable attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of Consultant to faithfully perform the work and all of the Consultant's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including reasonable attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the District or any of its directors, officers, employees, or authorized volunteers, to the extent they are covered by the above obligations of indemnity.

Consultant shall pay and satisfy any the proportional judgment, award or decree that may be rendered against the District or any of its directors, officers, employees, or authorized volunteers, in any and all such aforesaid suits, actions, or other legal proceedings as determined.

Consultant shall reimburse District and its directors, officers, employees or authorized volunteers, for any reasonable legal expenses and costs incurred by each of them in connection with, in any way, all such aforesaid suits, actions or other legal proceedings or in enforcing the indemnity herein provided, to the extent that they are covered by the above obligations to indemnify.

Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, or its directors, officers, employees or authorized volunteers.

## **GENERAL CONDITIONS**

**Laws, Regulations and Permits** - The Consultant shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the work. The Consultant shall be liable for all violations of the law in connection with work furnished by the Consultant. If the Consultant performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, the Consultant shall bear all costs arising there from.

**Safety** - The Consultant shall execute and maintain his/her work so as to avoid injury or damage to any person or property.

In carrying out his/her work, the Consultant shall at all times exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including State of California, Department of Industrial Relations (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act. Safety precautions, as

applicable, shall include but shall not be limited to: adequate life protection and life saving equipment; adequate illumination; instructions in accident prevention for all employees, such as the use of machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection, and other safety devices; equipment and wearing apparel as are necessary or lawfully required to prevent accidents, injuries, or illnesses; and adequate facilities for the proper inspection and maintenance of all safety measures.

**Liability Insurance** - The Consultant shall provide and maintain at all times during the performance of the work under this agreement, the following general liability, professional liability and automobile liability insurance:

**Coverage** - Coverage shall be at least as broad as the following:

1. Coverage for **Professional Liability** appropriate to the Consultant's profession covering Consultant's wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the contract work. Consultant shall purchase a one-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.
2. Insurance Services Office Commercial **General Liability** Coverage (Occurrence Form CG 0001)
3. Insurance Services Office **Automobile Liability** Coverage (Form CA 0001), covering Symbol 1 (any auto) Symbol 8 (hired) and 9 (non-owned)

**Limits** - The Consultant shall maintain limits no less than the following:

1. **Professional Liability** – Limits no less than One million dollars (\$1,000,000) per occurrence or claim, and Two million dollars (\$2,000,000) policy aggregate. [NOTE: THIS VALUE SHOULD BE ADJUSTED BASED ON VALUE OF PROJECT. UPPER RANGE IS ESTIMATED AT \$5,000,000 WHICH WOULD BE FOR LARGER CONSTRUCTION PROJECTS, E.G., STORAGE TANKS, TREATMENT FACILITIES, LARGE PUMP/LIFT STATIONS. ]
2. **General Liability** - Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage.

If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the District) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

3. ***Automobile Liability*** - Two million dollars (\$2,000,000) for bodily injury and property damage each accident limit.

**Required Provisions** - The general liability policy is to contain, or be endorsed to contain the following provisions:

1. The District, its directors, officers, employees, or authorized volunteers are to be given additional insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the Consultant; and premises owned, occupied or used by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the District, its directors, officers, employees, or authorized volunteers.
2. For any claims related to this project, the Consultant's insurance shall be primary insurance as respects the District, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by the District, its directors, officers, employees, or authorized volunteers shall not contribute to it.
3. Any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to Member Water District, its directors, officers, employees, or authorized volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Such liability insurance shall indemnify the Consultant and his/her sub-consultants against loss from liability imposed by law upon, or assumed under contract by, the Consultant or his/her sub-consultants for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation and removal of lateral support.

The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

The policies specified above shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the Consultant, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the District.

All of the insurance shall be provided on a policy forms and through self-insurance or companies satisfactory to the District.

In the event any change is made in the insurance carrier, scope of coverage or retroactive date of professional liability coverage required under this agreement, Consultant shall notify the District prior to any changes.

**Workers' Compensation and Employer's Liability Insurance** - The Consultant and all sub-consultants shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them or through sub-consultants in carrying out the work contemplated under this contract, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Consultant shall provide employer's liability insurance with limits no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

**Acceptability of Insurers** - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the District. However, DISTRICT acknowledges that CONSULTANT, as a public entity, may satisfy these requirements with self-insurance or self-insured risk pool coverage

**MEC Coverage** – For work involving portions of the former Fort Ord outside the cantonment area, all insurance maintained by Consultant shall include coverage for services, work in or around MEC, or claims, damage or injury related in any way to this Agreement which arise from MEC. The Marina Coast Water District, its officers, directors and employees and any of its authorized representatives and volunteers shall be named as additional insureds under all insurance maintained by Consultant related in any way to work performed by it on behalf of the Marina Coast Water District.

**Evidences of Insurance** - Prior to execution of the Agreement, the Consultant shall file with the District a certificate of insurance (Acord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this Agreement. Such evidence shall include an original copy of the additional insured endorsement signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to include Required Provisions 1-4.

The Consultant shall, upon demand of the District, deliver to the District such policy or policies of insurance and the receipts for payment of premiums thereon.

All insurance correspondence, certificates, binders, etc., shall be mailed to:

Marina Coast Water District  
11 Reservation Road  
Marina, CA 93933  
Attn: Stephenie Verdusco

**Continuation of Coverage** – If any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the District at least ten (10) days prior to the expiration date.

**Sub-Consultants** - In the event that the Consultant employs other consultants (sub-consultants) as part of the services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.

## Marina Coast Water District Agenda Transmittal

**Agenda Item:** 11-G

**Meeting Date:** August 19, 2024

**Prepared By:** Andrew Racz, PE

**Approved By:** Remleh Scherzinger, PE

**Reviewed By:** Garrett Haertel, PE

**Agenda Title:** Adopt Resolution No. 2024-39 to Accept the Infrastructure Improvements Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District and Shea Homes, LP, for the Dunes 2 East Development Project

**Staff Recommendation:** Adopt Resolution No. 2024-39 accepting the infrastructure improvements installed under the Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Shea Homes, LP, for the Dunes 2 East development project.

**Background:** *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.*

Shea Homes, LP (Shea Homes, Developer), a California limited partnership, has constructed the Dunes on Monterey Bay Phase 2 East (Dunes 2E) development project in the Ord service area within MCWD's jurisdiction. The project is complete and largely occupied. The project area is bounded by Beacon Drive to the north, California Avenue on the east, 8<sup>th</sup> Street to the south, and 3<sup>rd</sup> Avenue/Parkview Way/Moonshell Lane on the west. The District entered into an Infrastructure Agreement with the Developer on August 17, 2020 with the adoption of Resolution No. 2020-52. The final easements and rights-of-way were recorded on August 17, 2021 (Doc 2021055666) and the infrastructure installation was completed in 2023. The Developer requests that, consistent with the Infrastructure Agreement, MCWD now accept the transfer of ownership of the installed water and sewer infrastructure.

**Discussion/Analysis:** The infrastructure improvements made by the Developer for which acceptance of ownership is requested includes potable water pipelines and appurtenances, recycled water pipelines and appurtenances, and sanitary sewer pipelines and appurtenances. The Developer installed all improvements on behalf of MCWD within the tract. Depictions of the infrastructure to be owned by MCWD may be found within the attached Bill of Sale that includes Exhibits A, B, and C mapping the locations of the infrastructure. Per the [Engineer's Estimate], the total value of the infrastructure to be transferred to MCWD for ownership totals approximately \$3,057,000. An additional \$401,000 in soft costs directly attributable to the project (MCWD staff time, consultant fees for plan review and inspection, etc.) will also be capitalized, for a total improvement value of \$3,458,000.

Under the terms of the Infrastructure Agreement, MCWD requires the following items prior to final acceptance:

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements



- Conveyance of the property to MCWD by means of a Bill of Sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

Based on the adequate completion of the above tasks and items, MCWD staff recommends that the MCWD Board of Directors accept ownership of the infrastructure installed on MCWD's behalf by Shea Homes for the Dunes 2E development project by adopting the provided Resolution.

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** Legal Counsel reviewed and approved the Infrastructure Agreement.

**Financial Impact:** ☒ Yes ☐ No **Funding Source/Recap:** There is no direct cost to MCWD in these transactions; however, a slight increase in operational and maintenance costs in the near-term future may be reasonably anticipated within the Ord Water and Ord Sewer cost centers because of the additional infrastructure that becomes MCWD's responsibility.

**Other Considerations:** None recommended.

**Material Included for Information/Consideration:** Resolution No. 2024-39; Bill of Sale prepared for execution; and draft Warranty Bond.

**Action Required:** ☒ Resolution ☐ Motion ☐ Review

---

Board Action

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

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

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

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

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

August 19, 2024

Resolution No. 2024-39  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting the Infrastructure Improvements Installed Under a  
Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and Shea Homes, LP,  
for the Dunes 2 East Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 19, 2024, at the business office of the District, 920 Second Avenue, Marina, California as follows:

WHEREAS, Shea Homes, LP, a California limited partnership (Developer), has constructed water and sewer infrastructure for their Dunes 2 East development project in the Ord service area of MCWD’s jurisdiction; and,

WHEREAS, the Developer entered into a Water, Sewer and Recycled Water Infrastructure Agreement with MCWD on August 17, 2020 with the adoption of Resolution No. 2020-52; and,

WHEREAS, construction of the water and sewer infrastructure is complete and the Developer has now satisfied all of the close-out conditions required by MCWD in the Infrastructure Agreement for the Dunes 2 East development project; and,

WHEREAS, the Developer requests, in conformance with the Infrastructure Agreement, that the District take ownership of the installed infrastructure.

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

1. accept the transfer of ownership of the Water and Sewer Infrastructure for the Dunes 2 East development project; and,
2. 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 August 19, 2024 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\_\_\_\_\_

---

Gail Morton, President

ATTEST:

---

Remleh Scherzinger, 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. 2024-39 adopted August 19, 2024.

---

Remleh Scherzinger, Secretary

## **BILL OF SALE**

### **SEWER SYSTEM FACILITIES – SEE EXHIBIT A-1**

For good and valuable consideration for sewer service installations, receipt of which is hereby acknowledged, the undersigned, Shea Homes Limited Partnership (Shea), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installations, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per approved as-built plans dated March 2023, The Dunes on Monterey Bay Phase 2 East Improvement Plans from plan sheets 1-70; see Exhibit A-1 for a summary depiction of sewer system improvements being transferred. Shea further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is \$1,369,400.

### **WATER SYSTEM FACILITIES – SEE EXHIBIT A-2**

For good and valuable consideration for water service installations, receipt of which is hereby acknowledged, the undersigned, Shea Homes Limited Partnership, does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installations, including mains, hydrants, laterals, valves, PRV's, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per approved as-built plans dated March 2023, The Dunes on Monterey Bay Phase 2 East Improvement Plans from plan sheets 1-70; see Exhibit A-2 for a summary depiction of water system improvements being transferred. Shea further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$1,626,950.

### **RECYCLED WATER SYSTEM FACILITIES – SEE EXHIBIT A-3**

For good and valuable consideration for recycled water installations, receipt of which is hereby acknowledged, the undersigned, Shea Homes Limited Partnership, does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the recycled water installation, including mains, hydrants, laterals, valves, PRV's, and other appurtenances to said recycled water installation, constructed and installed in accepted and recorded easements per approved as-built plans dated March 2023, The Dunes on Monterey Bay Phase 2 East Improvement Plans from plan sheets 1-70; see Exhibit A-3 for a summary depiction of recycled water system improvements being transferred. Shea further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the recycled water system transferred to the District is \$60,660.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated \_\_\_\_\_, between Shea Homes Limited Partnership and Marina Coast Water District. Shea Homes Limited Partnership represents and warrants that, to the knowledge of Shea Homes Limited Partnership, its members, officers, and employees, Shea Homes Limited Partnership has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets specified above are formally attached hereto by reference and are generally described in “Exhibit A-1”, “Exhibit A-2”, and “Exhibit A-3” attached hereto:

**SIGNATURE OF DEVELOPMENT ENTITY:**

Shea Homes Limited Partnership

By: Shea Homes Limited Partnership  
Its: Sole Member

By: \_\_\_\_\_  
Donald A. Hofer  
Authorized Agent

**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 2024-\_\_, as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on \_\_\_\_\_, 2024, the above Bill of Sale for Sewer System and Water System Facilities, dated \_\_\_\_\_, 2024 is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: \_\_\_\_\_, 2024.

By: \_\_\_\_\_  
Remleh Scherzinger  
General Manager  
MARINA COAST WATER DISTRICT

STATE OF CALIFORNIA                    )  
  ) ss  
COUNTY OF MONTEREY                )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature: \_\_\_\_\_

STATE OF CALIFORNIA                    )  
  ) ss  
COUNTY OF MONTEREY                )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

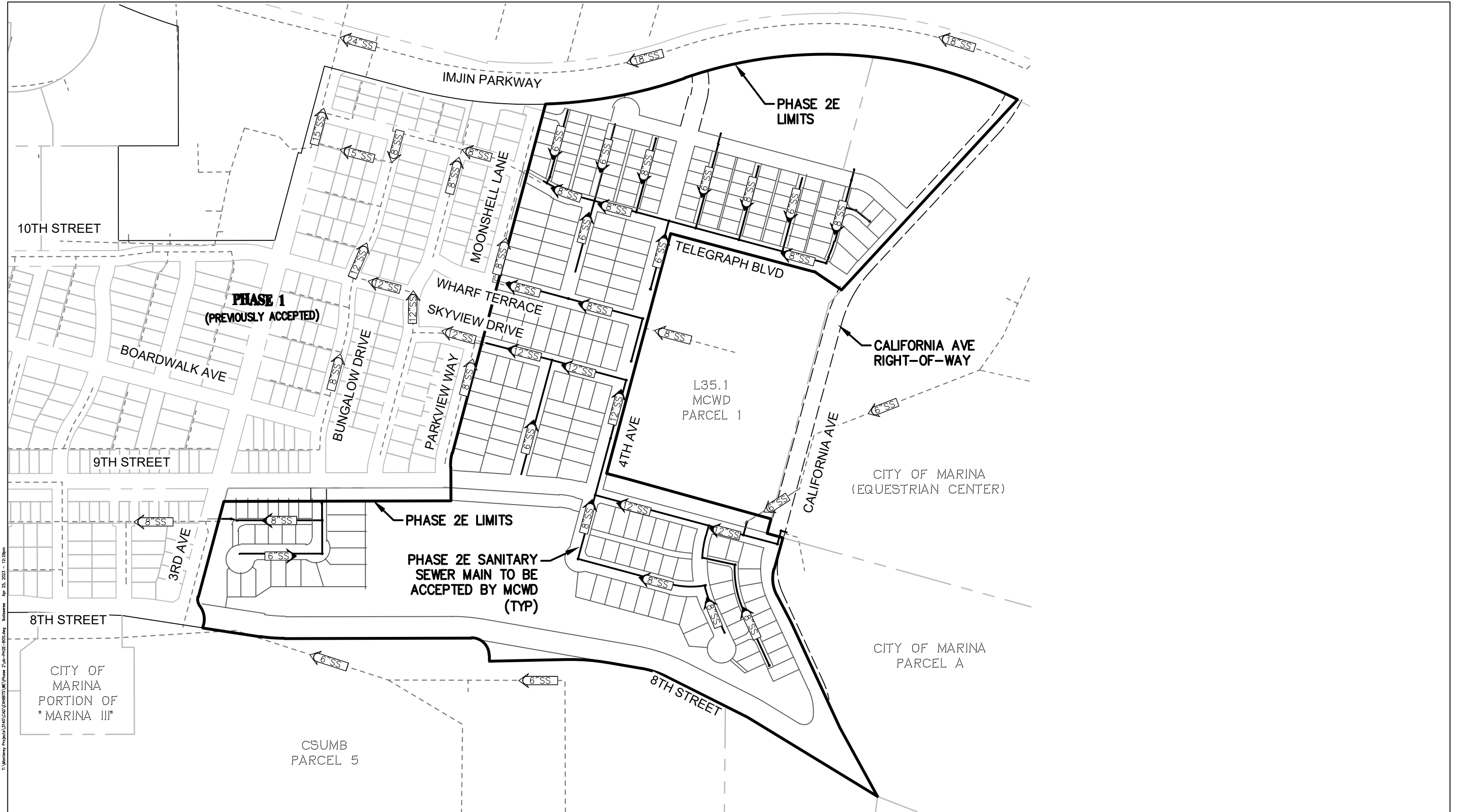
Signature: \_\_\_\_\_



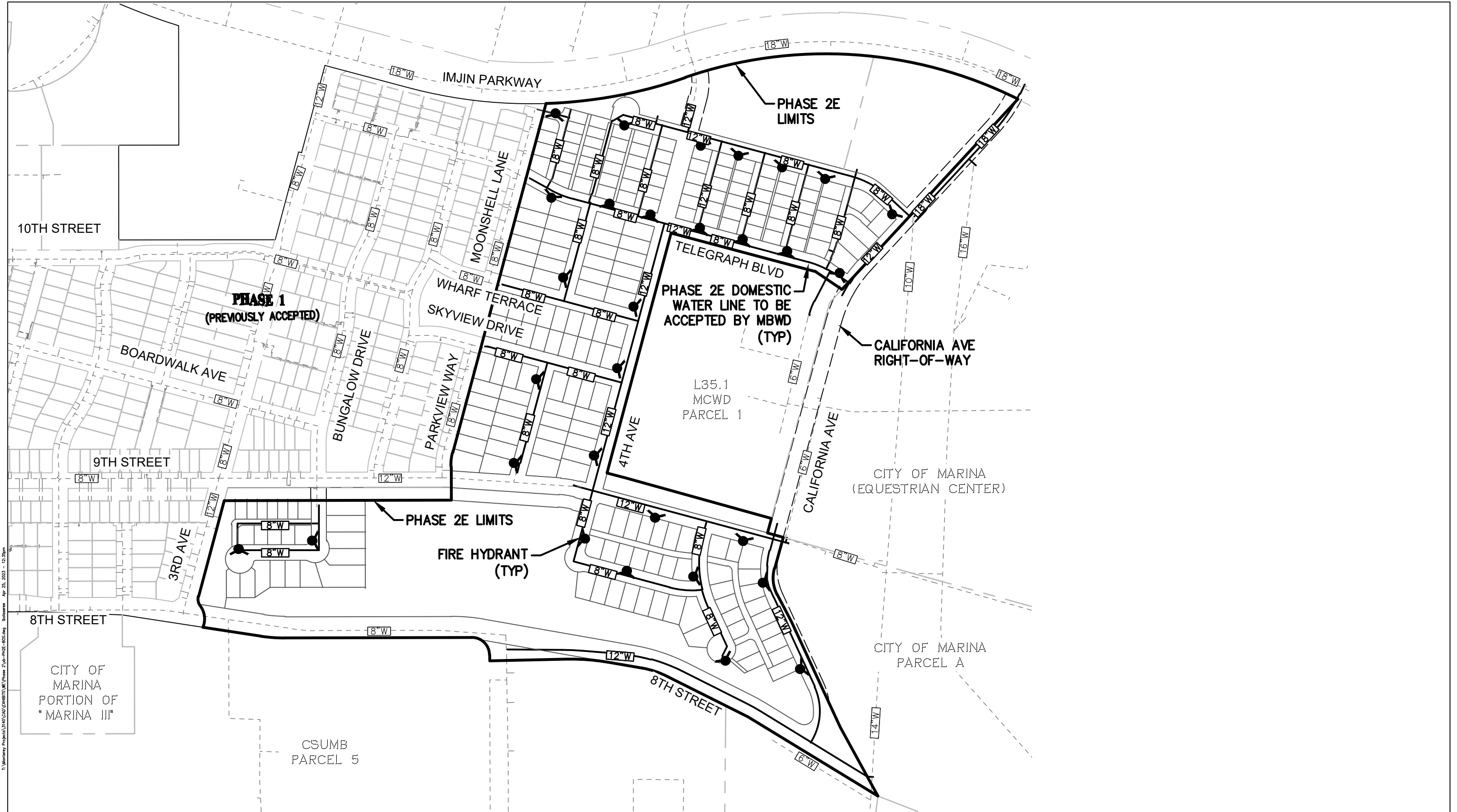
April 27, 2023  
Job No.: 3140.14

**BILL OF SALE**  
**MARINA COAST WATER DISTRICT IMPROVEMENTS**  
**THE DUNES ON MONTEREY BAY - PHASE 2 EAST (219 Lots)**  
**MARINA, CALIFORNIA**

Item Description	Quantity	Unit	Unit Price	Amount
<b><u>SANITARY SEWER</u></b>				
1 Manholes	39	EA	\$ 6,000.00	\$ 234,000
2 Cleanouts	12	EA	\$ 1,000.00	\$ 12,000
3 6" PVC Sanitary Sewer Pipe	2,310	LF	\$ 60.00	\$ 138,600
4 8" PVC Sanitary Sewer Pipe	4,320	LF	\$ 65.00	\$ 280,800
5 12" PVC Sanitary Sewer Pipe	1,520	LF	\$ 75.00	\$ 114,000
6 4" Lateral	210	EA	\$ 2,500.00	\$ 525,000
7 4" Lateral on Existing Main <i>(in Ex. Pavement)</i>	6	EA	\$ 5,000.00	\$ 30,000
8 Connect to Existing Sanitary Sewer System	7	EA	\$ 5,000.00	\$ 35,000
<b>Subtotal Sanitary Sewer</b>				<b>\$ 1,369,400</b>
<b><u>POTABLE WATER</u></b>				
1 8" PVC Water Line <i>(Including all appurtenances)</i>	7,940	LF	\$ 55.00	\$ 436,700
2 12" PVC Water Line <i>(Including all appurtenances)</i>	4,690	LF	\$ 75.00	\$ 351,750
3 18" DIP Water Line <i>(Including all appurtenances)</i>	640	LF	\$ 125.00	\$ 80,000
4 Fire Hydrants and Connection	30	EA	\$ 7,000.00	\$ 210,000
5 1" Irrigation Service <i>(Temporary)</i>	1	EA	\$ 2,000.00	\$ 2,000
6 1" PE Water Services	206	EA	\$ 2,000.00	\$ 412,000
7 1" PE Water Services on Ex. Main <i>(in Ex. Pavement)</i>	4	EA	\$ 4,000.00	\$ 16,000
8 Water Sampling Station	1	EA	\$ 6,000.00	\$ 6,000
9 Connect to Existing Water System	15	EA	\$ 7,500.00	\$ 112,500
<b>Subtotal Potable Water</b>				<b>\$ 1,626,950</b>
<b><u>RECYLED WATER</u></b>				
1 4" PVC Water Line <i>(Including all appurtenances)</i>	1,822	LF	\$ 30.00	\$ 54,660
2 2" Irrigation Service	2	EA	\$ 3,000.00	\$ 6,000
<b>Subtotal Recycled Water</b>				<b>\$ 60,660</b>
<b>Subtotal Phase 2 East MCWD Amount</b>				<b>\$ 3,057,010</b>
<b>10% CONTINGENCY</b>				<b>\$ 305,701</b>
<b>TOTAL PHASE 2 EAST MCWD AMOUNT <i>(to nearest \$1,000)</i></b>				<b>\$ 3,363,000</b>









**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 11-H

**Meeting Date:** August 19, 2024

**Prepared By:** Andrew Racz, PE

**Approved By:** Remleh Scherzinger, PE

**Reviewed By:** Garrett Haertel, PE

**Agenda Title:** Adopt Resolution No. 2024-40 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between MCWD and Shea Homes, LP, for the Dunes Phase 3 Development in Marina, CA

**Staff Recommendation:** Adopt Resolution No. 2024-40 approving a Water, Sewer and Recycled Water Infrastructure Agreement between the Marina Coast Water District and the Shea Homes, LP, for the Dunes Phase 3 Development Project.

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

**Detailed Description:** The Board of Directors is requested to approve a Water, Sewer, and Recycled Water Infrastructure Agreement (hereafter referred to as the Infrastructure Agreement) between MCWD and Shea Homes, LP, for the Dunes Phase 3 development. The attached draft Infrastructure Agreement is based upon the most recent board-approved format used for other development groups within the MCWD service area.

The Dunes on Monterey Bay (Dunes) development is a fully entitled master development located on former Fort Ord lands within the land use jurisdiction of the City of Marina. Shea Homes is the owner and developer of the project. The Dunes Phase 3 development consists of the new construction of the underground utilities, roadways, and other infrastructure and appurtenances for the next residential phase of the master development project. The overall Phase 3 area is bounded by 6<sup>th</sup> Street to the north, Divarty Street to the south, Second Avenue to the east, and Highway One to the west (Exhibit B).

The Dunes on Monterey Bay master development has received from the City of Marina an allocation of 593-AFY of potable water (Exhibit A). The proposed Dunes Phase 3 development will ultimately occupy approximately 77 acres in total and consist of 255 residential lots plus 2.48 acres of landscaped open space and several large “opportunity parcels” whose use it yet to be determined. The first portion of the site to be developed (the area primarily north of 5<sup>th</sup> Street, “Phase 3 North”) contains 129 residential lots and 1.14 acres of park space. The total residential water demand of Dunes Phase 3 is estimated to be 67.84-AFY of potable water. Landscaped parks located within Phase 3 will consume an additional 5-6 AFY, although this demand will be met with recycled water when available. The water demand of the opportunity parcels will not be known until development plans are finalized, but will be limited by whatever portion of the overall 593-AFY allocation remains as the Dunes nears completion.

The new infrastructure being transferred to the District will be constructed within the public right-of-way, public utility easements, or within easements provided to MCWD by Shea Homes.

The specific infrastructure proposed for transfer includes PVC potable water pipelines, PVC recycled water pipelines (purple pipes), PVC gravity sewer pipelines, and associated sewer manholes, water valves, and other appurtenances. The project also requires the combination and realignment of two pairs of large sanitary sewer gravity trunk mains (1<sup>st</sup> Avenue corridor and 5<sup>th</sup> Street “backbone”).

**Environmental Review Compliance:** This Infrastructure Agreement is not a “project” under the California Environmental Quality Act (CEQA); this action is categorically exempt.

**Legal Counsel Review:** Legal Counsel reviewed and approved the Infrastructure Agreement template. Legal Counsel has reviewed this particular Infrastructure Agreement for compliance with MCWD’s requirements.

**Climate Adaptation:** Not applicable.

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

**Other Considerations:** None recommended.

**Material Included for Information/Consideration:** Resolution No. 2024-40; draft Infrastructure Agreement, including Exhibits A through D.

**Action Required:**      X   Resolution    \_\_\_\_\_ Motion    \_\_\_\_\_ Review

---

Board Action

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

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

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

August 19, 2024

Resolution No. 2024 - 40  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving a Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and Shea Homes, LP,  
for the Dunes Phase 3 Development in Marina, CA

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 19, 2024 at the business office of the District, 920 Second Avenue, Marina, California as follows:

WHEREAS, Shea Homes, LP, (“Developer”) has coordinated with the District on their Dunes Phase 3 Development, consisting of new construction and related infrastructure, within the City of Marina portion of the Ord Community; and,

WHEREAS, the City of Marina has allocated a portion of its former Fort Ord water supply allocation for the Developer’s use in developing the Dunes on the Monterey Bay development project, and,

WHEREAS, the District and the Developer are working cooperatively regarding proposed water, recycled water and sewer system improvements; and,

WHEREAS, the District and the Developer have agreed upon the proposed Water, Sewer and Recycled Water Infrastructure Agreement and desire to enter into same.

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

1. authorize the General Manager to execute the Water, Sewer and Recycled Water Infrastructure Agreement between MCWD and Shea Homes, LP, for their Dunes Phase 3 Development; and,
2. to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED August 19, 2024, 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\_\_\_\_\_

---

Gail Morton, President

ATTEST:

---

Remleh Scherzinger, 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. 2024-40 adopted August 19, 2024.

---

Remleh Scherzinger, Secretary

# **MARINA COAST WATER DISTRICT**

## **Water, Sewer and Recycled Water Infrastructure Agreement**

**for**

### **The Dunes on Monterey Bay Phase 3**



WATER, SEWER AND RECYCLED WATER  
INFRASTRUCTURE AGREEMENT

TABLE OF CONTENTS

1. DEFINITIONS; ALLOCATIONS; DISTRICT’S ROLE; TERM OF THIS AGREEMENT .....	4
2. DESIGN AND CONSTRUCTION REQUIREMENTS .....	6
3. TEMPORARY IRRIGATION .....	8
4. EXISTING WATER AND SEWER INFRASTRUCTURE/ANNEXATION .....	8
5. DISTRICT TO SERVE DEVELOPMENT .....	8
6. CAPACITY CHARGE.....	9
7. PROVISION FOR NONPOTABLE WATER USE .....	9
8. NON-COMPLETION OF PRIOR PROJECTS AND PHASES .....	11
9. LICENSED CONTRACTOR.....	10
10. PERMITS, EASEMENTS, AND RELATED COSTS.....	10
11. FINAL INSPECTION AND REIMBURSEMENT OF DISTRICT COSTS .....	10
12. UNDERGROUND UTILITY AND SURFACE OBSTRUCTIONS .....	10
13. AS-BUILT PLANS, SPECIFICATIONS, VALUES, ETC.....	11
14. INDEMNITY, INSURANCE, AND SURETIES.....	11
15. TRANSFER OF SYSTEM FACILITIES TO DISTRICT AFTER COMPLETION .....	12
16. DEVELOPER ASSISTANCE.....	13
17. WARRANTIES .....	13
18. NO WATER, RECYCLED WATER AND SEWER SERVICE PRIOR TO COMPLETION AND TRANSFER . .....	13
19. PERFORMANCE .....	14
20. ASSIGNMENT .....	14
21. DISPUTE RESOLUTION PROCEDURE .....	14
22. WAIVER OF RIGHTS.....	16
23. NOTICES .....	16
24. SEVERABILITY .....	16
25. PARAGRAPH HEADINGS .....	17
26. SUCCESSORS AND ASSIGNEES .....	17
27. INTEGRATED AGREEMENT .....	17
28. NEGOTIATED AGREEMENT .....	17
29. ATTORNEYS FEES .....	17
30. EXHIBITS .....	17
31. DISCLAIMER/INDEMNITY REGARDING PUBLIC WORKS .....	19
32. NO THIRD PARTY BENEFICIARIES.....	19
33. COMPLIANCE WITH LAWS .....	19
34. COUNTERPARTS.....	19



## **Exhibits**

**EXHIBIT A – WATER ALLOCATION DOCUMENTATION**

**EXHIBIT B – LEGAL DESCRIPTION**

**EXHIBIT C – MAP OF DEVELOPMENT**

**EXHIBIT D – INDEMINIFCATION AND INSURANCE REQUIREMENTS**

# WATER, SEWER AND RECYCLED WATER INFRASTRUCTURE AGREEMENT

This Agreement made and entered into this 19<sup>th</sup> Day of August 2024 (“Effective Date”), between **Marina Coast Water District**, 11 Reservation Road, Marina, CA, 93933, hereinafter called "District", and Shea Homes Limited Partnership, a California Limited Partnership, with its principal offices at 2630 Shea Center Drive, Livermore, CA 94551, hereinafter called the "Developer" (collectively, the “parties”) The name of the Developer’s development that is the subject of this Agreement is The Dunes on Monterey Bay – Phase 3, consists of 255 Residential Lots plus Landscape and Opportunity Parcels.

## 1. Definitions; Allocations; District’s Role; Term of this Agreement.

1.1 Definitions, whenever used in this Agreement, the following terms shall have the following respective meanings:

a. “Agreement” means this Water, Sewer and Recycled Water Infrastructure Agreement as it may be amended from time to time in accordance with the terms and conditions hereof.

b. “City” means the City of Marina and/or the appropriate Agency of Land Use Jurisdiction.

c. “Contractor” means any contractor with which the Developer has a direct contractual relationship to perform any work under this Agreement.

d. “Development” means that certain property is bounded between 9<sup>th</sup> Street to the north, 6<sup>th</sup> street to the south, 1<sup>st</sup> Avenue to the west and legally described in Exhibit “B” and shown on the map at Exhibit “C.”

e. “Facilities” shall mean those certain infrastructure improvements and system provided for in this Agreement and as approved by District as part of its review of the Development plans, Facilities shall include, but not be limited to, pipes, pumps, electrical and instrumentation and controls.

f. “Procedures” means the District’s *Procedure Guidelines and Design Requirements*.

g. “Standards” means the District’s *Standard Plans and Specifications for Construction of Domestic Water, Sewer, and Recycled Water Facilities*.

h. “Water Allocation” means the total water allocated by the City/Land Use Jurisdiction for the Development as documented in Exhibit “A” and described in Exhibits “B” and “C”.

1.2 Allocation of Water Capacity for the Development. The parties hereto expressly agree that as a condition precedent for the performance of the District’s obligations hereunder, Developer

must provide proof, to the satisfaction of the District, that an approved allocation of water capacity for the Development from the water and recycled water capacity as allocated to the City by the Fort Ord Reuse Authority (FORA) exists. The potable water allocation for this project covered by this Agreement is 67.84-AFY for the residential parcels. The water allocation for the overall development project is 593-AFY.

1.3 Sewer Capacity. The District provides sewer collection from customers and conveyance of those sewer flows to the Monterey One Water (M1W) Regional Interceptor System which discharges to the M1W Wastewater Treatment Plant (WWTP). If additional Capacity is required for the Development, the Developer shall purchase the capacity from the M1W at the Developer's sole expense and shall provide proof of payment for that capacity right to the District at the time the sewer infrastructure is conveyed. Furthermore, the Developer understands and agrees that nothing herein shall be construed as a representation of future sewer capacity by District.

1.4 District's Role. The District's role in the Development is to approve the plans for Facilities, inspect the construction of the Facilities, accept the transfer of the title to the Facilities, to maintain and operate the systems, and to bill customers for water, sewer and recycled water service at rates set for the District's Service Area from time to time.

1.5 Term. This Agreement commences upon the above Effective Date and shall expire (a) two (2) years thereafter or (b) upon completion by the Developer and acceptance by the District of all Facilities required by this Agreement and the expiration of the required warranty period, whichever occurs first, unless terminated sooner as provided in section 19 of this Agreement.

## 2. Design and Construction Requirements

2.1 The facilities shall be designed, constructed and be operable in strict accordance with the District's requirements, which shall be a condition of the District's acceptance of the system Facilities under this Agreement. The District's requirements include, but are not limited to the following:

2.1.1 Developer shall design and construct the Facilities in strict accordance with the District's most recent Procedures and Standards in effect at the time of construction, (contained in updated Procedures) and any other applicable State Regulatory Agency requirements, whichever are most stringent. Any conflict in Development requirements shall be addressed during the plan review process or at such other times as any such conflict is discovered. A licensed civil engineer registered in the State of California shall prepare and stamp all plans and specifications for the Developer.

2.1.2 The Developer shall comply with the District's most recent Procedures and the District's most recent Standards in effect at the time of construction when submitting project plans and specifications to the District for review and consideration for approval. District's review shall commence after the District determines compliance with District's Procedures regarding the submittals and any other applicable State Regulatory Agency requirements, whichever are most stringent. District review of the Development's plans and specifications shall commence after receipt of the initial deposit (see Paragraph 2.1.7).

2.1.3 The Developer shall comply with most recent District Code in effect at the time of construction including, but not limited to, section 4.28 *Recycled Water*. The District will identify recycled water turnout location(s). The Developer will also install the lateral lines

from each turnout to the point of delivery. The Developer, or its successors or assignees (such as an owner's association), will assist MCWD to obtain all required permits for the on-site use of recycled water. This shall include but is not limited to, complying with the California Department of Health Services, the State of California Regional Water Quality Control Board and other regulatory agency requirements prior to constructing any recycled water Facilities.

2.1.4 The District shall have the right to inspect the construction of the Facilities and ensure that construction and installation conforms to the Development plans and specifications. District's right to inspect extends to five (5) feet from the building exterior at the point where the utility enters the structure. The District shall also have the right to confirm that Developer is using special fixtures including zero water use urinals, hot water recirculation systems, etc., in compliance with the District's most recent rules and ordinances. The District's right to confirm compliance under this section does not in any way eliminate or supersede any inspection obligations by the City or County, including but not limited to the issuance of final occupancy permits. District will endeavor to inform the responsible City or County agency of these MCWD requirements so that the responsible agency can incorporate these items into their inspection punch list.

2.1.5 All Facilities subject to District's right of inspection shall be tested to meet District requirements. No Facilities or portion thereof will be accepted without meeting all District test requirements. The District shall have the right to inspect work in progress in the construction of either in-tract or out-of-tract water, recycled water and sewer infrastructure Facilities or special fixtures, as described above.

2.1.6 The Developer, on a phased basis, agrees to pay all fees and charges, including additional plan check fees and construction inspection fees as required by the District for the Development. These fees will be determined by the District at the time the fees are due and payable. The District may also require a prepaid fee to cover staff time before preliminary level or concept level plan check begins. (See *Procedures* section 100.6.2) If the District Engineer determines consultant assistance is required for plan check review or portion thereof, the Developer agrees to prepay the additional plan check fees if that cost exceeds the balance on the initial deposit. The District shall obtain the Developer's written approval for any costs in excess of this amount, for which approval shall not be unreasonably withheld. Upon the execution of this Agreement by both parties, the Developer shall deposit with the District the applicable administration and plan check fees. Any surplus fees shall be returned to the Developer.

2.1.7 Construction Inspection Fees. On a phased basis, the District shall require the construction inspection fee before undertaking a construction inspection review of the proposed facilities. As a condition precedent to the District's obligation to undertake a construction inspection review of the proposed facilities, the Developer shall provide to the District the construction inspection fee, which is currently five hundred dollars (\$500.00) per unit plus three percent (3%) of facilities construction costs, pursuant to Developer's Engineer's estimate. (See *Procedures* section 200.3.2)

### 3. Temporary Irrigation

3.1 In the event the Developer has complied with the terms of this Agreement, the Developer may specify areas of landscaping within the area covered by this Agreement to have "temporary

irrigation.” A temporary irrigation network may only exist for 6-years from installation. At the end of 6-years, the temporary irrigation network will have ceased to exist (i.e. be demolished) or it will be considered a District-approved, permanent irrigation connection.

3.2 The Development’s temporary irrigation network Facilities shall be designed, constructed and be made operable, and then demolished in strict accordance with MCWD’s requirements. District’s requirements include, but are not limited to the following:

3.2.1 Developer shall design and construct the temporary irrigation network facilities in strict accordance with the below requirements, MCWD’s most recent Procedures and Standards in effect at the time of construction (contained in MCWD’s Procedures, Guidelines, and Design Requirements and the MCWD Water Code), and any other applicable State Regulatory Agency requirements, whichever are most stringent. This requirement expressly includes MCWD Water Code section 4.28 *Recycled Water*. Any conflict between these requirements shall be addressed during the plan review process or at such other times as any such conflict is discovered. A licensed landscape architect registered in the State of California shall prepare all plans and specifications for the temporary irrigation networks.

3.2.2 Developer, within the design of the temporary irrigation network, shall specifically provide MCWD a clear depiction of the temporary irrigation network layout and the precise area, in acres and square feet, that will be irrigated temporarily. The connection location and all surface and subsurface features that will be demolished and removed by Developer at the end of the temporary network’s useful life shall be depicted.

3.2.4 Developer shall design the temporary irrigation networks with the piping and irrigation distribution heads above the surface of the ground. Some features may be installed in boxes below the surface, but the piping shall return to the surface in as few feet as feasible after passing through any such subsurface feature. In particular, the meter box in which MCWD will install the temporary irrigation meter shall be installed per normal MCWD standard (and thereby will be below the surface).

3.2.5 Developer shall provide, within the design of the temporary irrigation network, a demolition design detail acceptable to MCWD depicting the temporary irrigation site’s connection demolition and remaining irrigation facilities in their post-demolition condition.

3.3 District shall have the right to inspect the construction of the temporary irrigation networks facilities, verify that construction conforms to the plans, specifications and MCWD standards, witness the demolition and removal of the temporary irrigation network, and inspect the demolition and removal of the temporary irrigation network’s connection. District’s right to inspect does not in any way eliminate or supersede any inspection obligations by the State or local Land Use Jurisdiction.

3.4 As required by MCWD, all temporary irrigation networks shall be tested to meet MCWD requirements. No facilities or portion thereof will be accepted as suitable for service without meeting all MCWD test requirements. The District shall have the right to inspect work in progress in the construction of either in-tract or out-of-tract temporary irrigation networks as described above.

3.5 Developer agrees to pay all costs-to-connect as a condition precedent to MCWD’s obligation to install the meter required to serve water to the temporary irrigation network. Costs to connect for a temporary irrigation network include, but are not limited to, the meter installation

fee (which includes the cost of the meter itself), a water permit fee, a backflow prevention program fee (all at the then-existing rates), and the payment of a special connection fee. These costs-to-connect are due prior the installation of water meters. The special connection fee shall be in the exact amount of the Water capacity charge that would otherwise be assessed to the identical permanent irrigation network with the magnitude of the special connection cost determined in identical fashion. District's Board of Directors reserves its right to review and revise these cost-to-connect fees and charges from time to time subject to applicable law and MCWD's approval procedures for such charges. Developer agrees to pay the costs-to-connect in effect at the time of providing services.

3.6 If the temporary irrigation network is removed to MCWD's satisfaction by the end of the third year since meter installation (or by an earlier date), then the special connection fee shall be reimbursed to Developer in the amount of the 100% of the special connection fee. Similarly, if the temporary irrigation network is removed:

- By the end of the fourth year since meter installation as determined in Section 3.5, then the special connection fee reimbursement to Developer shall be 75%.
- By the end of the fifth year since meter installation as determined in Section 3.5, then the special connection fee reimbursement to Developer shall be 50%.
- By the end of the sixth year since meter installation as determined in Section 3.5, then the special connection fee reimbursement to Developer shall be 25%.

If the temporary irrigation network remains in-service following the end of the sixth-year, then no reimbursement of special connection fees will be owed to the Developer and the temporary irrigation network may be removed (or not) at the discretion of Developer. The District will retain all special connection fees paid and will treat the so-called temporary irrigation network as a District approved, permanent irrigation connection.

#### 4. Existing Water, Sewer and Recycled water Infrastructure/Annexation

4.1 The Developer will comply with the District's *In-Tract Policy* regarding any water, recycled water and sewer mains or appurtenances within the Development. Developer, or its successors or assignees, shall assume all responsibility, and will hold District harmless, for all infrastructures within the Development boundaries that will be modified, removed or abandoned by Developer. Abandonment-in-place requires written approval by the District. The Developer shall be solely responsible for repair, replacement and maintenance of existing District Facilities to remain within the Development boundaries during the construction of the Development, regardless of whether the Facilities are for the benefit of the Development.

4.2 Annexation. Developer acknowledges that the Development shall be annexed into the District's jurisdictional boundaries. In exchange for the District's commitments to provide the services specified herein to the Development, the Developer, and its successors and assigns, hereby irrevocably consent to the annexation of the Development to the District. The terms and conditions of this section of the Agreement supersedes interpretations of MCWD Water Code section 3.08.060.D. Developer shall cooperate in all manner with the requests of the District, the Monterey County Local Agency Formation Commission ("LAFCO"), or any other public agency in any proceedings to annex the Development to the District. The Developer shall be responsible for preparing all studies, maps, legal descriptions, and other documents required by LAFCO in connection with the annexation process, including the efforts to comply with CEQA requirements.

The Developer shall also be responsible for any engineering, legal and publication costs and all other charges which may be incurred by the District in preparing and examining maps, legal descriptions and other documents in relation thereto, and other expenses regularly incurred in connection with the annexation of the Development into the District. Expressly, the Developer shall be responsible for paying all LAFCO and State Board of Equalization fees and costs or any other fees in connection with the annexation. District, in its discretion, may require Developer to provide a deposit at the commencement of the annexation process for District's cost reimbursements described herein. District may require Developer to replenish the deposit within thirty (30) days of written notice. The Developer shall indemnify and defend the District from all legal actions in relation to the annexation.

## 5. District to Serve Development

5.1 District will deliver water, recycled water and provide sewer service to the Development after final Board Acceptance of the conveyance of the facilities and final Board Acceptance of the facilities (see *Procedures* section 300.25). Thereafter, the District will bill and serve the end-user(s) directly. The Developer shall pay the prepayment of applicable meter fees and Capacity Charges, cross connection charges, and all other applicable fees and charges for service. Once the applicable fees and charges are determined and paid in full, the District will immediately begin water service with the installation of the water meter(s). The District shall provide sewer service upon installation of water meters and payment of all applicable fees. The District's obligations in this section are subject to District's rules, regulations, policies and ordinances, which may be updated from time to time.

## 6. Capacity Charge

6.1 The current FY 2024-2025 capacity charges, effective July 1, 2024, for water and sewer services are \$13,900 per EDU and \$3,575 per EDU, respectively, under Title 6 of the MCWD Water Code and which may be adjusted annually under that Title. In addition to these authorized annual adjustments, the District Board of Directors reserves its right to review and revise these charges from time to time subject to applicable law and the District's approval procedures for such charges. The Developer shall pay the capacity charges in effect on the date that the Meter Application for any given EDU is accepted by MCWD.

## 7. Provision for Non-Potable Water Use

7.1 Based upon existing studies, the District does not have sufficient existing firm water supplies to meet the water demands of projected developments within the District's service area. Therefore, improvement plans must be compatible with District's then-in effect master recycled-water capital facilities improvement plans and anticipate the availability of a non-potable water supply to serve common area open spaces within the Development, as permitted by applicable laws and regulations.

7.2 Developer, and its successors or assignees (such as an Homeowners Association), agrees to take recycled water for non-potable use. Developer, or its successors or assignees agree that the District-established cost will be paid by the recycled water customers.

## 8. Non-Completion of Prior Projects and Phases

8.1 To the extent Developer has existing obligations under any other Infrastructure Agreement with District which have yet to be fulfilled, District reserves the right to refuse to provide the services specified herein until Developer completes those tasks to the satisfaction of District.

## 9. Licensed Contractor

9.1 The Developer, or his authorized representative (contractor, or subcontractors as the case may be) performing the work, shall be licensed under the provisions of the Business and Professions Code of the State of California to perform the specified work required for the Development. District reserves the right to waive this requirement at its sole discretion where permitted under state statute.

9.2 The Developer, or its contractor, shall be skilled and regularly engaged in the installation of water, recycled and sewer systems. The District may request evidence that the constructing party has satisfactorily installed other projects of like magnitude or comparable difficulty. Upon request, contractors must furnish evidence of their qualifications to do the work in a form suitable to the District prior to the commencement of any work on the facilities.

## 10. Permits, Easements, and Related Costs

10.1 Except as otherwise provided in this Agreement, the Developer shall obtain all necessary local, county and state permits (including encroachment permits) and conform to requirements thereof. Developer shall obtain all easements (excluding easements within existing public rights of way) necessary for ingress and egress to and from the facilities for the purpose of installation, operation, maintenance, replacement and removal of said facilities and for the location of the facilities. Pipeline easements shall be 20 feet in width or as otherwise agreed by the District Engineer and Developer. Easements shall be in a form approved by the District and it shall be the Developer's responsibility to have the approved easements recorded. Developer shall provide proof of recordation of the easements, in a form satisfactory to the District, prior to the District's obligation to provide any of the services contemplated by this Agreement.

## 11. Final Inspection and Reimbursement of District Costs

11.1 The District must inspect completed Facilities, or portion thereof. The District will not accept any facility until its Engineer has given written approval that it satisfies the District's requirements. Developer shall be responsible for all costs incurred by the District that are associated with interim and final inspection, completion, additional construction, and testing of the facilities, subject to the limitations set forth in Paragraph 2 *Design and Construction* Requirements. Developer shall reimburse District for costs to correct any damages to facilities related to the construction of the Development caused by the Developer or any authorized representative (developer's contractor). This reimbursement obligation is limited to the warranty period described in paragraph 15 *Warranties*. Developer shall remit to District prior to the conveyance of the facilities to the District, payment of all costs due and unpaid under this Agreement over and above deposits previously paid to the District. If there are surplus deposit funds or any refunds due Developer, then District shall return to Developer the amount of such surplus or refunds upon acceptance by the District of all facilities required to be constructed under this Agreement.

## 12. District's Non-responsibility for Acts or Omissions of Developer, etc.;



## Developer Responsible for Verifying Underground Utility Lines and Surface Obstructions

12.1 The District is not responsible for and does not assume any responsibility or liability whatsoever for, acts and omissions of the Developer, Developer's contractors or any contractor's subcontractors or suppliers at any tier during the design and construction of the facilities. Any location of underground utility lines or surface obstructions given to the Developer or placed on the project drawing by District are for the Developer's convenience and must be verified by Developer in the field. The District assumes no responsibility for the sufficiency or accuracy of such information, lines, or obstructions.

## 13. As-Built Plans, Specifications, Values, Etc.

13.1 Developer shall, as a condition of District's acceptance of the facilities, provide to the District in accordance with Section 400.13 of the *Procedures Guidelines and Design Requirements* the following:

13.1.1 One set each of Mylar drawing prints and AutoCAD digitized files of the improvement plans, which show all of the facilities, and one hardcopy and one electronic copy of the specifications, and one hardcopy and one electronic copy of any contract documents used for the construction of the water, sewer and recycled water system facilities. Scanned and signed copies in Adobe Acrobat format are also required.

13.1.2 One hardcopy and one electronic copy of a complete, detailed statement of account, the form and content to be provided by the District at the time of conveyance, of the amounts expended for the installation and construction of the facilities, with values applicable to the various components thereof, together with a list of any other materials and equipment (and their values) being transferred.

13.1.3 Any other documents required by Section 400.13 of the *Procedures Guidelines and Design Requirements*.

## 14. Indemnity, Insurance, and Sureties

14.1 Indemnity and Insurance - The Developer agrees to have every Contractor performing work on the Facilities fully comply with the all of the requirements in Exhibit D. To the extent that any indemnity or insurance coverage provided by any such Contractor does not fully indemnify the District for any and all claims as defined in Exhibit D, Developer agrees to indemnify, hold harmless, and defend the District, its directors, officers, employees, representatives, and authorized volunteers. Coverages required by Exhibit D shall be maintained throughout the term of this Agreement. Every Contractor shall file with the District prior to the commencement of any work under this Agreement, and as policy renewals occur, Certificates of Insurance evidencing that the insurance coverages required herein have been obtained and are currently in full force and effect.

14.2 Performance and Payment Surety - Developer or its Contractor, as the case may be, shall furnish the District with a surety to secure the completion of and payment for the facilities. The amount of the performance surety shall not be less than 100% of the District's estimate of the total cost to construct all of the facilities required under this Agreement. The amount of the payment surety shall not be less than 100% of the District's estimate of the total cost to construct all of the Facilities required under this Agreement. The surety instrument shall be in a form satisfactory to

the District such as a performance and payment bond, irrevocable letter of credit, cash deposit, or irrevocable construction "set-aside" letter. Such surety may include evidence that it was submitted to another public agency of an equivalent or greater amount covering the work to be done under this Agreement. Each surety must be authorized in the State of California to issue the surety instrument provided. All surety instruments signed by an agent must be accompanied by a certified copy of the agent's authority to act.

14.3 Developer shall furnish the District with a Warranty bond or other surety instrument satisfactory to the District in the amount equal to forty percent (40%) of the actual construction costs to secure the Developer's performance under Section 15, Warranties.

14.4 Submittal of Insurance Certificates and Surety - The required insurance certificates shall be delivered prior to commencement of construction. The required performance and payment surety shall be delivered to the District prior to District approval of plans and specifications. No work may be commenced under this Agreement unless and until all required insurance certificates and performance and payment sureties are submitted to and approved by the District. The Warranty surety shall be provided prior to the District's acceptance of the facilities and shall remain in effect for the duration specified in Section 15.1.

14.5 The performance surety shall remain in effect until final acceptance of the facilities by the District in accordance with Section 13.1. The payment surety shall remain in effect until the last of the following occur: (i) the statutory time has expired to commence a legal action on the payment surety and no legal action was filed, (ii) satisfaction of all judgments against the payment surety, and (iii) as otherwise provided by law. The warranty surety shall remain in effect until all warranties under this Agreement have expired.

## 15. Transfer of System Facilities to District after Completion

15.1 Developer shall execute and obtain all signatures of all other parties having any interest (including any Deed of Trust), and deliver a conveyance satisfactory in form and content to District. This conveyance shall transfer unencumbered ownership of all facilities required by this Agreement to the District together with all real property, interests in real property, easements and rights-of-ways (including any off-site easements or real property) other than those contained in public rights of way, and all overlying and other underground water rights that are a part of, appurtenant to, or belonging to the Development now or hereafter served by the water, sewer and recycled water system facilities that are necessary or appropriate in the opinion of the District for the ownership and operation of the facilities. Provided all conditions set forth in this Agreement are satisfied, the District shall accept the conveyance. All costs of construction of the facilities, for which the Developer is responsible, shall have been paid for by Developer, the time for release of the payment surety under Section 12.5 shall have expired (or Developer shall provide other security acceptable to the District), and the title to all of the facilities and the interests in real property transferred shall be good, clear and marketable title, free and clear of all encumbrances, liens or charges. Developer shall pay costs of any title insurance deemed necessary by the District and is reasonable and customary for the insured transaction type. All construction, including final inspection punch list items must be completed prior to transfer, and the transfer shall not be completed until the conveyance transferring the water, sewer and recycled water system facilities has been formally accepted by the District. After transfer, the District shall own and be free in every respect to operate and manage the facilities and to expand or improve, or interconnect the facilities with other adjacent facilities, as the District deems appropriate in its sole discretion.

## 16. Developer Assistance

16.1 Developer shall, secure and provide any information or data reasonably needed by District to take over the ownership, operation and maintenance of the facilities. This obligation shall extend to one year after transfer of the Facilities.

## 17. Warranties

17.1 Developer hereby warrants that as of the time of the District's acceptance of the conveyance of the facilities (or when Developer thereafter completes the installation of any works or components subsequently installed, repaired, or replaced) the Facilities and all components thereof, will be in satisfactory working order and quality and free of any defect in equipment, material, or design furnished, or workmanship performed by the Contractor or any subcontractor or supplier at any tier; and that the facilities and all components thereof have been constructed and installed in compliance with all approved specifications and as-built plans being provided to the District, and in accordance with applicable requirements of the District and any other governmental agency having jurisdiction. Developer also warrants that as of the time of the District's acceptance of the conveyance of the facilities (or when Developer thereafter completes the installation of any works or components subsequently installed, repaired, or replaced) the Facilities will operate in good and sufficient manner for the purposes intended for (a) one (1) year after the latter of (i) the date of acceptance, (ii) the expiration of all lien enforcement periods, or (iii) proof of conveyance of Facilities, or (b) 180-days from the date new Facilities are subsequently re-installed, repaired, or replaced and inspected and accepted by the District (hereafter *replacement facilities*), whichever of (a) or (b) occurs last. The Developer shall remedy at the Developer's expense any failure to conform with any applicable requirement of the District, by any Contractor or any subcontractor or supplier at any tier, or any defect. If the Developer fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice by the District or any other person or entity, the District shall have the right to replace, repair, or otherwise remedy the failure, defect, or damage at the Developer's expense and the Developer shall indemnify District for all such costs (including District's own labor costs) incurred.

17.2 With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this Agreement, the Contractor shall:

- (1) Obtain all warranties that would be given in normal commercial practice;
- (2) Require all warranties to be executed, in writing, for the benefit of the District; and
- (3) Enforce all warranties for the benefit of the District, if directed by the District.

In the event any warranty under this section has expired, the District may bring suit at its expense to enforce a subcontractor's, manufacturer's, or supplier's warranty.

17.3 This Section 15 shall not limit the District's rights under the law with respect to latent defects, gross mistakes, or fraud.

## 18. No Water, Recycled Water and Sewer Service Prior to Completion and Transfer

18.1 The Developer shall not allow any occupant or person to commence operations or use of any part of the Facilities without the express written consent of the District. District may impose conditions or restrictions upon any consent to such prior service, such as posting a surety bond.

District recognizes that the Development, and hence the Facilities, may be built, accepted and transferred in multiple phases. Notwithstanding any of the foregoing, Developer may use the Facilities before they are accepted for fire protection and construction purposes in all phases, subject to satisfaction of applicable testing.

## 19. Performance

19.1 Developer agrees to promptly design and construct the Facilities and, transfer the same to the District in accordance with the terms of this Agreement. If construction of the facilities have not been completed and accepted by District within twenty four (24) months from the date of execution of this Agreement (such date may be extended for delays beyond Developer's control and without the fault or negligence of the Developer or any Contractor or subcontractor or supplier at any tier, but in no event shall such delay exceed twelve (12) additional months), the District shall have the option to terminate this Agreement. If construction on any phase is not complete within twenty-four months or as extended as provided above, then an Amendment to this Agreement will be necessary to address each such phase, which shall incorporate the policies, fees and charges of the District then in effect as of the effective date of said Amendment. Subsequent phases also may at District's discretion be addressed by Amendment(s) to this Agreement.

19.2 Responsibility for Work - Until the completion and final acceptance by the District of all the work under and implied by this Agreement, the Developer will require the work to be under the Contractor's responsible care and charge. The Contractor shall rebuild, repair, restore and make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

## 20. Assignment

20.1 Neither party may assign their rights or obligations under this Agreement within its term without the written consent of the other party.

20.2 Provisions of water delivery, recycled water delivery, and sewer service will be deemed assigned to each property owner upon acquisition of his/her commercial and/or residential unit in the Development. Upon assignment, the Developer's responsibilities relating to recycled water facilities, use and approvals will become the assignee's responsibility. This provision will cease to have any effect when the District accepts title to the water facilities, or the Agreement is terminated.

## 21. Dispute Resolution Procedure

21.1 Disputes arising under this Agreement shall be resolved as provided in this section.

21.2 Prevention of Disputes/Meet and confer - The parties agree that they share an interest in preventing misunderstandings that could become claims against one another under this agreement. The parties agree to attempt to identify and discuss in advance any areas of potential misunderstanding that could lead to a dispute. If either party identifies an issue of disagreement, the parties agree to engage in a face-to-face discussion of the matter within three (3) calendar days of the initial request. If the dispute cannot be negotiated between the parties, the matter shall first be brought to the attention of the District's Board of Directors at the first available regularly scheduled Board Meeting. As a contract dispute, the matter shall be considered by the District Board of Directors in closed session under the Brown Act without the Developer or Contractor in attendance. If any disagreement remains unresolved for ten (10) days after consideration by the

District Board of Directors, the parties agree to submit it to mediation as provided in Section 19.3 below.

21.3 Mediation - Either party may demand, and shall be entitled to, mediation of any dispute arising under this agreement at any time after completing the meet and confer process described in subsection 19.2. Mediation shall commence not more than ten (10) days after the initial mediation demand and must be concluded not more than thirty (30) days after the date of the first mediation demand. If mediation is not concluded within that time, then either party may demand arbitration as set forth in Section 19.4.

Mediation shall be submitted first to a mediator with at least ten years' experience with the issues in dispute. The mediator shall be selected by mutual agreement of the parties. Failing such mutual agreement, a mediator shall be selected by the presiding judge of the Monterey County Superior Court. In the interest of promoting resolution of the dispute, nothing said, done or produced by either party at the mediation may be discussed or repeated outside of the mediation or offered as evidence in any subsequent proceeding. The parties acknowledge the confidentiality of mediation as required by Evidence Code 1152.5.

No mediator shall submit, and no arbitrator or court shall consider, any mediator recommendations, declarations, or findings unless the parties give their written consent to the proposed mediator statement.

21.4 Arbitration - If mediation fails to resolve the dispute, the parties shall select an arbitrator by mutual agreement. Failing such agreement, the arbitrator shall be selected by the Presiding Judge of the Superior Court. The decision of the arbitrator shall be final and not subject to judicial litigation.

Arbitration shall be commenced within thirty (30) days of the arbitration demand and concluded within 60 days of arbitration demand.

Arbitration shall follow the so-called "baseball arbitration" rule in which the arbitrator is required to select an award from among the final offers presented by the contending parties. The arbitrator may not render an award that compromises between the final offers.

Unless the arbitrator selects another set of rules, the arbitration shall be conducted under the J.A.M.S. Undisputed Streamlined Arbitration Rules and Procedures, but not necessarily under the auspices of J.A.M.S. Upon mutual agreement, the parties may agree to arbitrate under an alternative scheme or statute. The Arbitrator may award damages according to proof. Judgment may be entered on the arbitrator's award in any court of competent jurisdiction.

**NOTICE: IN AGREEING TO THE FOREGOING PROVISION, YOU ARE WAIVING YOUR RIGHT TO HAVE YOUR RIGHTS UNDER THIS AGREEMENT TRIED IN A COURT OF LAW OR EQUITY. THAT MEANS YOU ARE GIVING UP YOUR RIGHT TO TRIAL BY JUDGE OR JURY. YOU ARE ALSO GIVING UP YOUR RIGHT TO DISCOVERY AND APPEAL EXCEPT AS PROVIDED IN THE ARBITRATION RULES. IF YOU REFUSE TO ARBITRATE YOUR DISPUTE AFTER A PROPER DEMAND FOR ARBITRATION HAS BEEN MADE, YOU CAN BE FORCED**

**TO ARBITRATE OR HAVE AN AWARD ENTERED AGAINST YOU BY DEFAULT. YOUR AGREEMENT TO ARBITRATE IS VOLUNTARY.**

**BY INITIALING THIS PROVISION BELOW, THE PARTIES AFFIRM THAT THEY HAVE READ AND UNDERSTOOD THE FOREGOING ARBITRATION PROVISIONS AND AGREE TO SUBMIT ANY DISPUTES UNDER THIS AGREEMENT TO NEUTRAL BINDING ARBITRATION AS PROVIDED IN THIS AGREEMENT.**

MCWD's INITIALS \_\_\_\_\_

SHEA's: INITIALS \_\_\_\_\_

## 22. Waiver of Rights

22.1 Waiver. No waiver of any breach or default by either party shall be considered to be a waiver of any other breach or default. The waiver by any party for the time for performing any act shall not constitute a waiver of the time for performing any other act or an identical act to be performed at a later time. None of the covenants or other provisions in this Agreement can be waived except by written consent of the waiving party.

## 23. Notices

23.1 All notices, demands, or other communications, which this Agreement contemplates or authorizes, shall be in writing and shall be personally delivered, or mailed by certified mail, return receipt requested, or delivered by reliable overnight courier, to the respective party as follows:

**To District:** Marina Coast Water District  
**Attn: General Manager**  
11 Reservation Road  
Marina, California 93933

**To Developer:** Shea Homes Limited Partnership  
**2630 Shea Center Drive**  
**Livermore, CA 94551**  
**Attn: Don Hofer**

23.2 The address to which notice may be sent may be changed by written notification of each party to the other as above provided.

## 24. Severability

24.1 If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement. Stricken provisions shall not affect the legality, enforceability, or validity of the remainder of this Agreement so long as the stricken provision is replaced with a legal, enforceable and valid provision that conforms with the allocation of benefits and burdens to the respective parties and intent of the parties as expressed herein.

## 25. Paragraph Headings

25.1 Paragraph headings are for convenience only and are not to be construed as limiting or amplifying the terms of this Agreement in any way.

## 26. Successors and Assignees

26.1 This Agreement shall be binding on and benefit the assignees or successors to this Agreement in the same manner as the original parties hereto.

## 27. Integrated Agreement

27.1 This Agreement integrates and supersedes all prior and contemporaneous Agreements and understandings concerning the subject matter herein. This Agreement constitutes the sole agreement of the parties and correctly sets forth the rights, duties and obligations of each to the others. Future amendments must be in writing signed by the parties. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect.

## 28. Negotiated Agreement

28.1 This Agreement has been arrived at through negotiation between the parties. Neither party is deemed the party that prepared the Agreement within the meaning of Civil Code Section 1654.

## 29. Attorneys' Fees

29.1 If arbitration or suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover as an element of costs of suit, and not as damages, a reasonable attorneys' fee to be fixed by the arbitrator or Court, in addition to any other relief granted. The "prevailing party" shall be the party entitled to recover costs of suit, whether or not the suit proceeds to arbitrator's award or judgment. A party not entitled to recover costs shall not recover attorneys' fees. No sum for attorneys' fees shall be counted in calculating the amount of an award or judgment for purposes of determining whether a party is entitled to recover costs or attorneys' fees.

29.2 If either party initiates litigation without first participating in good faith in the alternative forms of dispute resolution specified in this Agreement, that party shall not be entitled to recover any amount as attorneys' fees or costs of suit even if such entitlement is established by statute.

## 30. Exhibits

30.1 All exhibits referred to in this Agreement and attached to this Agreement are incorporated in this Agreement by reference.

## 31. Disclaimer/Indemnity Regarding Public Works

31.1 District has not determined whether the project would be considered a "Public Works" project for the purposes of California law, and makes no warranties or representations to Developer about whether the project would be considered a "Public Works" project. Developer is aware that if the project is considered a "Public Works" project, then Developer would have to pay "prevailing wages" under California Labor Code section 1771. If Developer fails to pay such prevailing wages, Developer acknowledges that it will be liable to, among other things, pay any shortfall

owed as well as any penalties that might be assessed for failure to comply with the law. If Developer does not pay prevailing wages, and an action or proceeding of any kind or nature is brought against the District based on such failure, Developer will defend and indemnify District in the action or proceeding. District agrees to reasonably cooperate and assist Developer in any the defense of any such action.

## 32. No Third-Party Beneficiaries

32.1 There are no intended third-party beneficiaries to this Agreement.

## 33. Compliance with Laws

33.1 Developer will comply with all laws, rules and regulations in carrying out its obligations under this Agreement.

## 34. Counterparts

34.1 This Agreement may be executed in counterparts, and each fully executed counterpart shall be deemed an original document.



**By: SHEA HOMES Limited Partnership,  
a California limited partnership**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**By DISTRICT**

\_\_\_\_\_, General Manager

Marina Coast Water District

EXHIBIT A

WATER ALLOCATION DOCUMENTATION

**RESOLUTION NO. 2005-129**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA MAKING FINDINGS AND DETERMINATIONS PURSUANT TO CALIFORNIA WATER CODE SECTION 10911(c) AND CALIFORNIA GOVERNMENT CODE SECTION 66473(b)(3), AND RESERVING AND ALLOCATING WATER SUFFICIENT TO SERVE THE MCP DEVELOPMENT.**

**WHEREAS**, the City Council of the City of Marina, California (the "City"), did on the 31st day of May, 2005, hold a duly-noticed public hearing, continued from the 17th day May 2005, to consider approval of the University Villages Specific Plan and related approvals consisting of a General Plan Amendment, Tentative Map, Design Review for Phase 1 Improvements, Tree Removal Permit, Zoning Map Amendment and a development agreement between the City and Marina Community Partners, LLC, covering the development of approximately 390 acres of the approximately 420 acre area covered by the Specific Plan controlled by Marina Community Partner, LLC (the "Development Agreement") (collectively, the "Project") (that portion of the Project controlled by Marina Community Partners, LLC, and to be developed in accordance with the Development Agreement is hereinafter referred to as the "MCP Development" and the remaining portion of the Project is referred to as the "Other UV Specific Plan Development"); and

**WHEREAS**, the Planning Commission of the City of Marina, California, did on the 5th day of May, 2005, hold a duly-noticed public hearing, continued from the 14th day of April, 2005 and a work session, on the 23rd day of April 2005, recommend approval, subject to conditions, of the University Specific Plan and other entitlements; and

**WHEREAS**, said University Villages Specific Plan has complied with the requirements of the California Environmental Quality Act of 1970, California Public Resources Code section 21000 et seq., in that the City of Marina has prepared and certified the University Villages Specific Plan Environmental Impact Report (SCH No. 2004091167); and

**WHEREAS**, the city has been allocated 1,325 acre feet of potable water annually under the Fort Ord Reuse Plan adopted by the Fort Ord Reuse Authority ("FORA") to serve property within the City that is also within the Fort Ord Reuse Plan planning area (the "FORA Allocation"); and

**WHEREAS**, in connection with the preparation of the University Villages Specific Plan Environmental Impact Report, on October 18, 2004 the City requested the Marina Coast Water District ("MCWD") to prepare a water supply and demand assessment and written verification of sufficient supply in compliance with Sections 10910 through 10912, inclusive, of the Water Code, and Sections 65867.5 and 66473.7 of the Government Code, respectively, to evaluate whether sufficient potable water will be available to serve the water demands associated with the Project, including, but not limited to, the MCP Development to be

developed by Marina Community Partners, LLC, and its successors and assigns, under the Development Agreement (the "University Villages WSA"); and

**WHEREAS**, acting on the City's request, the MCWD did prepare the University Villages WSA, attached hereto as Exhibit A, which document was approved by the MCWD's governing body, in accordance with California Water Code section 10910(g)(1), following public hearings held on the 12th day of January 2005 and continued to the 26th day of January 2005; and

**WHEREAS** the University Villages WSA has been considered by the City, along with those documents included in the administrative recorded and listed on the attached Exhibit B, and a true and correct copy thereof included in the University Villages Specific Plan Environmental Impact Report, in accordance with California Water Code sections 10911(b-c).

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Marina, as follows:

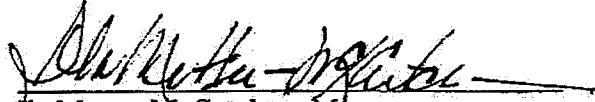
1. That the above recitations are true and correct, incorporated herein by this reference, and constitute findings of the City Council in this matter;
2. That, in accordance with California Water Code section 10911(c) and in light of those considerations set forth in the attached Exhibit B and Exhibit B-1, the City Council hereby finds that, based on the entire record, projected water supplies will be sufficient to satisfy the demands of the Project, in addition to existing and planned future uses;
3. That, in accordance with California Government Code section 66473.7(b)(3) and in light of those considerations set forth in the attached Exhibit B and Exhibit B-1, the City Council hereby finds that, based on the entire record, in addition to overstating the Project's and the MCP Development's water demands, the University Villages WSA failed to account for additional water supplies that are, or will be, available prior to completion of the MCP Development subdivision that will satisfy the requirements of Government Code section 66473.7.
4. The City Council determines that the evidence in the records constitutes substantial evidence to support the actions taken and findings made in this Resolution.
5. That the City Council does hereby irrevocably reserve and allocate 593 acre feet annually of the FORA Allocation to that 390 acre portion of the Project covered by the Development Agreement and controlled by Marina Community Partner's LLC, its successors and assigns, to serve the MCP Development;
6. That the allocation of water under this resolution is deemed to be sufficient to meet the water demands associated with the full build-out of the MCP Development in a manner consistent with the Specific Plan and the Development Agreement, as described in the attached Exhibit B.

**PASSED AND APPROVED** by the City Council at a regular meeting of May 17, 2005 and continued to May 31, 2005, by the following vote

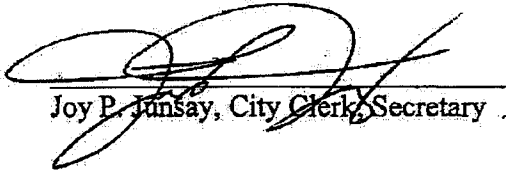
AYES, COUNCIL MEMBERS: Gray, Morrison, Wilmot, McCall and Mettee-McCutcheon

NOES, COUNCIL MEMBERS: None

ABSENT, COUNCIL MEMBERS: None

  
Ma Mettee-McCutcheon, Mayor

ATTEST:

  
Joy P. Junsay, City Clerk/Secretary

## **EXHIBIT B**

### **Finding 1:**

In accordance with California Water Code section 10911(c), the City hereby determines, based on the entire record, that projected water supplies will be sufficient to satisfy the demands of the Project, in addition to existing and planned future uses.

### **Finding 2:**

In accordance with California Government Code section 66473.7(b)(3), the City Council hereby determines, based on the entire record, additional water supplies not accounted for by the Marina Coast Water District ("MCWD") in its WSA issued for the University Villages Specific Plan are, or will be, available prior to completion of the MCP Development subdivision that will satisfy the requirements of Government Code section 66473.7.

### **Evidence in Support of Findings:**

#### ***Background***

Following its determination that the Project is subject to the requirements of SB 610 (California Water Code section 10910 *et seq.*), and SB 221 (California Government Code section 66473.7), the City identified the Marina Coast Water District (MCWD) as the relevant public water system that may supply water for the Project and, on October 18, 2004 requested MCWD to prepare a water supply assessment and written verification of supply to determine whether projected water supplies will be sufficient to serve the Project and the MCP Development, in addition to existing and planned future uses, as required by Water Code section 10910 and Government Code section 66473.7.

Pursuant to Water Code section 10910(g), on January 26, 2005, MCWD approved the Water Supply Assessment and Written Verification of Supply for the Proposed University Villages Specific Plan Development and Marina Community Partners Project ("University Villages WSA"). The University Villages WSA concluded that the MCP Development is, according to MCWD, expected to consume approximately 732 acre-feet of water per year ("AFY"). The University Villages WSA also concluded that additional development within the University Villages Specific Plan area is expected to consume approximately 124 AFY, bringing total expected water demand for the entire Project to approximately 856 AFY. The University Villages WSA estimated that of the City's existing 1,325 AFY water allocation from the Fort Ord Reuse Authority ("FORA") to the City of Marina for use on the former Fort Ord, approximately 694 AFY remains available to serve Fort Ord development within the City's jurisdictional boundaries. Accordingly, the University Villages WSA determined that (1) there is 162 AFY shortfall in water supplies necessary to serve buildout of the Project, and (2) there is a 38 AFY shortfall in water supplies necessary to serve the MCP Development.

Water Code section 10911(c) requires the City to make its own determination, based on substantial evidence in light of the entire record, whether there is a sufficient projected water

supply available to satisfy the demands of the Project, in addition to existing and planned future uses. When considered in light of the entire record, the City concludes that such water supply is available because, as explained below, (1) appropriate water demand factors for the Project indicate that the Project will consume less water than that amount assumed by the University Villages WSA, and (2) the planned MCWD Regional Urban Water Augmentation Project (Augmentation Project) will, when implemented, provide an additional 2,400 AFY for uses on the former Fort Ord, the City's share of which will be sufficient to serve the Project water demand, in addition to existing and planned uses. On May 26, 2004 MCWD approved the Notice of Determination for the Augmentation Project Final EIR, previously certified on October 27, 2004.

#### *Revised Demand Factors*

Based on the information and analysis contained in *Information Sources, Procedures and Comparisons, Water Demand Estimates for the University Villages Project, Marina, California*, prepared by RBF Consulting (the "RBF Report"), it is apparent that that water demand factors used by MCWD and incorporated into the University Villages WSA to determine the overall water demand associated with both the Project and the University Villages Specific Plan area are inappropriate because they do not reflect actual planned demand for the Project and the University Villages Specific Plan.

There are several errors in the water demand methodology relied upon in the University Villages WSA. First, as explained in the RBF Report, the University Villages WSA's methodology for calculating exterior non-residential water demand estimates is inaccurate because it calculates unit water demands as "Interior SF Demand Fac" by multiplying a unit factor by the proposed interior square footage for each land use. Second, the University WSA determines a Total Demand in acre feet per year for the exterior water demand on a Total Planning Area basis. The University Villages WSA roughly adopts the Project projections for percent turf and ornamental coverages, although the Project actually makes individual estimates of the exterior water demands based on the planned parcel acreage proposed for each land use. Third, in connection with estimating exterior water demand, the University Villages WSA evenly applies these values throughout the planning area, thus eliminating independent consideration of exterior water demand on per parcel basis. In short, the WSA assumes that, as to exterior water demands, one size fits all.

RBF's analysis (or the "project analysis," as described in the RBF Report), on the other hand, determines exterior water demands on a per parcel basis, adjusted for planned recycled water usages. This figure is subtracted from total water demands for each land use based on the unit water demands recommended by MCWD's own guidelines to determine interior water usages. By individualizing exterior demands based on planned parcel acreages for each land use, the RBF analysis provides a more accurate estimate of actual water demands associated with the Project. Based on the demand factors described in the RBF Report, the Project will have an estimated overall water demand of 701 AFY, rather than the 856 AFY demand assumed by the University Villages WSA, as shown on the attached Exhibit B-1. Based on the demands factors described in the RBF Report, the MCP Development portion of the Project will have an estimated overall water demand of 593 AFY, rather than the 732 AFY assumed by the University

Villages WSA. Table 1, below, compares current available supply against the total overall water demand (based on demand factors set forth in the RBF Report) of (1) existing uses within the City's portion of former Fort Ord, (2) approved uses within City's portion of former Fort Ord (i.e., the Marina Heights project), and (3) the MCP Development. According to Table 1, when appropriate demand factors are implemented, it is projected that the City has sufficient available potable and or recycled water to serve the MCP Development, in addition to existing and approved uses on the City's portion of former Fort Ord, and the residual net surplus amount of 187 AFY could supply the remainder of the Project (which requires 108 AFY) or such other priority uses as determined by the City Council.

<b>Table 1</b> <b>Summary of Currently Available Water Supply vs. Projected Demands of the MCP Development, Existing Uses and Approved Uses Based on Demand Factors Set Forth in the RBF Report</b>	
Total Available Supply	1,325 AFY
Less Total Demand of Existing Development on Fort Ord Within City	(253 AFY)
Less Total Demand of Approved Marina Heights Project	(292 AFY)
Less Total Demand of MCP Development	(593 AFY)
Net Surplus of Available Supply	187 AFY

Table 2, below, compares the 187 AFY net surplus available supply, as shown in Table 1, above, against the Other UV Specific Plan Development and the total projected demands of future planned uses within the City's portion of the former Fort Ord, which projected demands are more fully described on the attached Exhibit B-1.

<b>Table 2</b> <b>Summary of Net Surplus Available Supply vs. Projected Demands of the Other UV Specific Plan Development and Planned Future Uses Within City's Portion of Former Fort Ord Based on Demand Factors Set Forth in the RBF Report</b>	
Total Net Surplus of Available Supply	187 AFY
Less Total Demand of Cypress Knolls Project	(148 AFY)
Less Other UV Specific Plan Development	(108 AFY)
Less Total Demand of Airport Business Park Project	(155 AFY)
Less Total Demand of Airport Area Golf Course	(420 AFY)
Less Total Demand of Other Planned Development (see Exhibit B-1)	(229 AFY)
Net Supply Deficit	(873 AFY)

As demonstrated in Tables 1 and 2, above, current available supplies are sufficient to serve the MCP Development, in addition to existing and approved uses on the City's portion of the Former Fort Ord, and the residual net surplus amount of 187 AFY could supply the remainder of the Project (which requires 108 AFY) or such other priority uses as determined by the City Council. When other planned future uses are considered, however, current available supplies are insufficient to meet total overall demands. To accommodate the projects identified in Table 2, the City must rely on reasonably foreseeable planned future water supplies to serve the Project, in addition to existing and planned future uses, in accordance with and as permitted by Water Code sections 10910 and 10911.



### *Augmentation Project Background*

The Augmentation Project is being developed to supply an additional 2,400 AFY of water to be used by MCWD to serve the water demands of future buildout of the former Fort Ord. The Augmentation Project is necessary to meet the quantified water demand requirements of the Fort Ord Reuse Plan, as implemented by FORA and as evaluated in the FORA Reuse Plan EIR. The development of a potable water supply to augment Fort Ord's groundwater allocation has been a centerpiece of the plans to reuse former Fort Ord since, at least, the September 1993 execution of *Agreement No. A-06404: Agreement between the United States of America and the Monterey County Water Resources Agency Concerning Annexation of Fort Ord into Zones 2 and 2A of the Monterey County Water Resources Agency* (the "MCWRA Annexation Agreement").

The MCWRA Annexation Agreement sets forth the terms of the annexation of the Fort Ord property into the Monterey County Water Resources Agency's ("MCWRA") Salinas Valley Groundwater Special Benefit Zones 2 and 2A. The MCWRA Annexation Agreement limits groundwater withdrawals from the Salinas Basin for the purpose of serving Fort Ord uses to 6,600 AFY. Under the agreement, this limitation must remain in place until a project to provide future water supplies to former Fort Ord that do not rely on groundwater is implemented. The MCWRA Annexation Agreement also anticipates developing future supplies cooperatively, with another water agency, such as MCWD, developing future water supplies through the implementation of a smaller scale project, such as the 2,400 AFY Augmentation Project.

In 1996, MCWRA, MCWD, the Monterey Regional Water Pollution Control Agency ("MRWPCA"), the City, the owners of the Armstrong Ranch and the owners of the Lonestar property (the "Lonestar Property") entered into the *Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands* (the "MCWD Annexation Agreement"). Pursuant to Section 4 of the MCWD Annexation Agreement, the Armstrong Ranch, Lonestar Property and the MCWD service area were annexed into MCWRA's Salinas Valley Groundwater Special Benefit Zones 2 and 2A. Section 5.1 of the MCWD Agreement limits MCWD's authority to withdrawal potable groundwater from the Salinas Basin to 3,020 AFY until MCWD develops augmented water supplies, such as those supplies to be developed under the Augmentation Project. Sections 5.1, 5.5 and 6.10 of the MCWD Annexation Agreement requires the parties to prepare a plan, such as the Augmentation Project, for the development of a long-term water supply to MCWD's service area, including Fort Ord.

In June 1997, the final *Fort Ord Reuse Plan* (the "Reuse Plan") was adopted by FORA. The heart of the Reuse Plan is a set of goals, objectives, policies and programs to be implemented by FORA and each of the three land use jurisdictions initially taking title and/or approving development within the Fort Ord property. Pursuant to section 3.11.5.4(d) of the Reuse Plan, development beyond the limits defined in the Reuse Plan's Residential Development Program will be allowed only upon the augmentation of existing water supplies. To formulate the necessary water supply augmentation, the Reuse Plan requires FORA to continue to actively participate in and support the development of reclaimed water supply sources by MCWD and the MRWPCA to ensure adequate water supplies for the Fort Ord property. The Reuse Plan also

authorizes FORA to investigate and provide appropriate augmentation of the potable water supplies to assure the long-range water supplies for the planned uses on the Fort Ord property.

On June 20, 2000, the United States Army and FORA entered into an economic development conveyance agreement (the "EDC Agreement") pursuant to which the Fort Ord property's water rights were transferred from the Army to FORA, pursuant to the federal Base Closure Act, and which authorizes FORA to transfer portions of the Fort Ord property to its member jurisdictions. The EDC Agreement contains several provisions relative to water supplies and systems for the Fort Ord property. Pursuant to section 5.03 of the EDC Agreement, FORA -- and its successors and assigns -- are required to cooperate with MCWD, MCWRA and grantees of the Fort Ord property "to establish and apply a fair process to ensure that all grantees of the former Fort Ord property will be provided an equitable supply of the water at the former Fort Ord."

In 2002, a multi-tiered alternatives analysis was conducted by MCWD that considered twenty-nine potential alternative water supply alternatives to meet the objectives of the Augmentation Project. Through that analysis, MCWD and a Technical Advisory Committee comprised of representatives of the MRWPCA, FORA, the Monterey Peninsula Water Management District, the Carmel Area Wastewater District, MCWRA and the U.S. Army evaluated the 29 potential alternatives and recommended two of the most viable augmentation alternatives that could be implemented by MCWD: seawater desalination and recycled water. Both of these recommended alternatives were the subject of a detailed engineering feasibility study conducted by MCWD. On October 27, 2004, MCWD certified the Augmentation Project EIR, which document evaluates the environmental impacts associated with the seawater desalination project, recycled water project and hybrid project future water supply alternatives.

The seawater desalination alternative contemplates construction of a new 3,000 AFY desalination facility in the area currently occupied by MCWD's existing desalination plant. The proposed desalination project would replace MCWD's existing desalination plant and produce at least 2,400 AFY of water. In addition to a new or expanded desalination plant, this alternative would require the construction of two radial-arm collection wells, two disposal wells, seawater intake and brine disposal pumps and associated pipelines.

The recycled water alternative provides 3,000 AFY of recycled water which would be used by MCWD for the irrigation of landscaping and open space within its service area, thus freeing up proportional amounts of groundwater for potable uses. The recycled water alternative requires the construction of a 63-acre recycled water storage reservoir, a distribution system consisting of approximately 200,000 linear feet of 6- to 24-inch diameter main and lateral pipelines, operational storage tanks and associated pumps and a connection to the Salina Valley Reclamation Project facility. MCWD is also considering implementing a hybrid alternative which would combine aspects of the recycled water alternative and seawater desalination alternative while maintaining the Augmentation Project goal of producing at least 2,400 AFY of augmentation supplies to serve buildout of former Fort Ord under the FORA Reuse Plan.

On May 25, 2005 the MCWD board adopted Resolution No. 2005-27 which, among other things, approved the Regional Water Augmentation Project Plan, consisting of the Augmentation Project, the Engineering Feasibility Report and the Final EIR for the Augmentation Project.

While no particular alternative was adopted, the MCWD approved a course of action that will result in one of the three alternatives being adopted and implemented.

MCWD currently has identified a budget requirement for fiscal year 03/04 through fiscal year 07/08 of approximately \$60 million to assure that reliable and high quality water is delivered to its Fort Ord customers. A capital fund collected by FORA as part of its development fee program is estimated to generate approximately \$19 million by 2015, which funds will be available to support implementation of the Augmentation Project. The Project will be included in this fee program.

#### *City's Reliance on the Augmentation Project Water*

Pursuant to Water Code section 10911(a), if, as a result of its assessment, MCWD concludes, as it did in the University Villages WSA, that its water supplies are, or will be, insufficient, MCWD must provide to the City its plans for acquiring additional water supplies. This information is contained in Section 4.0 of the University Villages WSA, which indicates that MCWD expects the Augmentation Project will be on-line within six to ten years. If, as here, a water supply assessment concludes that *available* supplies are insufficient to serve the project, in addition to other planned uses, Water Code section 10911(a) requires the water supply assessment to include "plans for acquiring additional water supplies, setting forth the measures that are being undertaken to acquire and develop such future supplies." Such plans may include, but are not limited to, (i) the estimated cost and proposed financing methods related to the acquisition and development of additional supplies, (ii) a description of the federal, state and local permits necessary for acquiring and developing additional supplies, and (iii) estimated timeframes for the acquisition of additional supplies.

A lead agency's reliance on planned, but unconfirmed, future water supplies was recently determined to comply with the requirements of CEQA by the California Court of Appeal. In *Vineyard Area Citizens for Responsible Growth, Inc. v. City of Rancho Cordova* (Vineyard Area Citizens) 2005 Cal. App. LEXIS 349, the Court upheld an EIR prepared for the proposed Sunridge Specific Plan, covering a 6,015-acre mixed-use project located in the Sunrise Douglas and Sunridge areas of unincorporated Sacramento County (and now within the City of Rancho Cordova).

As is the case with the University Villages EIR, the EIR for the 22,500 unit Sunridge Specific Plan project included a detailed analysis of the regional water demand and the supplies available to serve that demand. The proposed long-term water supply for the planning area included a mix of existing groundwater entitlements and unconfirmed, but planned, future surface water deliveries. Much of the Sunridge Specific Plan EIR's analysis of proposed future surface water supplies was based on the multi-jurisdictional *Water Forum Plan*, a significant water policy project that evaluates water resources and future water supply needs of the Sacramento metropolitan region and the environmental impacts associated with developing future water supplies.

The *Vineyard Area Citizens* court held that an EIR provides an adequate analysis of water supply issues if the EIR identifies and analyzes potential water supply sources even though the final

availability of those water sources is not yet confirmed. Citing a similar ruling in *Napa Citizens for Honest Government v. Napa County Board of Supervisors*, the court stated that "[s]uch an approach makes sense as a practical matter. To hold otherwise would require each project covered by the *Water Forum Plan* to revisit all of the issues addressed in that massive collaborative effort each time a new project was proposed. ... Such an approach would be wasteful and even possibly counterproductive."

Like the future *Water Forum Plan* supplies relied upon by the lead agency in the *Vineyard Area Citizen's* case, the Augmentation Project is a multi-jurisdictional water supply project that, over the course of several years, has been subject to numerous studies, public meetings, and a full environmental analysis, as documented in the certified Augmentation Project EIR. The Augmentation Project has been budgeted by MCWD and development fees are being collected by FORA to help fund the Augmentation Project facilities. The Project will be included in this fee program. Further, as noted above, the MCWD approved the Regional Water Augmentation Project Plan, thus approving the implementation of one of the three alternatives discussed above. In light of the various contractual commitments to developing a viable augmentation supply, the detailed planning and analysis already conducted for the Augmentation Project, the multi-jurisdictional need and support for the Augmentation Project, the MCWD's recent approval of the plan, and the participating jurisdictions' efforts to ensure funding for the Augmentation Project, and in light of relevant case law and statutory mandates, the City hereby determines that it is appropriate to consider the future Augmentation Project water supplies when making its determination whether there will be sufficient projected water supplies to serve the Project, in addition to planned and future uses, as required by Water Code section 10911(c).

#### *Water Supply Reliability Assessment Assuming the Augmentation Project*

As noted above, pursuant to section 5.03 of the EDC Agreement, FORA - and its successors and assigns - are required to cooperate with MCWD, MCWRA and grantees of the Fort Ord property "to establish and apply a fair process to ensure that all grantees of the former Fort Ord property will be provided an equitable supply of the water at the former Fort Ord." Based on the facts that (1) that the Augmentation Project will produce at least 2,400 AFY of potable and/or reclaimed water to serve the Fort Ord property as provided in MCWD's own approvals, and (2) that FORA will likely allocate Augmentation Project water in accordance with the allocation percentages historically used by FORA to allocate the 6,600 of Salinas Basin groundwater among the various member jurisdictions participating in the Fort Ord Reuse Plan (as adjusted to account for those member jurisdictions that likely would not receive future allocations),<sup>1</sup> then it is estimated that the City will be allocated approximately 39 percent of the 2,400 AFY of Augmentation Project water (i.e., 936 AFY) for use on the City's portion of the Fort Ord property. Table 3 below compares total currently available supply and future supplies reasonably anticipated to accrue to the City from the Augmentation Project against total projected water demands of

---

<sup>1</sup> The following jurisdictions were previously allocated water from the Salinas Basin groundwater supply and are projected to have a surplus of water in the future: Monterey County, and the State Parks. As a result, it is reasonably likely that these jurisdictions may not need or require augmented water supply. Further, the US Army and the FORA Reserves may not need or require augmented water supply based on projected future demand.

existing, planned and future uses on the City's portion of the former Fort Ord property, based on demand factors as set forth in the RBF Report.<sup>2</sup>

<b>Table 3</b> <b>Summary of Currently Available Water Supply and Augmentation Supply vs. Projected</b> <b>Demands of Existing, Planned and Future Use on City's Portion of Former Fort Ord,</b> <b>Based on Demand Factors Set Forth in the RBF Report<sup>3</sup></b>	
Total Available Supply Plus City Share of Augmentation Water Supply	2,261 AFY
Less Total Demand of Existing Development on Fort Ord Within City	(253 AFY)
Less Total Demand of Approved Marina Heights Project	(292 AFY)
Less Total Demand of MCP Development	(593 AFY)
Less Total Demand of Cypress Knolls Project	(148 AFY)
Less Demand of Other UV Specific Plan Development	(108 AFY)
Less Total Demand of Airport Business Park Project	(155 AFY)
Less Total Demand of Airport Area Golf Course	(420 AFY)
Less Total Demand of Other Planned Development (see Exhibit B-1)	(229 AFY)
Net Existing and Future Water Supply Surplus	63 AFY

As shown in Table 3, above, when the City's estimated share of the Augmentation Supply is considered in addition to currently available existing supplies, there is a sufficient potable water supply to serve the Project, in addition to planned and existing uses.

#### *Additional Documentation*

In addition to the information contained or referenced in the University Villages WSA and University Villages EIR, the City has reviewed and considered the following documents as part of its water supply sufficiency determination made pursuant to Water Code section 10911(c):

- Marina Coast Water District 2001 Urban Water Management Plan, December 12, 2001;
- Marina Coast Water District Deep Aquifer Study, May 2003;

<sup>2</sup> MCWD owns and operates a seawater desalination plant located at its former wastewater treatment plant site on Reservation Road between Dunes Drive and Monterey Bay. The plant has a production capacity of approximately 300 AFY, assuming an on-line factor of 90 percent. The desalination plant is part of MCWD's distribution system for its Marina service area, which is interconnected with the Fort Ord water distribution system. The existing desalination plant is currently off-line, but can be rehabilitated and made operational at fairly minimal costs. If the Augmentation Project is delayed for any reason, then future development (including the Project) could finance the repair and operation of the desalination plant in order to serve development on the City's portion of the former Fort Ord. On May 25, 2005 the MCWD board directed staff to consider selling or transferring water rights from the immobilized desalination plant to the City. As a result, this water source may be available to provide augmented water to the City.

<sup>3</sup> Water Code section 10910 and Government Code section 66473.7 require a description of the water provider's supply reliability and vulnerability to shortage for an average water year, a single dry year and multiple dry years. Such an analysis is most clearly relevant to systems that are supplied by surface water. Since the supply discussed herein is either desalinated water, recycled water or groundwater, short and medium-term hydrologic conditions over a period of less than five years usually have little bearing on water availability.

- Marina Coast Water District Regional Urban Water Augmentation Project Alternatives Analysis, March 31, 2003;
- MCWD Regional Urban Water Augmentation Project FORA Board Meeting Presentation, April 11, 2003;
- Marina Coast Water District Regional Urban Water Augmentation Project Engineering Feasibility Study Report; August 2003;
- Marina Coast Water District Notice of Preparation of EIR for the Regional Urban Water Augmentation project, August 21, 2003;
- Marina Coast Water District Public Scoping Meeting presentation on the Regional Urban Water Augmentation Project, September 8, 2003;
- Marina Coast Water District Groundwater Inventory and Status Report; March 18, 2004;
- Marina Coast Water District Groundwater Inventory and Status Report Presentation to the MCWD Board; March 24, 2004;
- Marina Coast Water District Regional Water Augmentation Project Final Environmental Impact Report (SCH# 2003081142), certified October 27, 2004;
- Marina Coast Water District Resolution No. 2005-27, entitled "Resolution of the Board of Directors Approving a Plan for the MCWD Regional Water Augmentation Project and the Notice of Determination for the Regional Water Augmentation Project," approved on May 25, 2005.
- Information Sources and Procedures Used In The Preparation of Water Demand Estimates for the University Villages Project, on or about April 2004 as updated, prepared by RBF Consulting ;
- Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands by and between the City of Marina, Marina Coast Water District, Monterey County Water Resources Agency, J.G. Armstrong et. al and RMC Lonestar, August 7, 1996;
- Memorandum of Agreement between the United States Army and the Monterey County Water Resources Agency;
- Annexation Assembly and Evaluation Report for the Annexation of Fort Ord by the Monterey County Water Resources Agency, September 9, 1993;
- Agreement No. A-06404: Agreement between the United States of America and the Monterey County Water Resources Agency Concerning Annexation of Fort Ord into Zones 2 and 2A of the Monterey County Water Resources Agency, September 21, 1993;
- Settlement Agreement and General Release by and between the Sierra Club and the Fort Ord Reuse Authority, November 30, 1998;
- A Resolution of the Fort Ord Reuse Authority, Amending Section 1.01.050 and Adding Chapter 8 to the Fort Ord Reuse Authority Master Resolution, Relating to Base Reuse Planning and Consistency Determinations;
- Implementation Agreement by and between the Fort Ord Reuse Authority and the City of Marina, May 1, 2001;
- Memorandum of Agreement Between the United States of America, Acting By and Through The Secretary of the Army, United States Department of the Army and The Fort Ord Reuse Authority for the Sale of Portions of the Former Fort Ord Located in Monterey County, California, June 20, 2000.
- Fort Ord Reuse Plan; June 13, 1997;

- Fort Ord Reuse Plan Final Environmental Impact Report (SCH# 96013022), certified June 13, 1997;
- Salina Valley Water Project Final Environmental Impact Report.
- American Water Works Association Manual of Water Supply Practices, M22, Sizing Water Service Lines and Meters;
- American Water Works Association Research Foundation Residential Water Use Summary, AAWARF Residential End Uses of Water Study, 1999;
- Water Demand Forecasts Methodology for California Water Planning Areas - Work Plan and Model Review Final Prepared for the Cal-Fed bay Delta Program, July 29, 2003;
- Residential Indoor Water Conservation Study: Evaluation of High Efficiency Indoor Plumbing Fixture Retrofits In Single-family Homes in the East Bay Municipal Utility District Service Area, July 2003;
- Water Use Classification of Landscape Species: A Guide to the Water Needs of Landscape Plants, L. Costello and K. Jones, University of California Cooperative Extension, April 1, 1994
- Marina Coast Water District 2002-05 Board Meeting Agendas and Minutes

Draft 1-26-05

# **Water Supply Assessment and Written Verification of Supply**

## **Proposed University Villages Specific Plan Development and Marina Community Partners Project**

**Prepared by the Marina Coast Water District  
and**



**Byron Buck & Associates**  
*Water Resources and Environmental Consulting*

**January 26, 2005**



**Contents**

<b><u>Section</u></b>	<b><u>Page</u></b>
1.0 Introduction and Purpose of Report . . . . .	3
1.1 Project Description . . . . .	3
1.2 Purpose of Water Supply Assessment . . . . .	7
1.3 Requirements for Water Supply Assessment . . . . .	7
1.4 Relationship of this Document to Marina Coast Water District Urban Water Management Plan . . . . .	10
2.0 Project Water Demands . . . . .	11
2.1 Water Demands and Project Conservation Features . . . . .	11
2.2 Forecasting Methodology . . . . .	12
2.3 Forecast Comparisons . . . . .	13
3.0 Available Water Supply . . . . .	18
3.1 Overall Supplies . . . . .	18
3.2 Groundwater Supplies . . . . .	18
3.3 Groundwater Management . . . . .	23
3.4 University Villages Demands vs. FORA Allocations . . . . .	28
3.5 Regional Groundwater Management Planning . . . . .	29
3.6 Groundwater Legal Entitlement . . . . .	31
4.0 Water Augmentation . . . . .	32
5.0 Water Conservation . . . . .	33
6.0 Water Supply Sufficiency Analysis . . . . .	34
7.0 Availability of Water Treatment and Delivery System Capacity . . . . .	35
8.0 Regulatory Permits Necessary for Supply Delivery . . . . .	35
9.0 Effect on Agricultural and Industrial Users Not Supplied by the Marina Coast Water District but Reliant on the Same Sources . . . . .	38
10.0 Summary Water Supply Sufficiency Determination . . . . .	38
11.0 References . . . . .	40

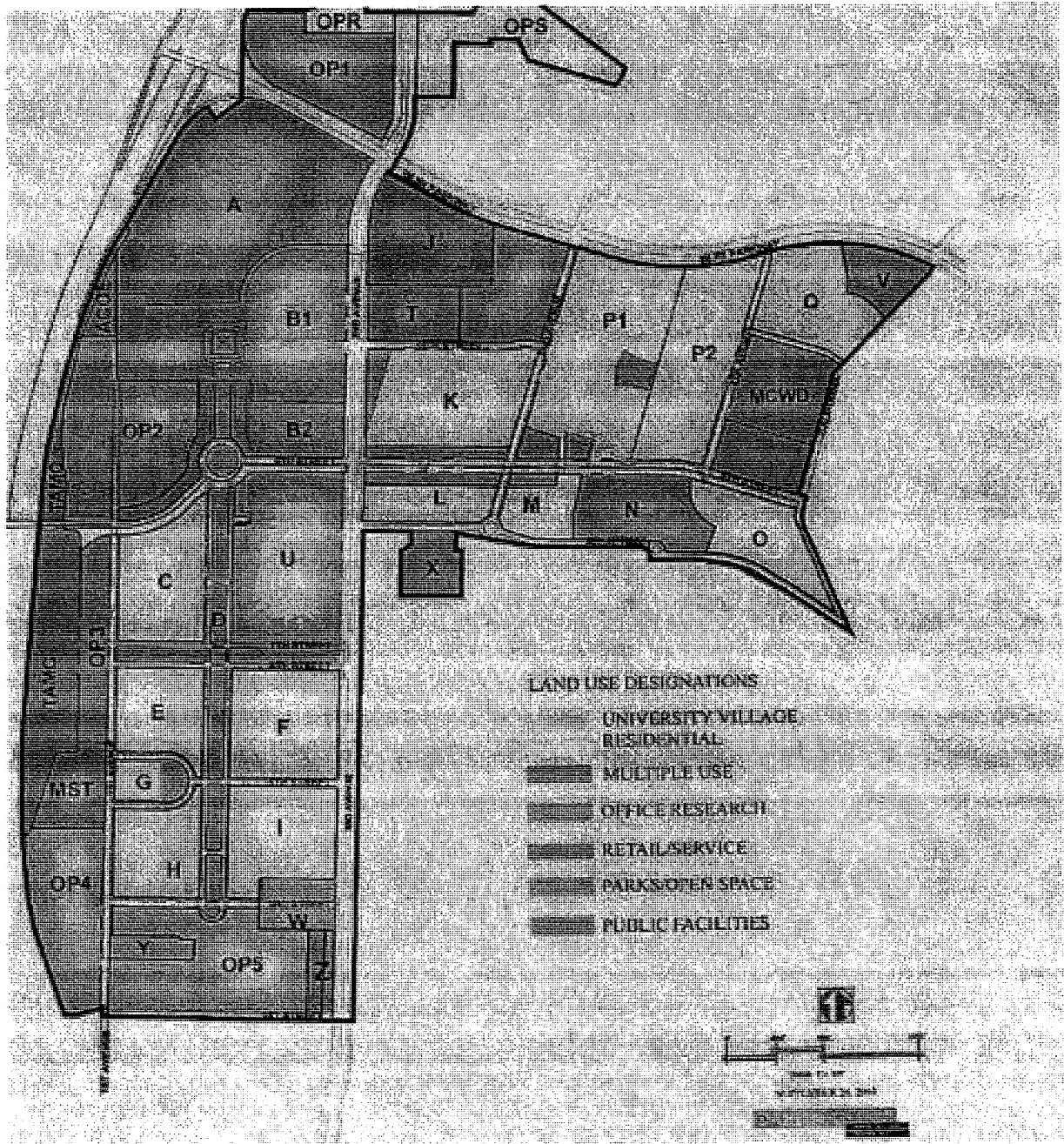
**List of Figures**

1-1 University Villages Specific Plan Vicinity Map . . . . .	5
1-2 University Villages Specific Plan Land Uses . . . . .	6
3-1 Salinas Valley Groundwater Basin and Subareas . . . . .	20
3-2 Seawater Intrusion Upper (180') Aquifer, 2003 . . . . .	25
3-3 Seawater Intrusion Middle (400') Aquifer, 2003 . . . . .	26

**List of Tables**

1-1	Proposed University Villages Specific Plan . . . . .	4
2-1	University Villages Projected Residential Water Demands. . . . .	15
2-2	Non Residential Development . . . . .	16
2-3	Comparison of Water Demand Forecast in AF/Y . . . . .	17
3-1	District Groundwater Production 1998-2003. . . . .	22
3-2	Water Supply Currently Available to Marina Coast Water District . .	29
6-1	Summary of Available Water Supply vs. Projected Demands . . . . .	34
8-1	Table 8-1 Required Agency Approvals and Permits for Water Augmentation Project . . . . .	37
	Appendix 1 FORA Letter re Allocation of Strategic Reserve . . . . .	42

**Figure 1-2**  
**University Villages Specific Plan Land Uses**



Source: University Villages Specific Plan

Table 2-1 University Villages Specific Plan Residential and Common Area Water Demand Projection												
									Water Demands in AF/Y			Notes
		Lot	Lot	Person/	Interior	% Irrigable	Turf	Ornamental	Total	Total	Total	Ornaments @1.5 eff/ac
University Villages Development	No. Units	Size Sq.Ft.	Size Ac.	Unit	Demand	Area	%	%	Interior	Exterior	Demands	turf at 2.1 eff/acre
					Gallons				unit demands			
Residential Uses					per Day							
Single Family												
Live-Work Townhome	139	1740	0.04	1.5	98.2	30%	0%	100%	0.11	0.02	17.78	Int. demand @125% reflecting liv/work
Duet	352	2250	0.05	1.5	78.5	40%	40%	60%	0.09	0.04	43.62	
Small Lot Alley	242	3088	0.07	2	104.7	40%	30%	70%	0.12	0.05	39.91	
Small Lot Standard	131	3800	0.09	3	157.1	40%	50%	50%	0.18	0.06	31.28	
Carriage	126	4750	0.11	3	167.1	40%	80%	40%	0.18	0.08	32.39	
Standard Lot	115	5750	0.13	3	167.1	50%	60%	40%	0.18	0.12	34.35	
Multi Family										tot.demand		
Mixed Use Townhome	24		11	1.5	78.5	10%	25%	75%	0.09	1.82	3.93	
Apartments	108		3	2	104.7	10%	25%	75%	0.12	0.50	13.16	
	1129											
									Total Residential Demands		216.42	
Common Areas						acres						
Parks and Open Spaces												
University Villages Project (MCP)						19.2					23.6	Per landscape architect open space
Other Specific Plan Parcels						8.1					9.0	analysis
									Total Open Space		32.6	

Table 2-2 University Villages Specific Plan Development - Non Residential Demand Projection

Planning Area	Land Use	Parcel Size	Bldg. Size In sf.	Interior Demand Fac.	Marina Community Partners Development					Ornamental Demand	Total Demand	Total Demand In AFYR	Factors and Notes
					Interior Demands	Irrigable Area	Percent Turf	Percent Ornamental	Turf Demand				
A	Total Planning Area	30.6				18.3	20%	80%	6.426	18.95	24.78	24.78	2.1 Eto turf, 1.5 Ornamental
	Retail		385,000	0.00004	15.48							15.48	MCWD Actual Averages
	Restaurant		20,000	0.001187	23.33							23.33	MPWMD factor
	Fast Food Restaurant		18,500	0.038/seat	43.89							43.89	MPWMD factor
	Total Planning Area	8.6				4.8	50%	50%	5.04	3.6	8.64	8.64	2.1 Eto turf, 1.5 Ornamental
J	Gas Station/store		3,000	0.00004	0.75							0.75	Store plus 0.1051sf/pump@8 pumps
	Grocery Store		55,000	0.00039	21.45							21.45	MCWD Factor
	Service		8,000	0.00034	2.08							2.08	Avg. of MCWD factors
	Retail Shops		17,000	0.00004	0.88							0.88	MCWD Actual Averages
	Total Planning Area	22.7				11.95	20%	80%	4.787	18.62	18.39	18.39	2.1 Eto turf, 1.5 Ornamental
B1	Total Planning Area	22.7				11.95	20%	80%	4.787	18.62	18.39	18.39	2.1 Eto turf, 1.5 Ornamental
	Retail		114,000	0.00004	4.58							4.58	MCWD Actual Averages
	Restaurant		15,000	0.02/seat	17.50							17.50	MPWMD factor
	Fast Food Restaurant		10,000	0.038/seat	28.80							28.80	MPWMD factor
	Cinema (1750 seats)		35,000	0.0012/seat	2.10							2.10	MPWMD factor
	Service		25,000	0.00034	8.58							8.58	Avg. of MCWD factors
	Office (above retail)		10,000	0.00012	1.20							1.20	MCWD Factor
V	Total Planning Area	3.8				1.8	20%	80%	0.756	2.16	2.92	2.92	2.1 Eto turf, 1.5 Ornamental
	Retail		12,000	0.00004	0.48							0.48	MCWD Actual Averages
	Restaurant		5,000	0.02/seat	5.83							5.83	MPWMD factor
	Fast Food Restaurant		2,000	0.038/seat	5.32							5.32	MPWMD factor
	Service		5,500	0.00034	1.89							1.89	Avg. of MCWD factors
OP1	Total Planning Area	11.0				5.5	80%	80%	6.775	4.125	9.90	9.90	2.1 Eto turf, 1.5 Ornamental
	Hotel		350 rooms	0.17000	59.50							59.50	MCWD Factor
	Retail		1,000	0.00004	0.04							0.04	MCWD Actual Averages
	Restaurant		12,725	0.02/seat	14.85							14.85	MPWMD factor
T	Total Planning Area	4.9				2.5	50%	50%	2.625	1.875	4.50	4.50	2.1 Eto turf, 1.5 Ornamental
	Hotel		160 rooms	0.17000	25.50							25.50	MCWD Factor
OP2	Office/light ind.	15.7	253,000	0.00012	30.38	7.9	20%	80%	3.318	9.48	12.80	12.80	MCWD Factor
OP3	Office/Cultural	8.2	82,000	0.00012	9.84	2.8	20%	80%	1.092	3.12	4.21	4.21	MCWD Factor
OP4	Office/light ind.	10.5	170,000	0.00012	20.40	5.9	20%	80%	2.228	8.58	10.59	10.59	MCWD Factor
OP5	Office/light ind.	15.3	245,000	0.00012	29.40	7.7	20%	80%	2.234	9.24	12.47	12.47	MCWD Factor
Z	Total Planning Area	2.1				1.1	20%	80%	0.482	1.32	1.78	1.78	2.1 Eto turf, 1.5 Ornamental
	Retail		8,500	0.00004	0.34							0.34	MCWD Actual Averages
	Service		5,000	0.00034	1.72							1.72	Avg. of MCWD factors
	Restaurant		5,000	0.02/seat	5.83							5.83	MPWMD factor
	Fast Food Restaurant		1,500	0.038/seat	3.99							3.99	MPWMD factor
Totals		131.2			383.4				35.7	73.3	109.0	492.4	
Other Specific Plan Development (new uses only)													
		Lot Coverage											
Monterey-Selinas Transit (MST)	4.3	15%	0.0001	2.81	1.075	0%	100%	0	1.61	1.61	4.42	4.42	BBA (bus transit related)
Trans. Agency of Mo.Co. (YAMC)	13.2	15%	0.0001	8.82	3.3	0%	100%	0	4.95	4.95	13.57	13.57	BBA (undefined transit related)
Marina Coast WVD (MCWD)	11.3	25%	0.0003	36.82	5.65	60%	40%	7.12	3.39	10.51	47.43	47.43	MCWD (as elementary school)
US Army Corps of Engineers (ACOE)	2.0	n/a											No change in existing use
City Marina PBC Parcel 8th St. **	17.4	10%	0.0002	15.18	8.7	15%	20%	2.74	2.81	5.35	20.51	20.51	MCWD (public/rec. play fields)
City Marina PBC Parcel 3rd St.	3.0	35%	0.0002	9.15	0.76	20%	80%	0.32	0.90	1.22	10.36	10.36	MCWD (public/rec. center)
Goodwill Industries	5.0	n/a											No change in existing use
Young Nak Church	1.5	14%	0.0001	0.88	0.725	80%	50%	0.76	0.54	1.31	2.19	2.19	MCWD (proposal in process)
Co. of Monterey	1.7	n/a											
City of Marina - fire station site	3.3	35%	0.0003	15.08	0.825	20%	80%	0.36	0.99	1.34	16.43	16.43	MCWD (fire station)
Total Out Parcels	63.7			88.64							28.28	114.9	
**85% irrigable area artificial turf													

### Marina Coast Water District Assigned Water Use Factors for Determining Water Capacity Charges

The district, through the general manager, assigns water use factors from this Appendix C for new and modified uses. Each new or modified service connection that involves two or more uses shall be subject to a use calculation for each proposed use. Where a proposed use may be designated as more than one type of use, the type of use which most accurately depicts the proposed use shall be selected. Where doubt exists, the higher intensity use type shall be chosen. Water use rates are assigned for various uses per unit - square footage, number of rooms, seats, etc. The assigned water use rates determined considering estimated water use availability for various uses. The type of use and assigned water use rates are listed below.

Type of Use	Basis	Assigned Water Use Rates By Acre-Ft	Total Water Use Per Annum (Acre-Ft)
<b>Residential</b>			
Multi Family - Apartment	DU	x 0.21	=
Apartment (senior complex)	DU	x 0.12	=
Group Housing (boarding, dormitory, convalescent)	Occupant	x 0.062	=
Condominium/Townhouse	36 DU	x 0.24	=
Mobile Home	DU	x 0.21	=
Multi-Family - Duplex to Fourplex	89 DU	x 0.24	= 21.36
Single Family 0<lot<0.08 acres (13 or more units per acre)	DU	x 0.25	=
Single Family 0.08<=lot<0.22 acres (5-12 Units/Acre)	166 DU	x 0.28	= 46.48
Single Family 0.22<=lot<0.67 acres (2-4 Units/acre)	DU	x 0.52	=
Single Family (lot>= 0.67 acres)	acres	x 0.89	=
Accessory Dwelling Unit < 640 sq. ft.	DU	x 0.17	=
Accessory Dwelling Unit 641 to 800 sq. ft.	DU	x 0.21	=
Accessory Dwelling Unit 841-1200 sq. ft.	DU	x 0.25	=
<b>Non-Residential</b>			
Auto Sales/Repair Shops (Gross Floor Area)	sq. ft.	x 0.00006	=
Bank	sq. ft.	x 0.00030	=
Bakery	sq. ft.	x 0.00027	=
Bar (w/o restaurant)	sq. ft.	x 0.00023	=
Beauty shop/barber shop	stations	x 0.050	=

Appendix C of the MCWD Code  
Last adopted August 2020

Type of Use	Basis	Assigned Water Use Rates By Acre-Ft	Total Water Use Per Annum (Acre-Ft)
Car Wash w/ recycle	sq. ft.	x *	=
Child Care	sq. ft.	x 0.0061	=
Dry Cleaners (onsite cleaning)	sq. ft.	x 0.00040	=
Gas Station (w/o minimart or restaurant)	pumps	x 0.1051	=
Gym, Health Club (w/o aquatics)	sq. ft.	x 0.00012	=
Hotel/Motel/Bed & Breakfast (Guest room portion only)	units	x 0.110	=
Laundromat (self-serve)	washers	x 0.202	=
Laundry - Commercial	sq. ft.	x *	=
Office - General (nonmedical, includes chiropractor)	sq. ft.	x 0.0001	=
Office - Government, Education	sq. ft.	x 0.000092	=
Office - Medical, Dental	sq. ft.	x 0.00016	=
Manufacturing (other than food, beverage, chemical)	sq. ft.	x 0.056	=
Manufacturing (food, beverage, chemical)	sq. ft.	x *	=
Meeting Halls, Churches, School Room	sq. ft.	x 0.000092	=
Nursing Home (care portion only)	bed	x 0.12	=
Laboratory	sq. ft.	x 0.000082	=
Laboratory - Photographic	sq. ft.	x 0.003	=
Landscape (non-turf)	acres	x 2.1	=
Landscape (turf)	acres	x 2.5	=
Plant Nursery	sq. ft.	x 0.00009	=
Public Restroom	toilets	x 0.058	=
Restaurant (full service - 3 meals, dish washing)	sq. ft.	x 0.00125	=
Restaurant (Fast food/casual with onsite prep)	sq. ft.	x 0.00051	=
Restaurant (take out w/ minimal onsite prep)	sq. ft.	x 0.00027	=
Store - General Retail (Department Store)	sq. ft.	x 0.00005	=
Store - Grocery and Markets	sq. ft.	x 0.00033	=
Swimming Pool (per 100 sq. ft. pool area)		x 0.02	=
Theater	seats	x 0.0012	=
Veterinary	sq. ft.	x 0.00022	=
Warehouse, Distribution, Self-Storage	sq. ft.	x 0.00001	=

The assigned water use rate is then multiplied by the appropriate square footage, room, or seat number for each use and the capacity charge per acre-foot of water.

Example: To compute capacity charges in October 2020 for a 1,000-sq. Ft. office (assume only a single use) in Central Marina, multiply 1,000 by 0.0001 (from the table) and then by \$6,332. The resultant capacity charge for this office in Central Marina would be \$633.20.

\* See manufacturer's recommendation

**EXHIBIT B**  
**LEGAL DESCRIPTION**



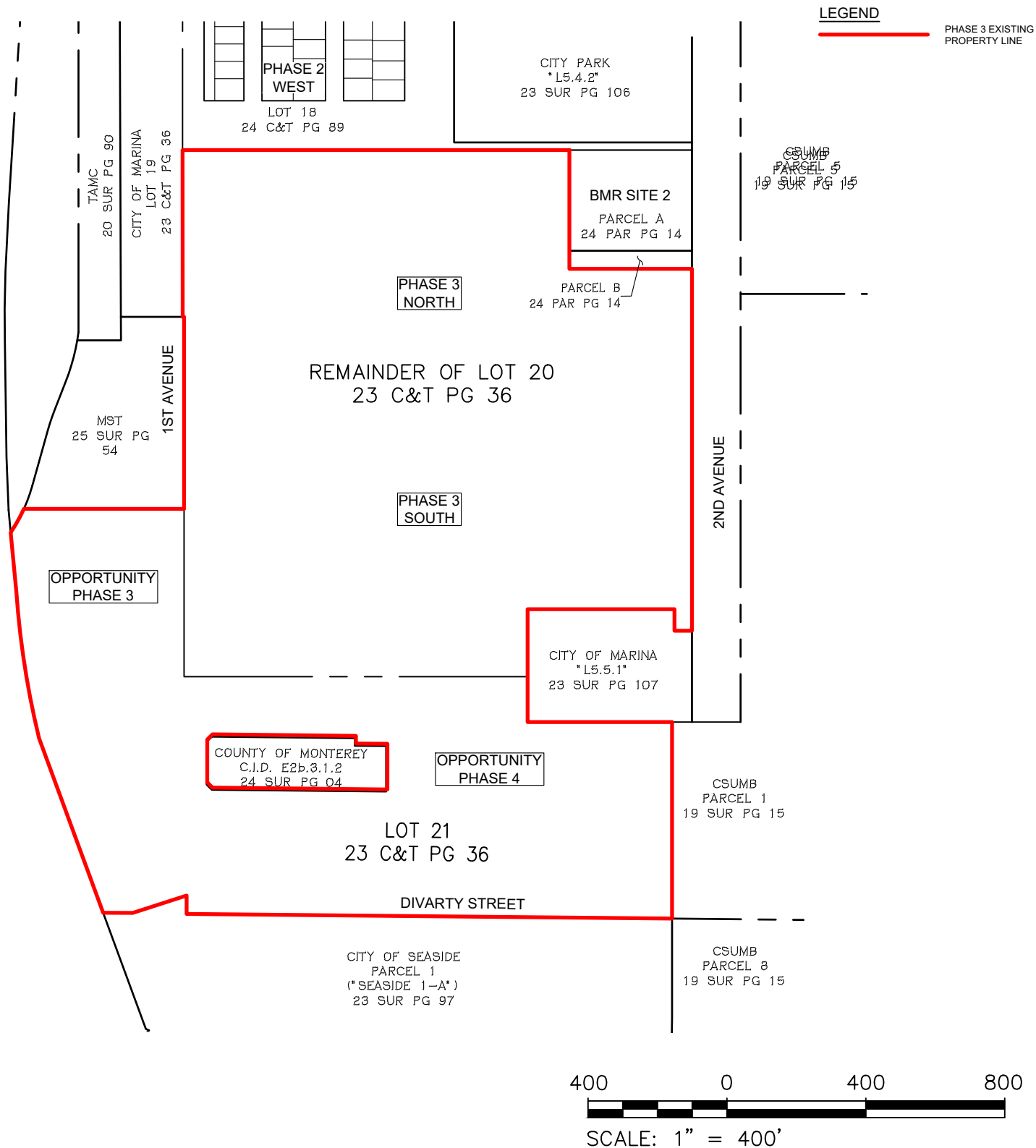
**EXHIBIT B**  
**LEGAL DESCRIPTION**  
**THE DUNES ON MONTEREY BAY PHASE 3**

Certain real property situate in the former Fort Ord Military Reservation, in the City of Marina, County of Monterey, State of California, described as follows:

Lots 20 and 21 as said lots are shown on that certain map entitled "Tract Map - North and West Marina Village," filed August 25, 2006 in Volume 23 of Cities and Towns at Page 36 in the Office of the County Recorder of said County.

Excepting therefrom all that portion lying within Parcel Map Phase 3 BMR Site 2 The Dunes on Monterey Bay, filed for record on December 15, 2021, in Volume 24 of Parcel Maps, Page 12, in the Office of the County Recorder of said County.

T:\Monterey Projects\3140\CAD\EXHIBITS\WE\Phase 3\MCMD\wb-MCMD\IA-PH3.dwg hwood Jul 19, 2024 - 9:01am



# PHASE 3 PROPERTY MAP THE DUNES ON MONTEREY BAY

MONTEREY COUNTY, CALIFORNIA

212

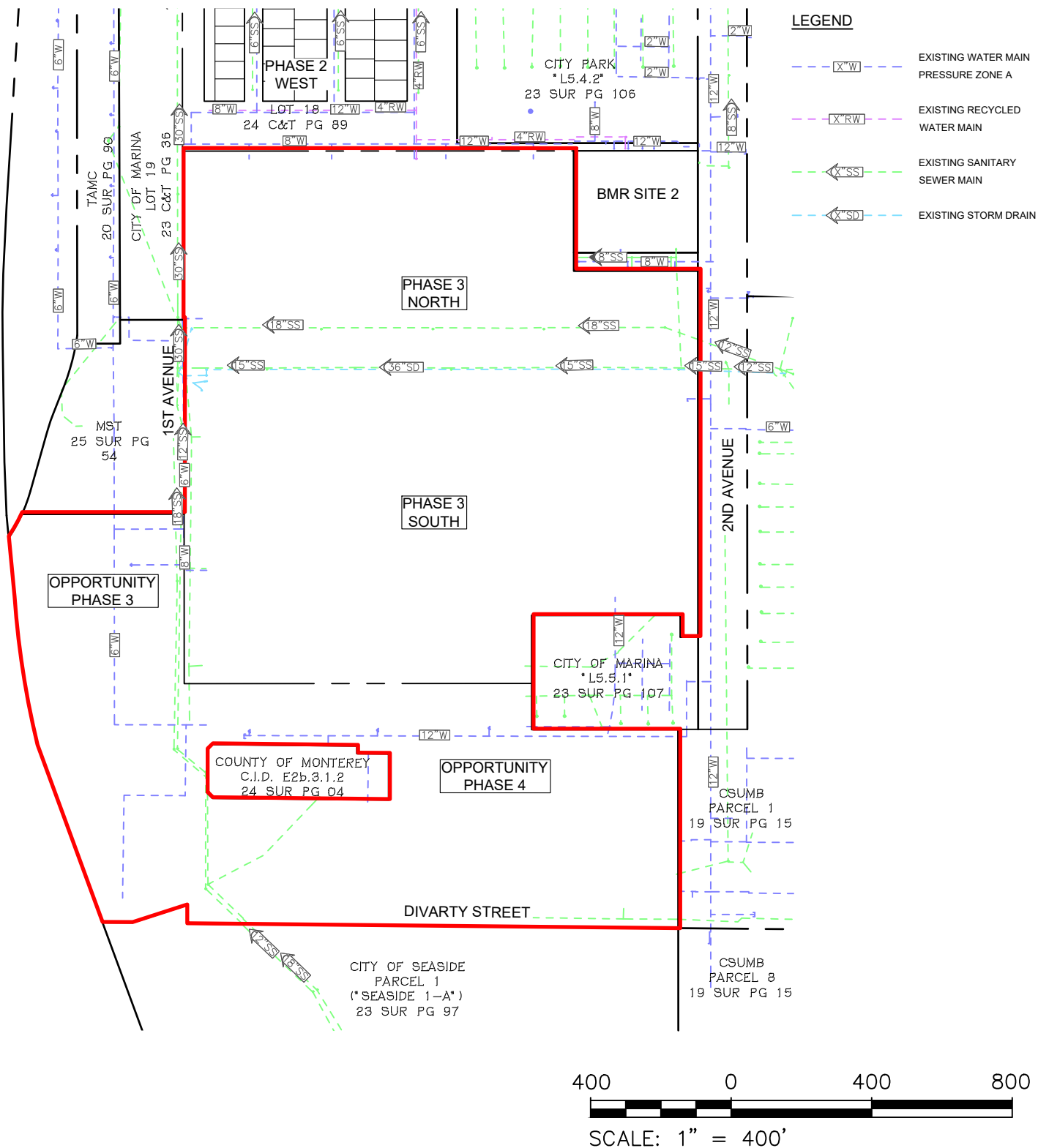
JULY 18, 2024  
Project No.:3140.46



## EXHIBIT C

### MAP OF DEVELOPMENT

T:\Monterey Projects\3140\CAD\EXHIBITS\WE\Phase 3\MCMD\wb-MCND\A-PH3.dwg hwood Jul 19, 2024 - 9:01am



# PHASE 3 EXISTING INFRASTRUCTURE THE DUNES ON MONTEREY BAY

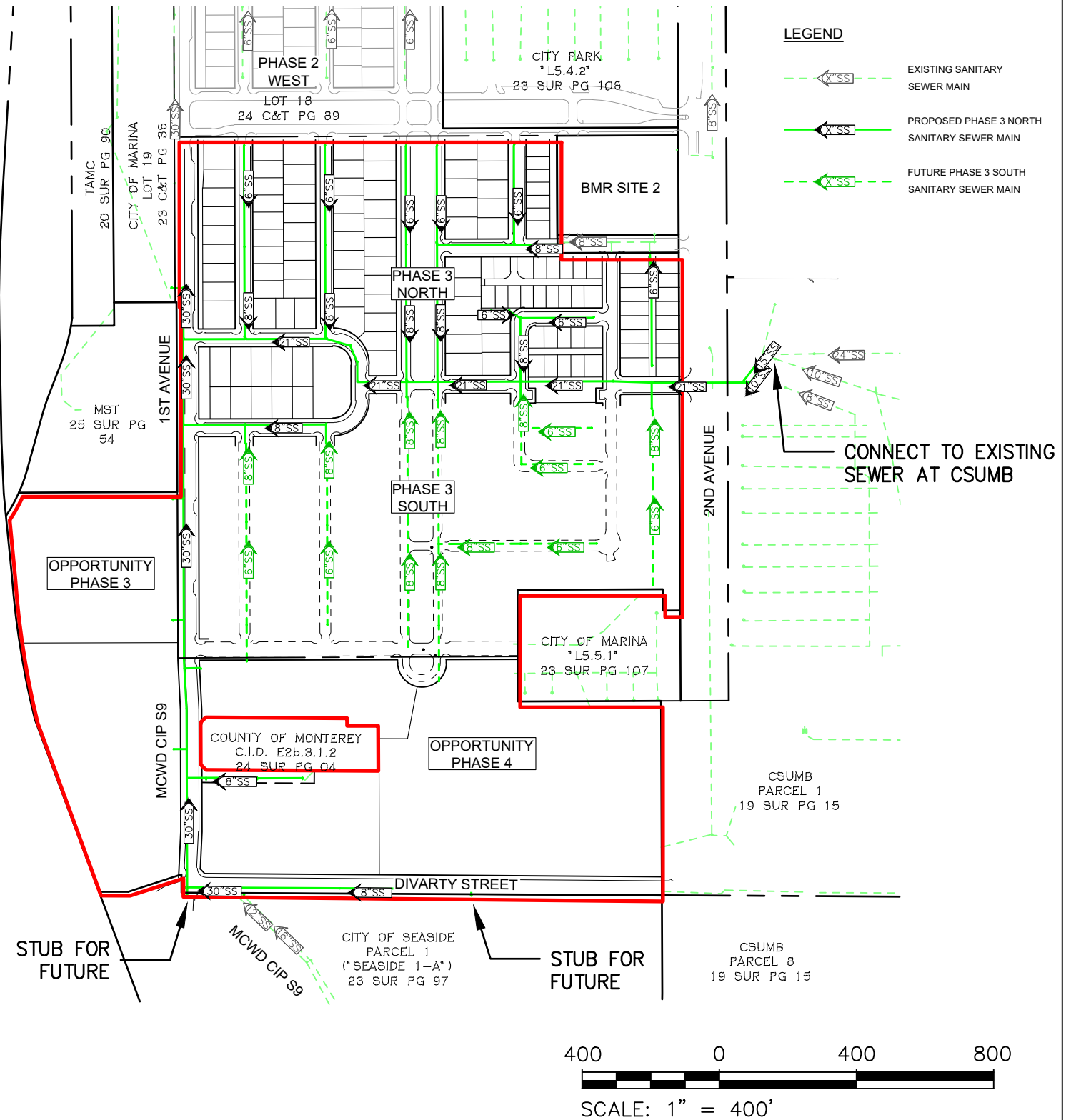
MONTEREY COUNTY, CALIFORNIA

214

JULY 18, 2024  
Project No.:3140.46



T:\Monterey Projects\3140\CAD\EXHIBITS\WE\Phase 3\MCWD\wb-MCWD\IA-PH3.dwg hwood Jul 19, 2024 - 9:04am



# PHASE 3 SANITARY SEWER INFRASTRUCTURE THE DUNES ON MONTEREY BAY

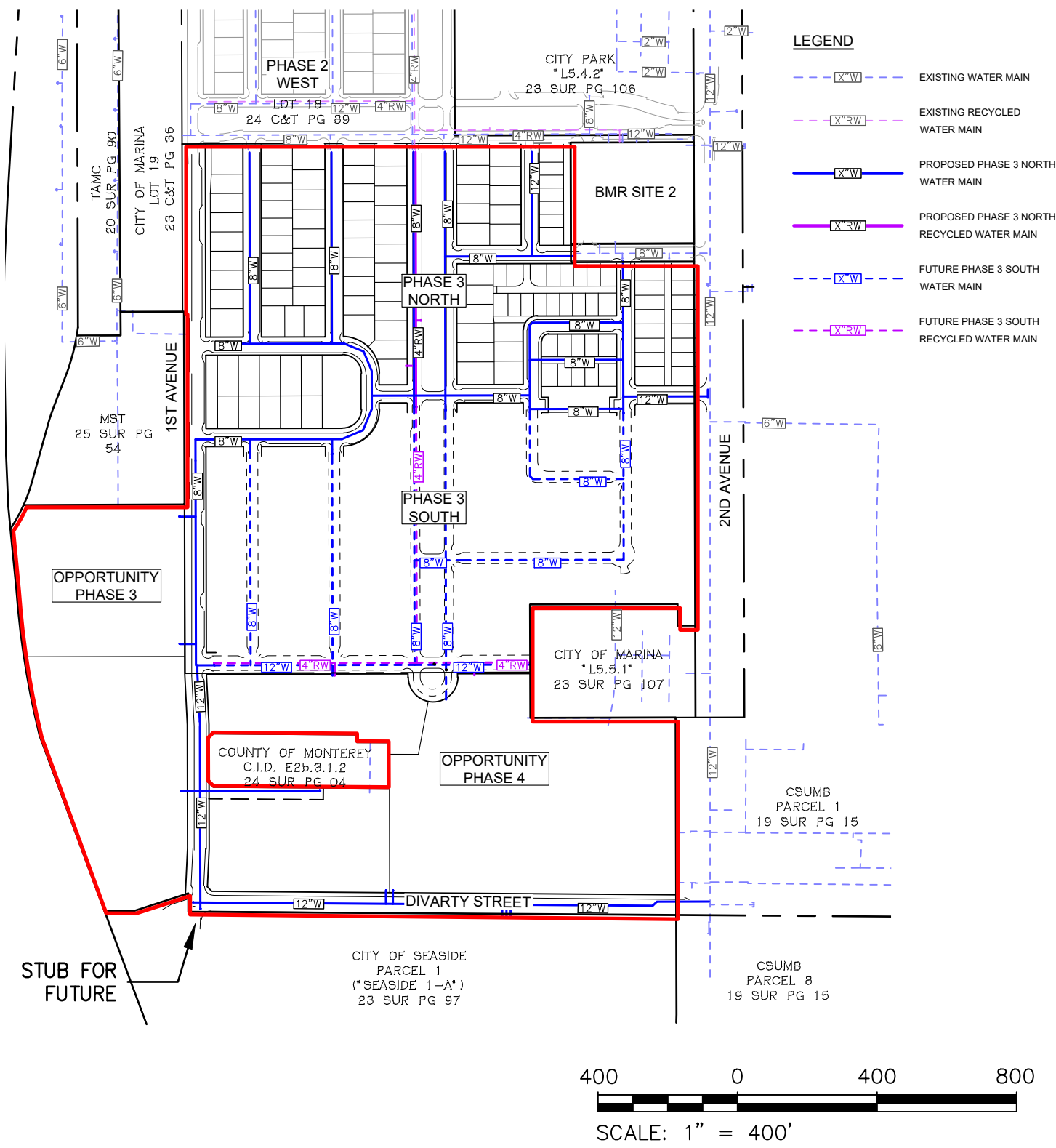
MONTEREY COUNTY, CALIFORNIA

215

JULY 18, 2024  
Project No.:3140.46



T:\Monterey Projects\3140\CAD\EXHIBITS\WE\Phase 3\MCMD\wb-MCND\IA-PH3.dwg hwood Jul 19, 2024 - 9:02am



# PHASE 3 WATER INFRASTRUCTURE THE DUNES ON MONTEREY BAY MONTEREY COUNTY, CALIFORNIA



## EXHIBIT D

### **INDEMNIFICATION AND INSURANCE REQUIREMENTS for Infrastructure Agreements**

#### **1. Workers' Compensation and Employer's Liability Insurance –**

- a. The Developer shall require every Contractor to certify that it and all of its subcontractors are aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of any work under this Agreement.
- b. The Developer shall require every Contractor and all sub-contractors to insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof.
- c. The Contractor shall provide employer's liability insurance in the amount of at least \$1,000,000 per accident for bodily injury and disease.

#### **2. Definitions –** For purposes of this Exhibit, the following terms shall have the following respective meanings:

**“Claim”** - shall be used collectively to refer to and include any and all claims, demands, causes of action, damages, costs, attorneys’ fees, expert fees, court costs, expenses, penalties, losses or liabilities, in law or in equity, of every kind and nature whatsoever.

#### **3. Indemnification -** To the fullest extent permitted by law, the Developer will require every Contractor to indemnify, hold harmless, and defend District, its directors, officers, employees, representatives, and authorized volunteers (collectively, the “indemnitees”), and each of them from and against:

- a. Any claim, including, but not limited to, injury to or death of any person including District and/or Contractor, or any directors, officers, employees, or authorized volunteers of District or Contractor, and damages to or destruction of property of any person, including but not limited to, District and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, regardless of any negligence of District or its directors, officers, employees, or authorized volunteers, except to the extent caused by the sole negligence or willful misconduct or active negligence of District or its directors, officers, employees, or authorized volunteers;
- b. Any claim arising out of, resulting from, or relating in any way to a violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;

- c. Any claims (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any indemnitee may incur with respect to the failure, neglect, or refusal of Contractor to faithfully perform the work and all of the Contractor's obligations to the Developer for work to be performed under this Agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, expert fees, and court costs, incurred by an indemnitee in any lawsuit to which the indemnitee is a party.
- d. Contractor acknowledges and understands that the area in and around which the work will be performed has been identified as a possible location of munitions and explosives of concern ("MEC"). All indemnification obligations of Contractor under this Agreement shall specifically include any claim involving, arising out of or related to MEC.

The Developer will require their Contractor to pay and satisfy any judgment, award or decree that may be rendered against District or its directors, officers, employees, or authorized volunteers, relating to any claim.

The Developer will require their Contractor to reimburse District or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Contractor's indemnification obligation shall not be limited to the proceeds, if any, received by the District, or its directors, officers, employees or authorized volunteers from any insurance required to be provided under this Agreement.

**4. Commercial General Liability and Automobile Liability Insurance** - The Developer will require their Contractor to provide and maintain the following commercial general liability and automobile liability insurance:

**Coverage** - Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

1. Insurance Services Office Commercial **General Liability** Coverage (Occurrence Form CG 0001)
2. Insurance Services Office **Automobile Liability** Coverage (Form CA 0001), covering Symbol 1 (any auto) (owned, non-owned and hired automobiles)

**Limits** - The Consultant shall maintain limits no less than the following:

1. **General Liability** - Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to



the District) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

2. ***Automobile Liability*** - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

**Required Provisions** - The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

1. The District, its directors, officers, employees, or authorized volunteers are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the Contractors; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the District, its directors, officers, employees, or authorized volunteers.
2. For any claims related to this project, the Contractor's insurance shall be primary insurance as respects the District, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by the District, its directors, officers, employees, or authorized volunteers shall not contribute to it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the District, its directors, officers, employees, or authorized volunteers.
4. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the District.

Such liability insurance shall indemnify the Contractor and his/her sub-contractors against loss from liability imposed by law upon, or assumed under contract by, the Contractor or his/her sub-contractors for damages on account of such bodily injury (including death), property damage, personal injury and completed operations and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation and removal of lateral support.

The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies satisfactory to the District.

**5. Deductibles and Self-Insured Retentions** - Any deductible or self-insured retention must be disclosed in writing to and approved by the District.

**6. Acceptability of Insurers** - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the District.

**7. Munitions and Explosives Coverage (MEC)** - The Developer will require their Contractor to maintain insurance that includes coverage for services and work in or around MEC, or claims, damage or injury related in any way to this Agreement which arise from MEC. The Marina Coast Water District, its officers, directors and employees and any of its authorized representatives and volunteers shall be named as additional insureds under all insurance maintained by Contractor related in any way to work performed by it on behalf of the Marina Coast Water District.

**8. Builder's Risk Insurance** - The Developer or the Developer's Contractor will provide and maintain builder's risk insurance (or installation floater) covering all risks of direct physical loss, damage or destruction to the work in the amount specified by the District, to insure against such losses until final acceptance of the work by the District. Such insurance shall include<sup>1</sup> explosion, collapse, underground excavation and removal of lateral support. The District shall be a named insured on any such policy. The making of progress payments to the Contractor by the Developer shall not be construed as creating an insurable interest by or for the District or be construed as relieving the Contractor or his/her subcontractors of responsibility for loss from any direct physical loss, damage or destruction occurring prior to final acceptance of the work by the District.

**9. Waiver of Rights of Subrogation** - The Developer will require their Contractor's insurer to waive all rights of subrogation against the District, its directors, officers, employees, or authorized volunteers.

**10. Evidences of Insurance** - Prior to the commencement of construction activities under this Agreement, the Developer will require their Contractor to file with the District a certificate of insurance (Acord Form 25-S or equivalent) signed by the insurer's representative. Such evidence shall include an original copy of the additional insured endorsement signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to include Required Provisions 1-5.

The Developer will require their Contractor, upon demand of the District, to deliver to the District such policy or policies of insurance and the receipts for payment of premiums thereon.

All insurance correspondence, certificates, binders, etc., shall be mailed to:

Marina Coast Water District  
11 Reservation Road  
Marina, CA 93933  
Attn: Management Services Administrator

**11. Sub-Contractors' Required Insurance Requirements** - In the event that the Contractor employs sub-contractors as part of the work to be performed under this Agreement, it shall be the Developer's responsibility to require and confirm that every Contractor requires each of its sub-contractor to meet the same minimum insurance requirements specified in this Exhibit for every Contractor.

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 11-I

**Meeting Date:** August 19, 2024

**Prepared By:** Garrett Haertel, PE

**Approved By:** Remleh Scherzinger, PE

**Agenda Title:** Adopt Resolution No. 2024-41 to Approve a Water, Sewer, and Recycled Water Infrastructure Agreement between MCWD and Marina Station, LLC, for the Marina Station Phase 1 & 2 in Marina, CA

**Staff Recommendation:** Adopt Resolution No. 2024-41 approving a Water, Sewer and Recycled Water Infrastructure Agreement between MCWD and Marina Station, LLC, for the Marina Station Phase 1 & 2 in Marina, CA.

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

**Detailed Description:** The Board of Directors is requested to approve a Water, Sewer, and Recycled Water Infrastructure Agreement (hereafter referred to as the Infrastructure Agreement) between MCWD and Marina Station, LLC, for the Marina Station Phase 1 & 2 in Marina, CA. The attached draft Infrastructure Agreement is based upon the most recent board-approved format used for other development groups within the MCWD service area.

The Marina Station Phase 1 & 2 development is a fully entitled master development located within the land use jurisdiction of the City of Marina. Marina Station, LLC is the owner and developer of the project. The Marina Station Phase 1 & 2 development consists of the new construction of the underground utilities, roadways, and other infrastructure and appurtenances for the first two residential phases of the master development project. The Marina Station Phase 1 & 2 area is bounded by Beach Road to the south, Del Monte Boulevard to the west (Exhibit B-1).

The Marina Station master development has received up to 920 acre-feet of potable water currently authorized by Section 6.9.1 of the Annexation Agreement for extraction from the Salinas River Groundwater Basin for use on the Armstrong Ranch (as described in the Annexation Agreement, Exhibit A). The proposed Marina Station Phase 1 & 2 development will ultimately occupy approximately 71.10 acres in total and consist of 352 residential lots plus 12.20 acres of landscaped open space. The Developer currently anticipates that the specific phases of Development described in this Agreement will use approximately 139 acre-feet of the total Water Allocation.

The new infrastructure being transferred to the District will be constructed within the public right-of-way, public utility easements, or within easements provided to MCWD by Marina Station, LLC. The specific infrastructure proposed for transfer includes PVC potable water pipelines, PVC recycled water pipelines (purple pipes), PVC gravity sewer pipelines, and associated sewer manholes, water valves, and other appurtenances.

**Environmental Review Compliance:** This Infrastructure Agreement is not a “project” under the California Environmental Quality Act (CEQA); this action is categorically exempt.

**Legal Counsel Review:** Legal Counsel was involved in the crafting of this Infrastructure Agreement for compliance with MCWD’s requirements.

**Climate Adaptation:** Not applicable.

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

**Material Included for Information/Consideration:** Resolution No. 2024-41; and, draft Infrastructure Agreement, including Exhibits A through E.

**Action Required:**      X   Resolution           Motion           Review

---

Board Action

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

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

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

August 19, 2024

Resolution No. 2024-41  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving a Water, Sewer, and Recycled Water Infrastructure Agreement  
Between MCWD and Marina Station, LLC  
for the Marina Station Phase 1 & 2 in Marina, CA

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 19, 2024 at the business office of the District, 920 Second 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, Marina Station, LLC, (“Developer”) has coordinated with the District on their Marina Station Phase 1 & 2 Development, consisting of new construction and related infrastructure, within the City of Marina; and,

WHEREAS, the District and the Developer are working cooperatively regarding proposed water, recycled water and sewer system improvements; and,

WHEREAS, the District and the Developer have agreed upon the proposed Water, Sewer and Recycled Water Infrastructure Agreement and desire to enter into same.

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

1. authorize the General Manager to execute the Water, Sewer and Recycled Water Infrastructure Agreement between MCWD and Marina Station, LLC, for their Marina Station Phase 1 & 2 Development; and,
2. to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on August 19, 2024 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 \_\_\_\_\_

---

Gail Morton, President

ATTEST:

---

Remleh Scherzinger, 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. 2024-41 adopted August 19, 2024.

---

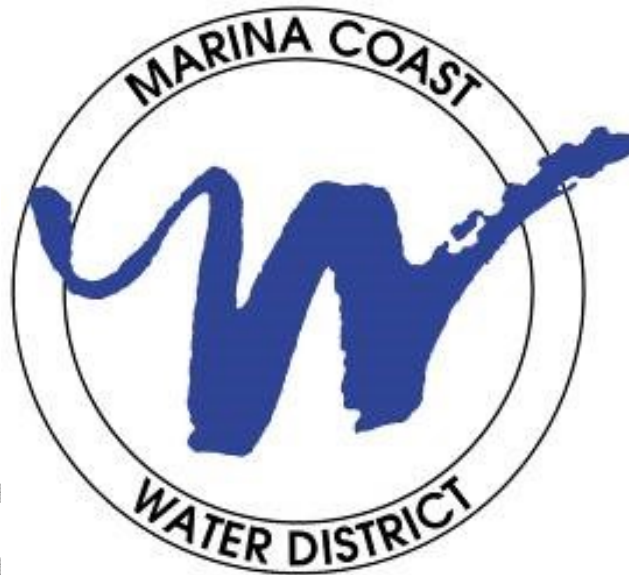
Remleh Scherzinger, Secretary

**MARINA COAST WATER DISTRICT**

**Water, Sewer and Recycled Water  
Infrastructure Agreement**

**for**

**Marina Station**





WATER, SEWER AND RECYCLED WATER  
INFRASTRUCTURE AGREEMENT

TABLE OF CONTENTS

1. DEFINITIONS; ALLOCATIONS; DISTRICT’S ROLE; TERM OF THIS AGREEMENT..	4
2. DESIGN AND CONSTRUCTION REQUIREMENTS .....	6
3. TEMPORARY IRRIGATION.....	8
4. EXISTING WATER AND SEWER INFRASTRUCTURE/ANNEXATION.....	9
5. DISTRICT TO SERVE DEVELOPMENT .....	9
6. CAPACITY CHARGE .....	10
7. PROVISION FOR NONPOTABLE WATER USE .....	10
8. NON-COMPLETION OF PRIOR PROJECTS AND PHASES .....	11
9. LICENSED CONTRACTOR .....	10
10. PERMITS, EASEMENTS, AND RELATED COSTS.....	11
11. FINAL INSPECTION AND REIMBURSEMENT OF DISTRICT COSTS .....	11
12. UNDERGROUND UTILITY AND SURFACE OBSTRUCTIONS .....	11
13. AS-BUILT PLANS, SPECIFICATIONS, VALUES, ETC. ....	11
14. INDEMNITY, INSURANCE, AND SURETIES.....	12
15. TRANSFER OF SYSTEM FACILITIES TO DISTRICT AFTER COMPLETION .....	13
16. DEVELOPER ASSISTANCE.....	13
17. WARRANTIES .....	14
18. NO WATER, RECYCLED WATER AND SEWER SERVICE PRIOR TO COMPLETION AND TRANSFER .....	14
19. PERFORMANCE.....	15
20. ASSIGNMENT.....	15
21. DISPUTE RESOLUTION PROCEDURE .....	15
22. WAIVER OF RIGHTS .....	17
23. NOTICES.....	17
24. SEVERABILITY .....	17
25. PARAGRAPH HEADINGS.....	17
26. SUCCESSORS AND ASSIGNEES .....	17
27. INTEGRATED AGREEMENT.....	17
28. NEGOTIATED AGREEMENT .....	18
29. ATTORNEYS FEES .....	18
30. EXHIBITS .....	18

31. DISCLAIMER/INDEMNITY REGARDING PUBLIC WORKS .....	19
32. NO THIRD PARTY BENEFICIARIES .....	19
33. COMPLIANCE WITH LAWS.....	19
34. COUNTERPARTS .....	19

## Exhibits

**EXHIBIT A – ANNEXATION AGREEMENT**

**EXHIBIT B – LEGAL DESCRIPTION**

**EXHIBIT C – MAP OF DEVELOPMENT**

**EXHIBIT D – INDEMNIFICATION AND INSURANCE REQUIREMENTS**

**EXHIBIT E – ASSIGNED WATER USE RATES**

## WATER, SEWER AND RECYCLED WATER INFRASTRUCTURE AGREEMENT

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2024 (“Effective Date”), between **Marina Coast Water District**, 11 Reservation Road, Marina, CA, 93933, hereinafter called the “District,” and Marina Station, LLC, a Delaware limited liability company, with its principal offices at 5671 Santa Teresa Blvd., Suite 200, San Jose, CA 95123, hereinafter called the “Developer” (each a “Party,” and collectively, the “Parties”).

### 1. Definitions; Allocations; District’s Role; Term of this Agreement.

1.1 Definitions. Whenever used in this Agreement, the capitalized terms set forth in this Section shall have the respective meanings set forth below.

a. “Agreement” means this Water, Sewer and Recycled Water Infrastructure Agreement, as it may be amended from time to time in accordance with the terms and conditions hereof.

b. “Annexation Agreement” means the Annexation Agreement and Groundwater Mitigation Framework for Marina Lands attached hereto as Exhibit “A”.

c. “City” means the City of Marina, California.

d. “Contractor” means any contractor with which the Developer has a direct contractual relationship to perform any work under this Agreement.

e. “Development” means that certain property known as Marina Station, legally described in Exhibit “B” attached hereto and shown on the map at Exhibit “C” attached hereto.

f. “Facilities” shall mean those certain infrastructure improvements and systems provided for in this Agreement to facilitate the provision of potable water, sewer and recycled water service by the District to the Development, as approved by the District as part of its review of the Development plans. Facilities shall include, but not be limited to, pipes, pumps, electrical equipment, instrumentation, and controls.

g. “MCWD Code” means the Marina Coast Water District Code in effect as of the date of the commencement of construction of the Facilities.

h. “Procedures” means the District’s *Procedure Guidelines and Design Requirements* in effect as of the date of the commencement of construction of the Facilities.

i. “Standards” means the District’s *Standard Plans and Specifications for Construction of Domestic Water, Sewer, and Recycled Water Facilities* in effect as of the Effective Date.

j. “Water Allocation” means the up to 920 acre-feet of potable water authorized by Section 6.9.1 of the Annexation Agreement for extraction from the Salinas River Groundwater Basin for use on the Armstrong Ranch (as described in the Annexation Agreement).

### 1.2 Allocation of Water Capacity for the Development. Consistent with Section 6.9.2 of the

Annexation Agreement, the District will use the Water Allocation to satisfy the Development's water demands. The Assigned Water Use Rates published as Appendix C of the MCWD Code shall be the basis for calculating the Development's water demand.

The Parties acknowledge that the Development is intended to be constructed in phases, and the Facilities to be constructed and conveyed pursuant to this Agreement are part of the first and second phases of the Development. The Parties anticipate entering into one or more agreements with respect to future phases of the Development. Based on the Developer's current estimation of land uses and the application of Appendix C, the Developer currently anticipates that the specific phases of Development described in this Agreement will use approximately 139 acre-feet of the total Water Allocation.

1.3 Sewer Capacity. The District provides sewer collection services to customers and conveyance of those customer sewer flows to the Monterey One Water ("M1W") Regional Interceptor System, which discharges to the M1W Wastewater Treatment Plant ("WWTP"). The Developer shall purchase sewer capacity from M1W at the Developer's sole expense and shall provide proof of payment for such capacity to the District at the time the sewer infrastructure is conveyed by the Developer to the District. Furthermore, the Developer understands and agrees that nothing herein shall be construed as a representation by the District that any additional sewer collection or conveyance capacity will be available in the future.

1.4 District's Role. The District's responsibilities with respect to the Development are: (i) to review and approve the plans for the Facilities, (ii) to inspect the construction of the Facilities, (iii) to accept the transfer of title to the Facilities, (iv) to maintain and operate the Facilities, and (v) to bill customers for water, sewer and recycled water service at rates set for the District's service area from time to time in accordance with the District's standard rates and charges for such service area, which may be amended from time to time.

1.5 Term. This Agreement commences on the Effective Date and shall expire (a) two (2) years thereafter or (b) upon completion by the Developer and acceptance by the District of all Facilities required by this Agreement and the expiration of the required warranty period, whichever occurs first.

## 2. Design and Construction Requirements

2.1 The Facilities shall be designed, constructed and made operable by the Developer in strict accordance with the District's requirements, which shall be a condition of the District's acceptance of the Facilities under this Agreement. The District's requirements are more specifically described as follows:

2.1.1 The Developer shall design and construct the Facilities in accordance with the District's Procedures and Standards and any other applicable federal, state, or local regulatory agency requirements. In the event of inconsistency between any such applicable governing requirements, the Developer shall comply with whichever requirements are the most stringent. Any other conflict in Development requirements shall be addressed during the plan review process, or at such other time as any such conflict is discovered. A licensed civil engineer registered in the State of California shall prepare and stamp all plans and specifications for the Facilities.

2.1.2 The Developer shall comply with the District's Procedures, Standards and MCWD

Code when submitting Development plans and specifications to the District for review and consideration for approval. The District's review shall commence after the District determines that the submitted Development plans and specifications comply with the District's Procedures, the Standards and the MCWD Code regarding such submittals and any other applicable state regulatory agency requirements. The District's review of the Development plans and specifications shall not commence until after the District's receipt of the initial deposit in accordance with Section 2.1.7 hereof.

2.1.3 The Developer shall comply with the most recent MCWD Code in effect at the time Developer commences construction including, but not limited to, Section 4.28 (*Recycled Water*) of such MCWD Code. The District will reasonably determine, and identify in writing to the Developer, the location(s) to be used for recycled water turnout, which location(s) the Developer will incorporate into the Development plans and specifications. The District may revise the location of any such recycled water turnout by providing the revised location in writing to the Developer, provided that the applicable revision does not materially impact the cost or timing of construction of the turnout or of the Facilities generally. The Developer will also install the lateral lines from each turnout to the point of delivery. The Developer, or its successors or assignees (such as an owner's association), will use commercially reasonable efforts to assist the District to obtain all required permits for the on-site use of recycled water and to enable compliance with the California Department of Public Health, the applicable Regional Water Quality Control Board, the State Water Board, Division of Drinking Water, and other regulatory agency requirements, prior to constructing any Facilities related to the storage, use, treatment, or transport of recycled water.

2.1.4 The District shall have the right to inspect the construction of the Facilities to ensure that construction and installation conforms to the Development plans and specifications. The District's right to inspect extends to five (5) feet from the building exterior at the point where the Facilities enter the structure. The District shall also have the right to confirm that the Developer is using fixtures that comply with the District's most recent rules and ordinances, including, if applicable, zero water use urinals, and hot water recirculation systems. The District's right to confirm compliance under this section does not in any way eliminate or supersede any inspection obligations by the City, including but not limited to the issuance of final occupancy permits. District will endeavor to inform the City of these District requirements so that the City can incorporate these items into their inspection punch list.

2.1.5 All Facilities subject to the District's right of inspection shall be tested by the Developer to confirm compliance with the District's Procedures, the Standards and the MCWD Code. No Facilities or portion thereof will be accepted without meeting all District test requirements. The District shall have the right to inspect work in progress in the construction of either in-tract or out of tract water, recycled water and sewer Facilities or special fixtures, as described above.

2.1.6 The Developer agrees to pay when due all fees and charges, including additional plan check fees and construction inspection fees, as required by the District for the Development, consistent with the Procedures. These fees will be determined by the District at the time the fees are due and payable, based on the standard fees charged by the District. The District may also require a prepaid fee to cover staff time before preliminary level or concept level plan check begins, in accordance with Section 100.6.2 of the Procedures. If

the District Engineer determines consultant assistance is required for plan check review, the Developer agrees to prepay reasonable additional plan check fees if the cost of such consultant assistance exceeds the balance remaining from the initial administration and plan check deposit made by the Developer pursuant to this Section 2.1.6. The District shall obtain the Developer's written approval for any fees and charges to be charged by the District to the Developer in excess of the initial deposit amount, for which approval shall not be unreasonably withheld. Upon the execution of this Agreement by both parties, the Developer shall deposit with the District administration and plan check fees in the amount of \$\_\_\_\_\_ as the initial administration and plan check deposit. Any portion of such deposited amount that is not required by the District to perform the administration and plan check consistent with the Procedures shall be returned to the Developer.

2.1.7 Construction Inspection Fees. The District shall require payment by the Developer of the construction inspection fee in accordance with this Section 2.1.7 before undertaking a construction inspection review of the proposed Facilities. As a condition precedent to the District's obligation to undertake a construction inspection review of the Facilities, the Developer shall provide to the District an initial construction inspection deposit in the amount of \$\_\_\_\_\_ for the estimated cost of the construction inspection fee, which amount shall be replenished by the Developer on a periodic basis to ensure payment of construction inspection fees. The Developer also agrees that, in the event the District engages a third-party consultant to provide construction inspection review for the Development, the Developer shall reimburse District for the reasonable fees of such third-party consultant. Any portion of such deposited amount that is not required by the District to perform construction inspection shall be returned to the Developer.

### 3. Temporary Water Supply

3.1 Provided that the Developer has complied with the terms of this Agreement, the Developer may specify areas of landscaping within the area covered by this Agreement to have "temporary irrigation." A temporary irrigation network may only exist for six years from installation. At the end of such six year period, the Developer shall demolish and remove any temporary irrigation network, or otherwise it will be considered a District-approved, permanent irrigation connection.

3.2 The Development's temporary irrigation network Facilities shall be designed, constructed and made operable, and then demolished and removed in strict accordance with the following District requirements:

3.2.1 The Developer shall design and construct any temporary irrigation network facilities in accordance with the District's Procedures and Standards and any other applicable federal, state, or local regulatory agency requirements. In the event of inconsistency between any such applicable governing requirements, the Developer shall comply with whichever requirements are the most stringent. Any other conflict in Development requirements shall be addressed during the plan review process, or at such other time as any such conflict is discovered. A licensed landscape architect registered in the State of California shall prepare all plans and specifications for any temporary irrigation networks.

3.2.2 The Developer, within the design of any temporary irrigation network, shall specifically provide the District a clear depiction of the temporary irrigation network layout and the precise area, in acres and square feet, that will be irrigated temporarily. The connection location and all surface and subsurface features that will be demolished and

removed by the Developer at the end of any temporary irrigation network's useful life shall be depicted.

3.2.4 The Developer shall design any temporary irrigation networks with the piping and irrigation distribution heads above the surface of the ground. Some features may be installed in boxes below the surface, but the piping shall return to the surface in as few feet as feasible after passing through any such subsurface feature. In particular, the meter box in which the District will install the temporary irrigation meter shall be installed per the District's Procedures and Standards (and therefore will be below the surface).

3.2.5 The Developer shall provide, within the design of any temporary irrigation network, a demolition design detail acceptable to the District depicting the planned demolition of any temporary irrigation site and any remaining irrigation facilities in their post-demolition condition.

3.3 The District shall have the right to inspect the construction of any temporary irrigation networks facilities to verify that construction conforms to the Procedures and Standards, to witness the demolition and removal of any temporary irrigation network, and to inspect the demolition and removal of any temporary irrigation network's connection. The District's right to inspect does not in any way eliminate or supersede any inspection obligations by the state or the City.

3.4 As required by the District, all temporary irrigation networks subject to the District's right of inspection shall be tested by the Developer to confirm compliance with the Procedures and Standards. No temporary irrigation networks or portion thereof will be accepted without meeting all District test requirements. The District shall have the right to inspect work in progress in the construction of either in-tract or out of tract temporary irrigation networks as described above.

3.5 The Developer agrees to pay all costs-to-connect as a condition precedent to the District's obligation to install the meter required to serve water to the temporary irrigation network. Costs to connect for a temporary irrigation network include, but are not limited to, the meter installation fee (which includes the cost of the meter itself), a water permit fee, a backflow prevention program fee (all at the then-existing rates), and the payment of a special connection fee. These costs-to-connect are due prior the installation of water meters. The special connection fee shall be in the exact amount of the Water capacity charge that would otherwise be assessed to the identical permanent irrigation network with the magnitude of the special connection cost determined in identical fashion. The District's Board of Directors reserves its right to review and revise these cost-to-connect fees and charges from time to time subject to applicable law and District's approval procedures for such charges. Developer agrees to pay the costs-to-connect in effect at the time of providing services. Except for any fees which are already owed by Developer with respect to the temporary irrigation network, no additional fees shall accrue or be due with respect to any portion of the temporary irrigation network following the removal of such portion of the temporary irrigation network.

3.6 If any temporary irrigation network is removed to the District's satisfaction by the end of the third-year following meter installation (or by an earlier date), then the special connection fee shall be reimbursed to the Developer in the amount of 100% of the special connection fee. Similarly, if the temporary irrigation network is removed:

- By the end of the fourth-year following meter installation, then the special connection fee reimbursement to the Developer shall be 75%.
- By the end of the fifth-year following meter installation, then the special connection fee reimbursement to the Developer shall be 50%.

- By the end of the sixth-year following meter installation, then the special connection fee reimbursement to the Developer shall be 25%.

If any temporary irrigation network remains in-service following the end of the sixth year, then no reimbursement of special connection fees will be owed to the Developer and any temporary irrigation network may be removed (or not) at the discretion of the Developer. The District will retain all special connection fees paid and will treat the temporary irrigation network as a District approved, permanent irrigation connection.

3.7 The provisions of this Section 3 shall survive the expiration or termination of this Agreement.

#### 4. Existing Water, Sewer and Recycled Water Infrastructure/Annexation

4.1 The Developer will comply with the District's *In-Tract Policy* regarding any water, recycled water, and sewer mains or appurtenances within the Development. The Developer, or its successors or assignees, shall be responsible for all infrastructure within the Development boundaries that will be modified, removed or abandoned by the Developer. The Developer will hold the District harmless against any and all claims, actions, damages, expenses (including reasonable attorneys' fees), losses or liabilities (collectively, "Losses") incurred by or asserted against the District for any injury or damage or destruction to property to the extent that such Losses are caused by Developer's modification, removal, or abandonment of any existing potable water, recycled water, and sewer mains or appurtenances within the Development; provided that the Developer shall not be required to indemnify District for any such Losses to the extent such Losses are due to the negligence or willful misconduct of the District. Abandonment-in-place of any water, recycled water, or sewer mains, lines or appurtenances within the Development requires written approval by the District. The Developer shall be solely responsible for repair, replacement and maintenance of existing District Facilities that remain within the Development boundaries during the construction of the Development, regardless of whether the Facilities are for the benefit of the Development.

#### 5. District to Serve Development

5.1 The District will deliver potable and recycled water, and provide sewer service, to the Development after final Board Acceptance of the conveyance of the Facilities to the District as described in Section 15 hereof. Thereafter, the District will serve and bill the end-user(s) within the Development directly for the District's services. The Developer shall pay applicable meter fees and Capacity Charges (in accordance with Section 6 below), cross connection charges, and all other applicable fees and charges for service, each at the then-applicable standard rates charged by the District therefor. Once the applicable fees and charges are determined and paid in full, the District will immediately begin water service with the installation of each water meter within the Development. The District shall provide sewer service upon installation of water meters and payment of all applicable fees. The District's obligations in this section are subject to the District's rules, regulations, policies and ordinances, which may be updated from time to time.

5.2 In accordance with MCWD Code 3.08, the District agrees to provide Developer temporary construction water service for purposes of the Developer's construction and related activities, including dust control. In providing temporary water service under this section, Developer agrees that it shall be responsible for payment of MCWD staff time and any physical improvements required to be installed in order to provide temporary water service. Fees under this section shall



be payable to MCWD in accordance with the process set forth in section 2.1.5 herein.

Developer shall, pursuant to MCWD Code 3.12.040, pay the per-unit charge for all temporary water furnished to Developer.

## 6. Capacity Charge

6.1 The current Marina Service Area capacity charges, effective \_\_\_\_\_, are \$ \_\_\_\_\_ per equivalent dwelling unit (“EDU”) for potable water service and \$ \_\_\_\_\_ per EDU for sewer service, respectively, under Title 6 of the MCWD Code (*Water and Sewer Fees and Charges*), and may be adjusted annually under that title. In addition to these authorized annual adjustments, the District Board of Directors reserves its right to review and revise these charges from time to time subject to applicable law and the District’s approval procedures for such charges. The Developer shall pay the capacity charges in effect on the date that the meter application for any given EDU is accepted by the District.

## 7. Provision for Recycled Water Service

7.1 Improvement plans for the Development must be compatible with the District’s then-in effect master recycled-water capital facilities improvement plans and anticipate the availability of recycled water supply to serve common area open spaces within the Development, as permitted by applicable laws and regulations.

7.2 The Developer, on behalf of itself and its successors or assignees (such as an owners’ association) agrees to take recycled water for non-potable use. The Developer, on behalf of itself and its successors or assignees, agrees that the District-established charges for recycled water will be paid by the recycled water customers.

## 8. Non-Completion of Prior Projects and Phases

8.1 To the extent the Developer has existing obligations under any other infrastructure agreement with the District which have yet to be fulfilled, the District reserves the right to refuse to provide the services specified herein until the Developer completes those obligations to the reasonable satisfaction of the District.

## 9. Licensed Contractor

9.1 The Developer, or its authorized representatives performing work with respect to the Facilities subject to this Agreement (including applicable Contractors or subcontractors), shall be licensed to the extent required under the provisions of the Business and Professions Code of the State of California to perform the work conducted by the Developer or such representative, as applicable. The District reserves the right to waive this requirement at its sole discretion where permitted under state statute.

9.2 The Developer, or its representatives performing work with respect to the Facilities subject to this Agreement (including applicable Contractors or subcontractors), shall be skilled and regularly engaged in the installation of potable water, recycled water, and sewer systems. The District may request evidence that the constructing party has satisfactorily installed other projects of like magnitude or comparable difficulty. Upon request, any applicable Contractors must furnish evidence of their qualifications to do the work in a form reasonably acceptable to the District prior to the commencement of any work on the Facilities.

## 10. Permits, Easements, and Related Costs

10.1 Except as otherwise provided in this Agreement, the Developer shall, prior to the conveyance of the Facilities to the District, obtain all necessary City, county, and state permits (including encroachment permits) necessary for the construction, installation, and commencement of operation of the Facilities and conform to the requirements thereof. The Developer shall obtain all easements (excluding easements within existing public rights of way) necessary for ingress and egress to and from the Facilities for the purpose of installation, operation, maintenance, replacement and removal of the Facilities and for the location of the Facilities. Pipeline easements shall be a minimum of 20 feet in width or as otherwise agreed by the District Engineer and the Developer. Easements shall be in a form approved by the District in its reasonable discretion and it shall be the Developer's responsibility to have the approved easements recorded. The Developer shall provide proof of recordation of the easements, in a form reasonably satisfactory to the District, prior to the District's obligation to provide the services contemplated by this Agreement.

## 11. Final Inspection and Reimbursement of Costs and Fees

11.1 The District shall inspect the completed Facilities or any portion thereof. The Developer shall be responsible for all reasonable costs incurred by the District that are associated with the District's interim and final inspection of the Facilities, or with any completion, additional construction, or testing of the Facilities performed by the District, in each case subject to the limitations set forth in Section 2 hereof, provided, however, that except for those Facilities the District determines require emergency and immediate repairs within 24 hours, the District shall only take actions to complete, conduct additional construction with respect to, or test the Facilities if the Developer has failed to perform such actions in accordance with the Developer's obligations hereunder, and such failure has continued for 30 days after the delivery from the District to the Developer of written notice of such failure. The Developer shall reimburse the District for costs to correct any damages to the Facilities resulting from the construction of the Development caused by the Developer or any authorized representative of the Developer. This reimbursement obligation is limited to the warranty period described in Section 17 hereof. The Developer shall remit to the District, prior to the conveyance of the Facilities to the District, payment of all costs due and unpaid under this Agreement over and above deposits previously paid to the District. If there are surplus deposit funds or fees or any refunds due the Developer at the time of conveyance of the Facilities to the District, then the District shall return to the Developer the amount of such surplus or refunds upon acceptance by the District of all Facilities required to be constructed under this Agreement.

## 12. District's Non-responsibility for Acts or Omissions of Developer, etc.; Developer Responsible for Verifying Underground Utility Lines and Surface Obstructions

12.1 The District is not responsible for and does not assume any responsibility or liability whatsoever for, acts and omissions of the Developer, Developer's Contractors, or Developer's subcontractors or suppliers at any time during the design and construction of the Facilities. Any location of underground utility lines or surface obstructions given to the Developer or placed on the project drawing by the District are for the Developer's convenience and must be verified by the Developer in the field. The District assumes no responsibility for the sufficiency or accuracy of such information, lines, or obstructions.

13. As-Built Plans, Specifications, Values, Etc.

13.1 The Developer shall, as a condition of the District's acceptance of the Facilities, provide the following to the District in accordance with Section 100.11 and Appendices 10A-10C of the *Procedures*:

13.1.1 One digital copy of drawing prints and AutoCAD digitized files of the improvement plans, which show all of the Facilities, one digital copy of the specifications, and one digital copy of any contract documents used for the construction of the Facilities. Digital copies will be provided in both Adobe Acrobat format (.pdf) and AutoCAD (.dwg) formats.

13.1.2 One hardcopy and one electronic copy of a complete, detailed statement of account, the form and content to be provided by the District at the time of conveyance, of the amounts expended for the installation and construction of the Facilities, with values applicable to the various components thereof, together with a list of any other materials and equipment (and their values) being transferred.

13.1.3 Any other documents required by Section 100.11 and Appendices 10A-10C of the *Procedures*.

#### 14. Indemnity, Insurance, and Sureties

14.1 Indemnity and Insurance - The Developer agrees to have every Contractor performing work on the Facilities fully comply with the all of the requirements in Exhibit D attached hereto. To the extent that any indemnity or insurance coverage provided by any such Contractor does not fully indemnify the District for any and all claims as defined in Exhibit D, Developer agrees to indemnify, hold harmless, and defend the District, its directors, officers, employees, representatives, and authorized volunteers for such claims. Coverages required by Exhibit D shall be maintained throughout the term of this Agreement. Every Contractor shall file with the District prior to the commencement of any work under this Agreement, and as policy renewals occur, Certificates of Insurance evidencing that the insurance coverages required herein have been obtained and are currently in full force and effect.

14.2 Performance and Payment Surety – The Developer or its Contractor, as the case may be, shall furnish the District with one or more sureties to secure the completion of and payment for the Facilities. The amount of the performance surety shall not be less than 100% of the District's reasonable estimate of the total cost to construct all of the Facilities required under this Agreement (which estimate shall be based on the construction cost estimates provided to the District by the Developer). The amount of the payment surety shall not be less than 100% of the District's estimate of the total cost to construct all of the Facilities required under this Agreement. The surety instrument shall be in a form reasonably satisfactory to the District, such as a performance and payment bond, irrevocable letter of credit, cash deposit, or irrevocable construction "set-aside" letter. Such surety may include evidence that it was submitted to another public agency of an equivalent or greater amount covering the work to be done under this Agreement. Each surety must be authorized in the State of California to issue the surety instrument provided. All surety instruments signed by an agent must be accompanied by a certified copy of the agent's authority to act.

14.3 Warranty Surety – The Developer shall furnish the District with a warranty bond or other surety instrument reasonably satisfactory to the District in the amount equal to forty percent (40%) of the final, updated estimated construction costs to secure the Developer's performance under Section 17 hereof.

14.4 Submittal of Insurance Certificates and Surety - The required insurance certificates shall be delivered prior to commencement of construction. The required performance and payment surety shall be delivered to the District prior to the District's approval of plans and specifications. No work may be commenced under this Agreement unless and until all required insurance certificates and performance and payment sureties are submitted to and approved by the District.

The Warranty surety shall be provided prior to the District's acceptance of the Facilities and shall remain in effect for the duration specified in Section 15.1 hereof.

14.5 Effective Periods for Sureties - The performance surety shall remain in effect until final acceptance of the Facilities by the District pursuant Section 15.1. The payment surety shall remain in effect until the last of the following occur: (i) the statutory time has expired to commence a legal action on the payment surety and no legal action was filed, (ii) satisfaction of all judgments against the payment surety, and (iii) as otherwise provided by law. The warranty surety shall remain in effect until all warranties under this Agreement have expired.

## 15. Acceptance and Conveyance of Facilities to District after Completion

15.1 Developer shall execute and obtain the written agreement of all other parties having any interest (including any Deed of Trust) in the Facilities to allow the conveyance of the Facilities, and deliver an conveyance instrument for acceptance of the Facilities in a form and content satisfactory to District. This conveyance shall transfer unencumbered ownership of any Facilities required by this Agreement to the District together with all interests in real property including licenses, easements and rights-of-ways (including any off-site licenses, easements, and rights-of-way) shown in the approved plans for the Facilities other than those contained in public rights of way, and all overlying and other underground water rights that are a part of, appurtenant to, or belonging to the Development now or hereafter served by the potable water, sewer and recycled water system Facilities that are necessary or appropriate in the reasonable opinion of the Parties for the ownership and operation of the Facilities. Provided that all conditions set forth in this Agreement are satisfied, the District shall accept the conveyance of the Facilities. For the avoidance of doubt, the effectiveness of the Developer's conveyance of the Facilities to the District shall be conditioned upon, and simultaneous with, the acceptance of the Facilities by the District. All costs of construction of the Facilities for which the Developer is responsible shall have been paid for by Developer, the time for release of the payment surety under Section 14.5 shall have expired (or Developer shall provide other security acceptable to the District), and the title to all of the Facilities and the interests in real property transferred shall be good, clear and marketable title, free and clear of all encumbrances, mechanics liens or other charges. As used in this section and as it pertains to any interest in the in Facilities or in real property, "encumbrances" shall refer to those types of encumbrances which could reasonably be expected to divest MCWD of its ownership or otherwise make MCWD liable for payment of a pre-existing obligation (and related terms such as "unencumbered" shall have the corresponding meanings). If requested by District, Developer shall pay the costs of any title insurance which is reasonable and customary for a conveyance of potable water, recycled water and sewer infrastructure similar to the Facilities. All construction, including all punch list items resulting from the District's final inspection of the Facilities, must be completed prior to transfer, and the transfer shall not be completed until the conveyance instrument transferring the Facilities has been formally accepted by the District. After transfer, the District shall own and be free in every respect to operate and manage the Facilities and to expand or improve, or interconnect the Facilities with other adjacent facilities, as the District deems appropriate in its sole discretion.

## 16. Developer Assistance

16.1 The Developer shall use commercially reasonable efforts to secure and provide any information or data reasonably needed by the District to take over the ownership, operation and maintenance of the Facilities. This obligation shall extend to one year after transfer of the Facilities from the Developer to the District.

## 17. Warranties

17.1 The Developer hereby warrants that, as of the time of the District's acceptance of the conveyance of the Facilities to the District (or, with respect to any works or components subsequently installed, repaired, or replaced under this Agreement (collectively, "Subsequent Improvements"), as of the time the Developer completes the installation of such Subsequent Improvements), the Facilities and all components thereof, will be in satisfactory working order and quality and free of any defect in equipment, material, or design furnished, or workmanship performed by the Contractor or any subcontractor or supplier at any tier; and that the Facilities and all components thereof have been constructed and installed in compliance with all approved specifications and as-built plans provided to the District, and in accordance with the District's Procedures, the Standards and the MCWD Code and with applicable requirements of any governmental agency having jurisdiction. The Developer also warrants that, as of the time of the District's acceptance of the conveyance of the Facilities to the District (or, with respect to any Subsequent Improvements, as of the time the Developer completes the installation of such Subsequent Improvements) the Facilities or Subsequent Improvements, as applicable, will operate in good and sufficient manner for the purposes intended for (a) one (1) year after the date of acceptance of the Facilities originally conveyed to the District, or (b) with respect to Subsequent Improvements, 180-days from the date such Subsequent Improvements are subsequently re-installed, repaired, or replaced and inspected and accepted by the District pursuant to the warranty provided in this Section 17.1, whichever of (a) or (b) occurs last. The Developer shall remedy, at the Developer's expense, any defect or any other failure to conform with any applicable Standards by any Contractor or any subcontractor or supplier at any tier that is discovered during the warranty period described in this Section 17.1. If the Developer fails to remedy any such failure, defect, or damage within a reasonable time after receipt of notice by the District or any other person or entity, the District shall have the right to replace, repair, or otherwise remedy the failure, defect, or damage at the Developer's expense and the Developer shall reimburse the District for all such reasonable costs (including District's own labor costs) incurred.

17.2 With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this Agreement, the Developer shall:

- (1) Obtain all warranties that would be given in normal commercial practice;
- (2) Require all such warranties to be executed, in writing, for the benefit of the District; and
- (3) Enforce all warranties for the benefit of the District, if directed by the District.

In the event any warranty under this section has expired, the District may bring suit at its expense to enforce a subcontractor's, manufacturer's, or supplier's warranty.

17.3 This Section 17 shall not limit the District's rights under the law with respect to latent defects, gross mistakes, or fraud.

## 18. No Water, Recycled Water and Sewer Service Prior to Completion and Conveyance

18.1 Prior to the conveyance of the Facilities to the District, and subject to the last sentence of this Section 18.1, the Developer shall not allow any occupant or person to commence operations or use of any part of the Facilities without the express written consent of the District. The District may impose conditions or restrictions upon any consent to such prior service, such as posting a surety bond. Notwithstanding any of the foregoing, Developer and its Contractors or subcontractors may use the Facilities before they are conveyed to the District for fire protection and construction

purposes in all phases, subject to satisfaction of applicable testing.

## 19. Performance

19.1 Developer agrees to promptly design and construct the Facilities and transfer the same to the District in accordance with the terms of this Agreement. If construction of the Facilities has not been completed and accepted by the District within thirty-six (36) months from the date of execution of this Agreement (such date may be extended for delays beyond the Developer's reasonable control and without the fault or negligence of the Developer or any Contractor or subcontractor or supplier at any tier, but in no event shall such delay exceed twelve (12) additional months), the District shall have the option to terminate this Agreement.

19.2 Responsibility for Work - Until the completion and final acceptance by the District of the Facilities under and implied by this Agreement, the Developer will require the work to be under the Developer's or the Contractor's responsible care and charge. The Developer or the Contractor shall rebuild, repair, restore and make good all injuries, damages, re-erectments, and repairs occasioned or rendered necessary during such period by causes of any nature whatsoever.

## 20. Assignment

20.1 Neither party may assign their rights or obligations under this Agreement within its term without the written consent of the other party.

20.2 Provisions of potable water delivery, recycled water delivery, and sewer service will be deemed assigned to each property owner upon acquisition of his/her commercial and/or residential separately-metered unit in the Development. Upon assignment, the Developer's responsibilities relating to the Facilities, and their use and approvals for use will become the assignee's responsibility.

## 21. Dispute Resolution Procedure

21.1 Disputes arising under this Agreement shall be resolved as provided in this section.

21.2 Prevention of Disputes/Meet and Confer - The Parties agree that they share an interest in preventing misunderstandings that could become claims against one another under this Agreement. The Parties agree that they will attempt to identify and discuss in advance any areas of potential misunderstanding that could lead to a dispute. If either Party identifies an issue of disagreement, the Parties agree to meet in-person to discuss the matter within three (3) calendar days of the initial request. If the dispute cannot be negotiated between the Parties, the matter shall first be brought to the attention of the District's Board of Directors at the first available regularly scheduled Board Meeting. As a contract dispute, the matter shall be considered by the District Board of Directors in closed session under the Brown Act without the Developer or any Contractor in attendance. If any disagreement remains unresolved for ten (10) days after consideration by the District Board of Directors, the Parties agree to submit it to mediation as provided in Section 21.3 below.

21.3 Mediation - Either Party may demand, and shall be entitled to, mediation of any dispute arising under this Agreement at any time after completing the meet and confer process described in subsection 21.2. Mediation shall commence not more than twenty (20) days after the mediator's selection and must be concluded not more than thirty (30) days after the date of the commencement of mediation. If mediation is not concluded within that time, then either Party may demand arbitration as set forth in Section 21.4.

If feasible, the disputed issue(s) shall be submitted to a mediator with at least ten years' experience with the type of issue(s) in dispute. The Parties shall attempt to select a mediator by mutual agreement. Failing such agreement, a mediator shall be selected by the presiding judge of the Monterey County Superior Court. In the interest of promoting resolution of the dispute, nothing said, done or produced by either Party at the mediation may be discussed or repeated outside of the mediation or offered as evidence in any subsequent proceeding except upon the written consent of both Parties. The Parties acknowledge the confidentiality of mediation.

No mediator shall submit, and no arbitrator or court shall consider, any mediator recommendations, declarations, or findings unless both Parties give their written consent to the proposed mediator statement.

21.4 Arbitration - If mediation fails to resolve the dispute, the Parties shall attempt to select an arbitrator by mutual agreement. Failing such agreement, the arbitrator shall be selected by the presiding judge of the Monterey Superior Court. The decision of the arbitrator shall be final and not subject to judicial litigation.

Arbitration shall be commenced within thirty (30) days of the arbitration demand and concluded within 60 days of arbitration demand.

Arbitration shall follow the so-called "baseball arbitration" rule in which the arbitrator is required to select an award from among the final offers presented by the contending parties. The arbitrator may not render an award that compromises between the final offers.

Unless the arbitrator selects another set of rules, the arbitration shall be conducted under the J.A.M.S. Streamlined Arbitration Rules and Procedures, but not necessarily under the auspices of J.A.M.S. Upon mutual agreement, the Parties may agree to arbitrate under an alternative scheme or statute. The Arbitrator may award damages according to proof. Judgment may be entered on the arbitrator's award in any court of competent jurisdiction.

**NOTICE: IN AGREEING TO THE FOREGOING PROVISION, YOU ARE WAIVING YOUR RIGHT TO HAVE YOUR RIGHTS UNDER THIS AGREEMENT TRIED IN A COURT OF LAW OR EQUITY. THAT MEANS YOU ARE GIVING UP YOUR RIGHT TO TRIAL BY JUDGE OR JURY. YOU ARE ALSO GIVING UP YOUR RIGHT TO DISCOVERY AND APPEAL EXCEPT AS PROVIDED IN THE ARBITRATION RULES. IF YOU REFUSE TO ARBITRATE YOUR DISPUTE AFTER A PROPER DEMAND FOR ARBITRATION HAS BEEN MADE, YOU CAN BE FORCED TO ARBITRATE OR HAVE AN AWARD ENTERED AGAINST YOU BY DEFAULT. YOUR AGREEMENT TO ARBITRATE IS VOLUNTARY.**

**BY INITIALING THIS PROVISION BELOW, THE PARTIES AFFIRM THAT THEY HAVE READ AND UNDERSTOOD THE FOREGOING ARBITRATION PROVISIONS AND AGREE TO SUBMIT ANY DISPUTES UNDER THIS AGREEMENT TO NEUTRAL BINDING ARBITRATION AS PROVIDED IN THIS AGREEMENT.**

District's INITIALS \_\_\_\_\_

Developer's: INITIALS \_\_\_\_\_

21.5 The provisions of this Section 21 shall survive the expiration or termination of this Agreement.

## 22. Waiver of Rights

22.1 Waiver. No waiver of any breach or default by either Party shall be considered to be a waiver of any other breach or default. The waiver by any Party of the time for performing any act shall not constitute a waiver of the time for performing any other act or an identical act to be performed at a later time. None of the covenants or other provisions in this Agreement can be waived except by written consent of the waiving Party.

## 23. Notices

23.1 All notices, demands, or other communications which this Agreement contemplates or authorizes, shall be in writing and shall be personally delivered, or mailed by certified mail, return receipt requested, or delivered by reliable overnight courier, to the respective party as follows:

**To District:** Marina Coast Water District  
**Attn: General Manager**  
11 Reservation Road  
Marina, California 93933

**To Developer:** Marina Station, LLC  
**Attn: Dustin L. Bogue**  
5671 Santa Teresa Blvd., Suite 200  
San Jose, CA 95123

23.2 The address to which notice may be sent may be changed by written notification of each Party to the other as above provided.

## 24. Severability

24.1 If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement and the Parties shall meet and confer as soon as practical to renegotiate the invalidated term or provision to be replaced with a legal, enforceable and valid provision that conforms with the allocation of benefits and burdens to the respective Parties and intent of the Parties as expressed herein. Stricken provisions shall not affect the legality, enforceability, or validity of the remainder of this Agreement.

## 25. Section Headings

25.1 Section headings are for convenience only and are not to be construed as limiting or amplifying the terms of this Agreement in any way.

## 26. Successors and Assignees

26.1 This Agreement shall be binding on and benefit the successors or permitted assigns to this Agreement in the same manner as the original Parties hereto.

## 27. Integrated Agreement

27.1 This Agreement integrates and supersedes all prior and contemporaneous agreements and understandings concerning the subject matter herein. This Agreement constitutes the sole agreement of the Parties with respect to the subject matter hereof and sets forth the rights, duties and obligations of each to the others. Future amendments must be in writing signed by both



Parties. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect.

## 28. Negotiated Agreement

28.1 This Agreement has been arrived at through negotiation between the Parties. Neither party is deemed the Party that prepared the Agreement within the meaning of Civil Code Section 1654.

## 29. Attorneys' Fees

29.1 If arbitration or suit is brought to enforce or interpret any part of this Agreement, the prevailing Party shall be entitled to recover as an element of costs of suit, and not as damages, a reasonable attorneys' fee to be fixed by the arbitrator or Court, in addition to any other relief granted. The "prevailing party" shall be the Party entitled to recover costs of suit, whether or not the suit proceeds to arbitrator's award or judgment. A Party not entitled to recover costs shall not recover attorneys' fees. No sum for attorneys' fees shall be counted in calculating the amount of an award or judgment for purposes of determining whether a Party is entitled to recover costs or attorneys' fees.

29.2 If either Party initiates litigation without first participating in good faith in the alternative forms of dispute resolution specified in this Agreement, that Party shall not be entitled to recover any amount as attorneys' fees or costs of suit even if such entitlement is established by statute.

29.3 The provisions of this Section 29 shall survive the expiration or termination of this Agreement.

## 30. Exhibits

30.1 All exhibits referred to in this Agreement and attached to this Agreement are incorporated in this Agreement by reference.

## 31. Disclaimer/Indemnity Regarding Public Works

31.1 The District has not determined whether the project would be considered a "Public Works" project for the purposes of California law, and makes no warranties or representations to the Developer about whether the project would be considered a "Public Works" project. The Developer is aware that if the project is considered a "Public Works" project, then the Developer would have to pay "prevailing wages" under California Labor Code section 1771. If the Developer fails to pay such prevailing wages, the Developer acknowledges that it will be liable to, among other things, pay any shortfall owed as well as any penalties that might be assessed for failure to comply with the law. If the Developer does not pay prevailing wages, and an action or proceeding of any kind or nature is brought against the District based on such failure, the Developer will defend and indemnify District in such action or proceeding. The District agrees to reasonably cooperate and assist the Developer in any defense of any such action.

## 32. No Third-Party Beneficiaries

32.1 There are no intended third-party beneficiaries to this Agreement.

## 33. Compliance with Laws

33.1 The Developer will comply with all laws, rules and regulations in carrying out its

obligations under this Agreement.

#### 34. Counterparts; Electronic Signatures

34.1 This Agreement may be executed in counterparts, and each fully executed counterpart shall be deemed an original document. This Agreement, along with any amendments hereto, to the extent signed and delivered by means of facsimile or other electronic format or signature (including e-mail, “pdf,” “tif,” “jpg,” DocuSign and Adobe Sign), will be treated in all manner and respects and for all purposes as an original signature, agreement or instrument and will be considered to have the same legal effect, validity and enforceability as if it were the original signed version thereof delivered in person to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act, or any similar state law based on the Uniform Electronic Transactions Act.

#### 35. Governing Law

35.1 This Agreement and the rights and obligations hereunder shall be governed by and construed and interpreted in all respects in accordance with the laws of the State of California, without regard to any conflicts of laws principles.

The provisions of this Section 35 shall survive the expiration or termination of this Agreement.

**By: DEVELOPER**

**MARINA STATION, LLC,**  
a Delaware limited liability company

**By: TMP VENTURE IV, LLC,**  
its Operating Member

By: \_\_\_\_\_  
Dustin L. Bogue  
Authorized Signatory

**By DISTRICT**

\_\_\_\_\_  
XXXXXXXXXX, General Manager  
Marina Coast Water District

EXHIBIT A

ANNEXATION AGREEMENTS

**MARINA STATION WATER SUPPLY ASSESSMENT (FINAL), ANNEXATION AGREEMENT AND GROUNDWATER MITIGATION FRAMEWORK FOR MARINA AREA LANDS, 1ST AMENDMENT TO ANNEXATION AGREEMENT IS AVAILABLE UPON REQUEST**

MASTER DRAFT

**EXHIBIT B**  
**LEGAL DESCRIPTION**

MASTER DRAFT

**EXHIBIT B**  
**LEGAL DESCRIPTION**  
**MARINA STATION PHASE 1-2**

Certain real property situate in the City of Marina, County of Monterey, State of California, described as follows:

Being a portion of Parcel 3 as shown on that certain map filed in Volume 23 of Parcel Maps at Page 90 in the Records of said County.

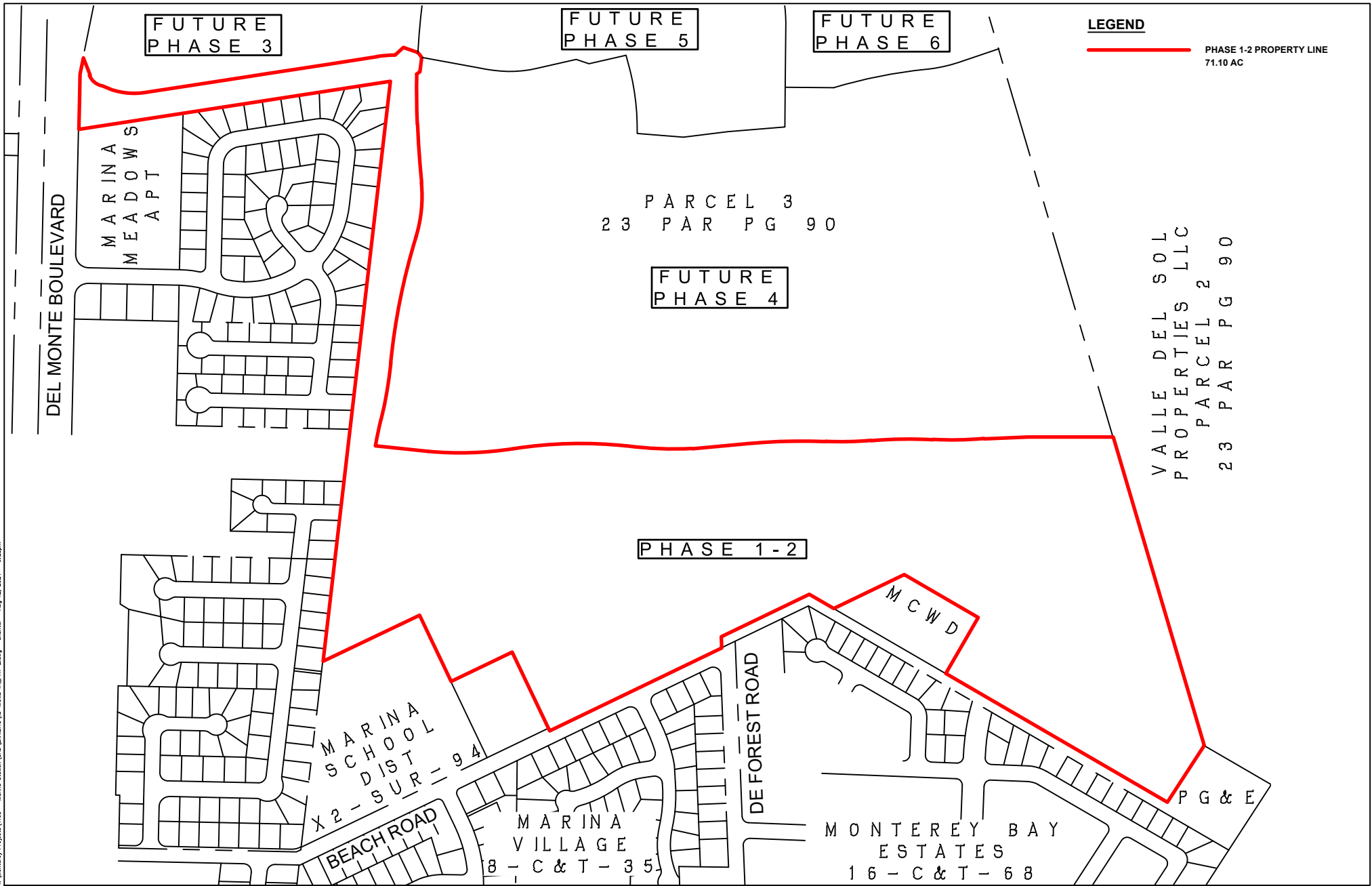
Containing 71.10 acres, more or less.

**EXHIBIT C**

**MAP OF DEVELOPMENT**

MASTER DRAFT

T:\Monterey Projects\4105 - Marina Station\CA0\CHARTS\va-MCWD\Map\PH1-2.dwg d:\monter Aug 12, 2024 - 6:28pm



PHASE 1-2 PROPERTY MAP  
**MARINA STATION**  
MARINA, CALIFORNIA

250

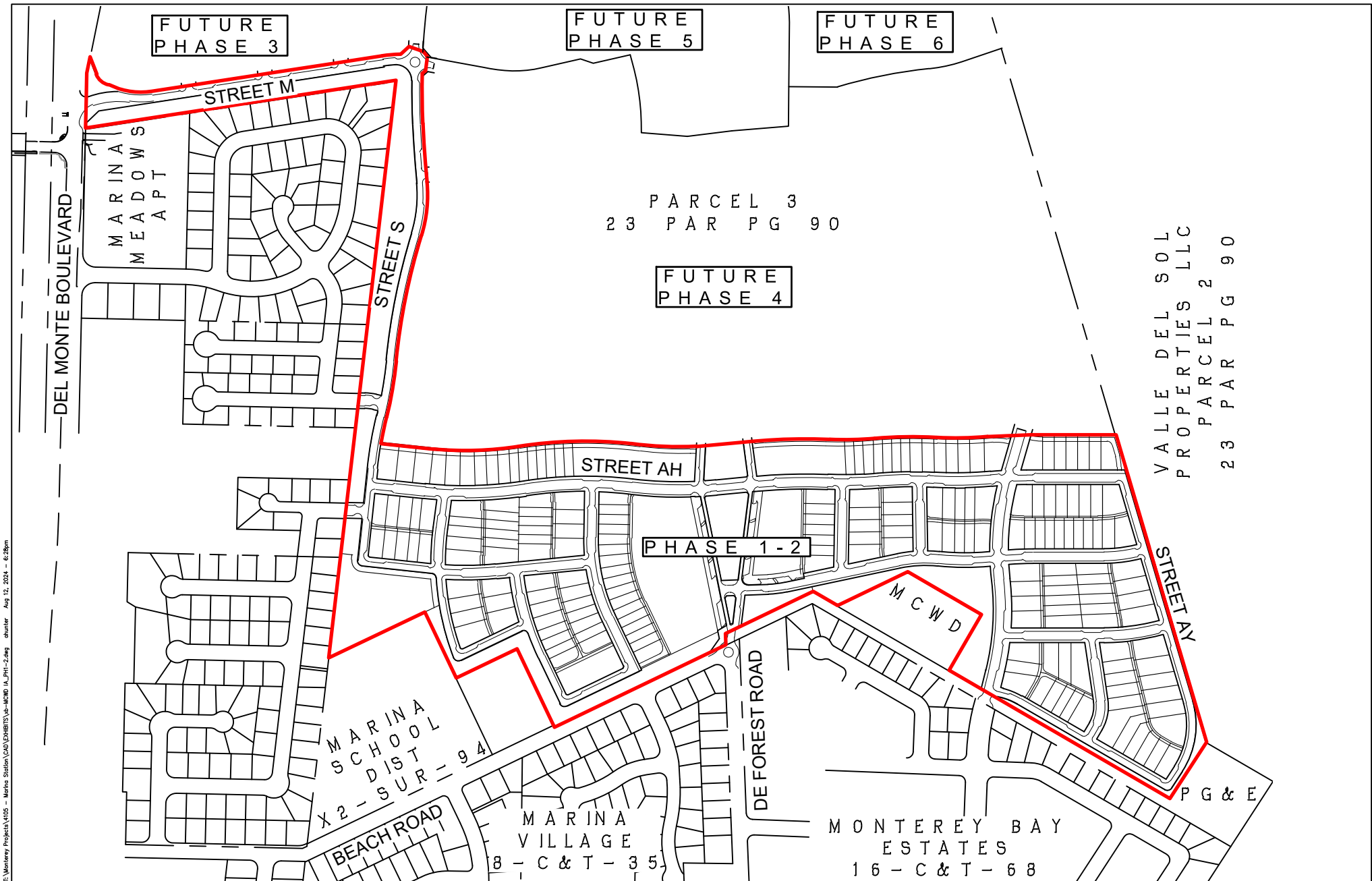
August 12, 2024  
Project No.:4105.00



Civil Engineering  
Land Surveying  
6 Harris Court  
Monterey, California  
831.649.5225  
whitsonengineers.com







T:\Monterey Projects\4105 - Marina Station\CA0\CHARTS\va-MCWD\A\_P1-2.dwg d:\hunter Aug 12, 2024 - 6:28pm

PHASE 1-2 SITE PLAN  
**MARINA STATION**  
 MARINA, CALIFORNIA

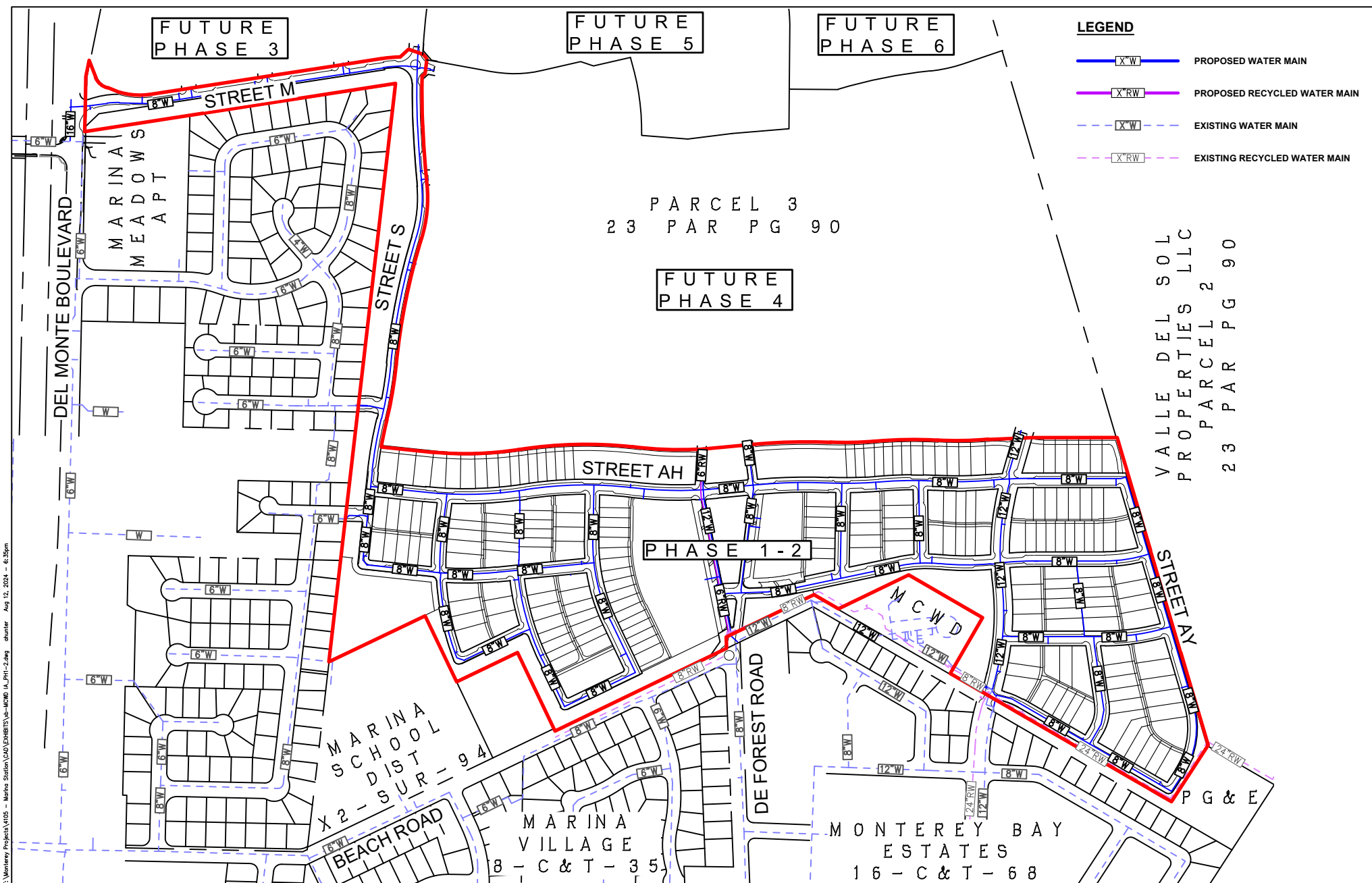


Civil Engineering  
 Land Surveying  
 6 Harris Court  
 Monterey, California  
 831.649.5225  
 whitsonengineers.com









# PHASE 1-2 WATER INFRASTRUCTURE

# MARINA STATION

MARINA, CALIFORNIA

## MARINA, CALIFORNIA

254

August 12, 2024  
Project No.:4105.02

Project No.:4105.02



**Civil Engineering  
Land Surveying**  
6 Harris Court  
Monterey, California  
831.649.5225  
whitsonengineers.com

**Land Surveying**  
6 Harris Court  
Monterey, California  
831.649.5225  
whitsonengineers.com

6 Harris Court  
Monterey, California  
831.649.5225  
whitsonengineers.com

Monterey, California

831.649.5225

whitsonengineers.com



## EXHIBIT D

### **INDEMNIFICATION AND INSURANCE REQUIREMENTS**

#### **1. Workers' Compensation and Employer's Liability Insurance –**

- a. The Developer shall require every Contractor to certify that it and all of its subcontractors are aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the applicable Contractor will comply with such provisions before commencing the performance of any work under this Agreement.
- b. The Developer shall require every Contractor and all subcontractors to be insured (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof.
- c. Each Contractor shall provide employer's liability insurance in the amount of at least \$1,000,000 per accident for bodily injury and disease.

#### **2. Definitions** – For purposes of this Exhibit, the following terms shall have the following respective meanings:

**"Claim"** - shall be used collectively to refer to and include any and all claims, demands, causes of action, damages, costs, attorneys' fees, expert fees, court costs, expenses, penalties, losses or liabilities, in law or in equity, of every kind and nature whatsoever.

#### **3. Indemnification** - To the fullest extent permitted by law, the Developer will require every Contractor to indemnify, hold harmless, and defend the District, its directors, officers, employees, representatives, and authorized volunteers (collectively, the "indemnitees"), and each of them from and against:

- a. Any claim, including, but not limited to, injury to or death of any person including any directors, officers, employees, agents, representatives, or authorized volunteers of the District or the Contractor, and damages to or destruction of property of any person, including but not limited to the District and/or the Contractor or their directors, officers, employees, agents, representatives, or authorized volunteers, to the extent arising out of or in any manner directly or indirectly connected with the work to be performed under this Agreement by the Contractor, however caused, regardless of any negligence of the District or its directors, officers, employees, agents, representatives or authorized volunteers, except to the extent caused by the sole negligence or willful misconduct of the District or its directors, officers, employees, agents, representatives, or authorized volunteers;
- b. Any claim arising out of, resulting from, or relating in any way to a violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;

- c. Any Claims which any indemnitee may incur with respect to the failure, neglect, or refusal of Contractor to faithfully perform the work and all of the Contractor's obligations to the Developer for work to be performed under this Agreement. Such costs, expenses, and damages shall include all costs, including reasonable attorneys' fees, expert fees, and court costs, incurred by an indemnitee in any lawsuit to which the indemnitee is a party.

The Developer will require their Contractor to pay and satisfy any judgment, award or decree that may be rendered against the District or its directors, officers, employees, or authorized volunteers, relating to any claim for which the Contractor is required to provide indemnification hereunder.

The Developer will require their Contractor to reimburse the District or its directors, officers, employees, or authorized volunteers, for any and all reasonable legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Contractor's indemnification obligation shall not be limited to the proceeds, if any, received by the District, or its directors, officers, employees or authorized volunteers from any insurance required to be provided under this Agreement.

**4. Commercial General Liability and Automobile Liability Insurance** - The Developer will require their Contractor to provide and maintain the following commercial general liability and automobile liability insurance:

**Coverage** - Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

1. Insurance Services Office Commercial **General Liability** Coverage (Occurrence Form CG 0001)
2. Insurance Services Office **Automobile Liability** Coverage (Form CA 0001), covering Symbol 1 (any auto) (owned, non-owned and hired automobiles)

**Limits** - The Consultant shall maintain limits no less than the following:

1. **General Liability** - Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the District) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability** - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

**Required Provisions** - The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

1. The District, its directors, officers, employees, or authorized volunteers are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the Contractors; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the District, its directors, officers, employees, or authorized volunteers.
2. For any claims related to this project, the Contractor's insurance shall be primary insurance as respects the District, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by the District, its directors, officers, employees, or authorized volunteers shall not contribute to it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the District, its directors, officers, employees, or authorized volunteers.
4. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the District.

Such liability insurance shall indemnify the Contractor and his/her subcontractors against loss from liability imposed by law upon, or assumed under contract by, the Contractor or his/her subcontractors for damages on account of such bodily injury (including death), property damage, personal injury and completed operations and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation and removal of lateral support.

The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies satisfactory to the District.

**5. Deductibles and Self-Insured Retentions** - Any deductible or self-insured retention must be disclosed in writing to and approved by the District.



**6. Acceptability of Insurers** - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the District.

**7. Builder's Risk Insurance** - The Developer or the Developer's Contractor will provide and maintain builder's risk insurance (or installation floater) covering all risks of direct physical loss, damage or destruction to the Facilities in the amount specified by the District, to insure against such losses until final acceptance of the work by the District. Such insurance shall include<sup>1</sup> explosion, collapse, underground excavation and removal of lateral support. The District shall be a named insured on any such policy. The making of progress payments to the Contractor by the Developer shall not be construed as creating an insurable interest by or for the District or be construed as relieving the Contractor or his/her subcontractors of responsibility for loss from any direct physical loss, damage or destruction occurring prior to final acceptance of the work by the District.

**8. Waiver of Rights of Subrogation** - The Developer will require their Contractor's insurer waive all rights of subrogation against the District, its directors, officers, employees, or authorized volunteers.

**9. Evidences of Insurance** - Prior to the commencement of construction activities under this Agreement, the Developer will require their Contractor file with the District a certificate of insurance (Acord Form 25-S or equivalent) signed by the insurer's representative. Such evidence shall include an original copy of the additional insured endorsement signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to include Required Provisions 1-5.

The Developer will require that their Contractor, upon demand of the District, deliver to the District such policy or policies of insurance and the receipts for payment of premiums thereon.

All insurance correspondence, certificates, binders, etc., shall be mailed to:

Marina Coast Water District  
11 Reservation Road  
Marina, CA 93933  
Attn: Management Services Administrator

**10. Sub-Contractors' Required Insurance Requirements** - In the event that the Contractor employs subcontractors as part of the work to be performed under this Agreement, it shall be the Developer's responsibility to require and confirm that every Contractor requires each of its subcontractor to meet the same minimum insurance requirements specified in this Exhibit for every Contractor.



**EXHIBIT E**

**ASSIGNED WATER USE RATES**

MASTER DRAFT

## MCWD WATER CODE: APPENDIX C\*

### Marina Coast Water District Assigned Water Use Factors for Determining Water Capacity Charges

The district, through the general manager, assigns water use factors from this Appendix C for new and modified uses. Each new or modified service connection that involves two or more uses shall be subject to a use calculation for each proposed use. Where a proposed use may be designated as more than one type of use, the type of use which most accurately depicts the proposed use shall be selected. Where doubt exists, the higher intensity use type shall be chosen. Water use rates are assigned for various uses per unit - square footage, number of rooms, seats, etc. The assigned water use rates determined considering estimated water use availability for various uses. The type of use and assigned water use rates are listed below.

Type of Use	Basis	Assigned MCWD Water Use Rates By Acre-Ft	Project Quantity (Units)	Total Project Water Use Per Annum by Use (Acre-Ft)
<b>Residential</b>				
Multi Family - Apartment	DU	0.21	60	12.6
Apartment (senior complex)	DU	0.12		0
Group Housing (boarding, dormitory, convalescent)	Occupant	0.062		0
Condominium/Townhouse	DU	0.24	91	21.84
Mobile Home	DU	0.21		0
Multi-Family - Duplex to Fourplex	DU	0.24		0
Single Family 0 < lot < 0.08 acres (13 or more units per acre)	DU	0.25		0
Single Family 0.08 <= lot < 0.22 acres (5—12 Units/Acre)	DU	0.28	201	56.28
Single Family 0.22 <= lot < 0.67 acres (2—4 Units/acre)	DU	0.52		0
Single Family (lot >= 0.67 acres)	acres	0.89		0
Accessory Dwelling Unit < 640 sq. ft.	DU	0.17		0
Accessory Dwelling Unit 641 to 800 sq. ft.	DU	0.21		0
Accessory Dwelling Unit 841 to 1,200 sq. ft.	DU	0.25	25	6.25
<b>TOTAL RESIDENTIAL ACRE-FEET THIS INFRASTRUCTURE AGREEMENT</b>				<b>96.97</b>

Type of Use	Basis	Assigned MCWD Water Use Rates By Acre-Ft	Project Quantity (Units)	Total Project Water Use Per Annum by Use (Acre-Ft)
<b>Non-Residential</b>				
Auto Sales/Repair Shops (Gross Floor Area)	sq. ft.	0.00006		-
Bank	sq. ft.	0.0003		-
Bakery	sq. ft.	0.00027		-
Bar (w/o restaurant)	sq. ft.	0.00023		-
Beauty shop/barber shop	stations	0.05		-
Car Wash w/ recycle	sq. ft.	× *		
Child Care	sq. ft.	0.0061		-
Dry Cleaners (onsite cleaning)	sq. ft.	0.0004		-
Gas Station (w/o minimart or restaurant)	pumps	0.1051		-
Gym, Health Club (w/o aquatics)	sq. ft.	0.00012		-
Hotel/Motel/Bed & Breakfast (Guest room portion only)	units	0.11		-
Laundromat (self-serve)	washers	0.202		-
Laundry - Commercial	sq. ft.	× *		
Office - General (nonmedical, includes chiropractor)	sq. ft.	0.0001		-
Office - Government, Education	sq. ft.	0.000092		-
Office - Medical, Dental	sq. ft.	0.00016		-
Manufacturing (other than food, beverage, chemical)	sq. ft.	0.056		-
Manufacturing (food, beverage, chemical)	sq. ft.	× *		
Meeting Halls, Churches, School Room	sq. ft.	0.000092		-

Nursing Home (care portion only)	bed	0.12		-
Laboratory	sq. ft.	0.000082		-
Laboratory - Photographic	sq. ft.	0.003		-
Landscape (non-turf)	acres	2.1	14.70	30.870
Landscape (turf)	acres	2.5		-
Plant Nursery	sq. ft.	0.00009		-
Public Restroom	toilets	0.058	2	0.116
Restaurant (full service - 3 meals, dish washing)	sq. ft.	0.00125	8,800	11.000
Restaurant (Fast food/casual with onsite prep)	sq. ft.	0.00051		-
Restaurant (take out w/ minimal onsite prep)	sq. ft.	0.00027		-
Store - General Retail (Department Store)	sq. ft.	0.00005		-
Store - Grocery and Markets	sq. ft.	0.00033		-
Swimming Pool (per 100 sq. ft. pool area)	sq. ft.	0.02		-
Theater	seats	0.0012		-
Veterinary	sq. ft.	0.00022		-
Warehouse, Distribution, Self-Storage	sq. ft.	0.00001		-
<b>TOTAL NON RESIDENTIAL ACRE-FEET THIS INFRASTRUCTURE AGREEMENT</b>				<b>41.986</b>

<b>TOTAL COMBINED ACRE-FEET THIS INFRASTRUCTURE AGREEMENT</b>				<b>138.956</b>
---	--	--	--	----------------

The assigned water use rate is then multiplied by the appropriate square footage, room, or seat number for each use and the capacity charge per acre-foot of water.

Example: To compute capacity charges in October 2020 for a 1,000 sq. ft. office (assume only a single use) in Central Marina, multiply 1,000 by 0.0001 (from table) and then by \$6,332. The resultant capacity charge for this office in Central Marina would be \$633.20.

\* See manufacturer's recommendation.

# MARINA RATES, FEES & CHARGES

## Marina Water Schedule of Rates (Effective July 1, 2024)

Single Family Consumption Charge (\$/HCF)	Amount in USD \$
Tier 1 <sup>1</sup>	4.36
Tier 2	7.00
Multi-Family and Non-Residential Consumption Charge (\$/HCF)	Amount in USD \$
Uniform Rate	4.64
Fixed Monthly Service Charge (in USD)*	Amount in USD \$
5/8" and 3/4"	42.29
1"	65.06
1.5"	122.01
2"	190.34
3"	372.56
4"	577.55
6"	1,146.99
8"	1,830.31
10"	3,196.95
12"	4,791.37

<sup>1</sup>For the first 10 HCF per month.

## Marina Sewer Schedule of Rates (Effective July 1, 2024)

Type of Charge	Amount in USD \$
Fixed Monthly Charge (\$/EDU)	9.45
Flow-based Charges (\$/HCF)	1.85

**Marina Monthly Private Fire Meter Charge (Effective July 1, 2024)\***

Meter Size	Amount in USD \$
1"	2.07
1.5"	6.01
2"	12.82
2.5"	23.04
3"	37.23
4"	79.33
6"	230.45
8"	491.08

**Capacity Charges (Effective July 1, 2024)\*\***

Type of Charge	Amount in USD \$
Water Capacity Fee	6,800
Sewer Capacity Fee	2,650

**Temporary Water Service (Effective July 1, 2024)**

Type of Charge	Amount in USD \$
Meter Deposit Fee	813
Hydrant Meter Fee (Set/Remove, one time fee)	Actual Cost
Hydrant Meter Fee (Relocate fee, per occurrence)	Actual Cost
Minimum Monthly Service Charge, per month)	123
Estimated Water Consumption Deposit (minimum)	1,372

\* Increase based on a 2.4 percent increase in the Consumer Price Index (CPI) between Feb 2023 and Feb 2024. Private fire meter charges will be increased by the CPI each July 1 through July 1, 2028.

\*\*Per District Ordinance 6.08.090 Section B, each July 1st, Capacity Charges will be adjusted by an increment based on the change in the Engineering News Record-City Average Construction Cost Index (CCI) over the prior year, using the index published for the first quarter of the calendar year, and rounding to the nearest \$25. The average CCI for the first quarter of 2024 is 2.7%.

MASTER DRAFT

# **Water Supply Assessment and Written Verification of Supply**

## **Proposed Marina Station Project**

**Prepared by the Marina Coast Water District  
and**



**Byron Buck & Associates**  
*Water Resources and Environmental Consulting*

**January 4, 2006**

## **Contents**

<b><u>Section</u></b>	<b><u>Page</u></b>
1.0 Introduction and Purpose of Report . . . . .	1
1.1 Project Description . . . . .	1
1.2 Purpose of Water Supply Assessment . . . . .	4
1.3 Requirements for Water Supply Assessment . . . . .	4
1.4 Relationship of this Document to Marina Coast Water District Urban Water Management Plan . . . . .	6
2.0 Project Water Demands and Forecasting Methods . . . . .	7
2.1 Water Demands . . . . .	7
2.2 Forecasting Methodology . . . . .	8
3.0 Available Water Supply . . . . .	8
3.1 Overall Supplies . . . . .	8
3.2 Available Water Supply for the Marina Station Project. . . . .	10
4.0 Water Conservation . . . . .	10
5.0 Water Supply Sufficiency Analysis . . . . .	12
6.0 Availability of Water Treatment and Delivery System Capacity . . . . .	12
7.0 Regulatory Permits Necessary for Supply Delivery . . . . .	12
8.0 Effect on Agricultural and Industrial Users Not Supplied by the Marina Coast Water District but Reliant on the Same Sources . . . . .	13
9.0 Summary Water Supply Sufficiency Determination . . . . .	13
10.0 References . . . . .	14

### **List of Tables**

1-1 Proposed Marina Station Land Uses . . . . .	4
2-1 Projected Water Demands . . . . .	9
3-1 Water Supply Currently Available to Marina Coast Water District . . . . .	11

### **List of Figures**

1-1 Marina Coast Water District Vicinity Map and Well Locations . . . . .	2
1-2 Marina Station Land Use Plan . . . . .	3



## 1.0 Introduction and Purpose of Report

### 1.1 Project Description

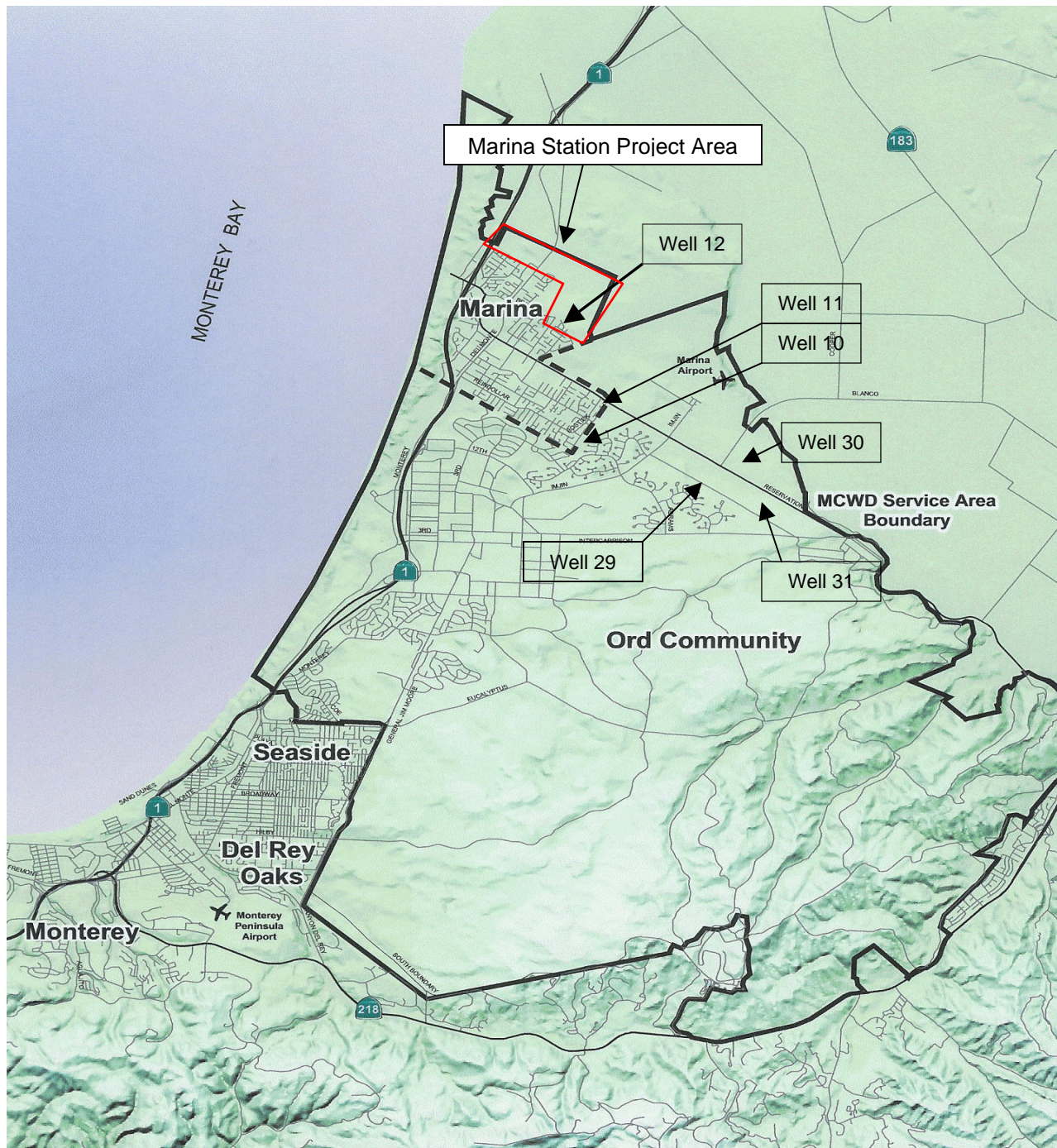
Creekbridge Homes proposes to develop a mixed-use development consisting of up to 1,464 units of housing, 60,000 square feet of commercial space, 143,000 square feet of office space and 651,624 square feet of light industrial zoned space on a 320-acre portion of the 324-acre section of the Armstrong Ranch property lying within the City of Marina, situated along the north and east boundaries of Marina<sup>1</sup> (hereafter Project). The project site is along both sides of Del Monte Avenue at the north end of Marina (**Figure 1-1**). The Armstrong Ranch has historically been used for agricultural and grazing purposes.

The project includes three village centers featuring shopping, service businesses and civic uses along with 30 acres of open space and recreation areas including parks, playgrounds and a 100-foot buffer between proposed uses and surrounding neighborhoods. Conceptual plans include a variety of medium and low density housing types including apartments, row houses and small and large single family detached homes. Conceptual plans call for a mix of housing and mixed-use commercial development as shown in the proposed land uses in **Table 1-1** and **Figure 1-2**.

The Project area property is not located within the boundaries of the Marina Coast Water District (MCWD) and annexation is required (**Figure 1-1**). The area to be annexed is shown within the “MCWD Service Area Boundary.” On November 9, 2005 MCWD’s Board of Director’s adopted Resolution No. 2005-65 adopting the Initial Study/Negative Declaration for the Marina Station Property Annexation. MCWD staff and its consultant are working with LAFCO to complete the annexation process. The Project has distinct water supplies available to it for use by the Project.

---

<sup>1</sup> Total Armstrong Ranch Property about 1,850 Acres

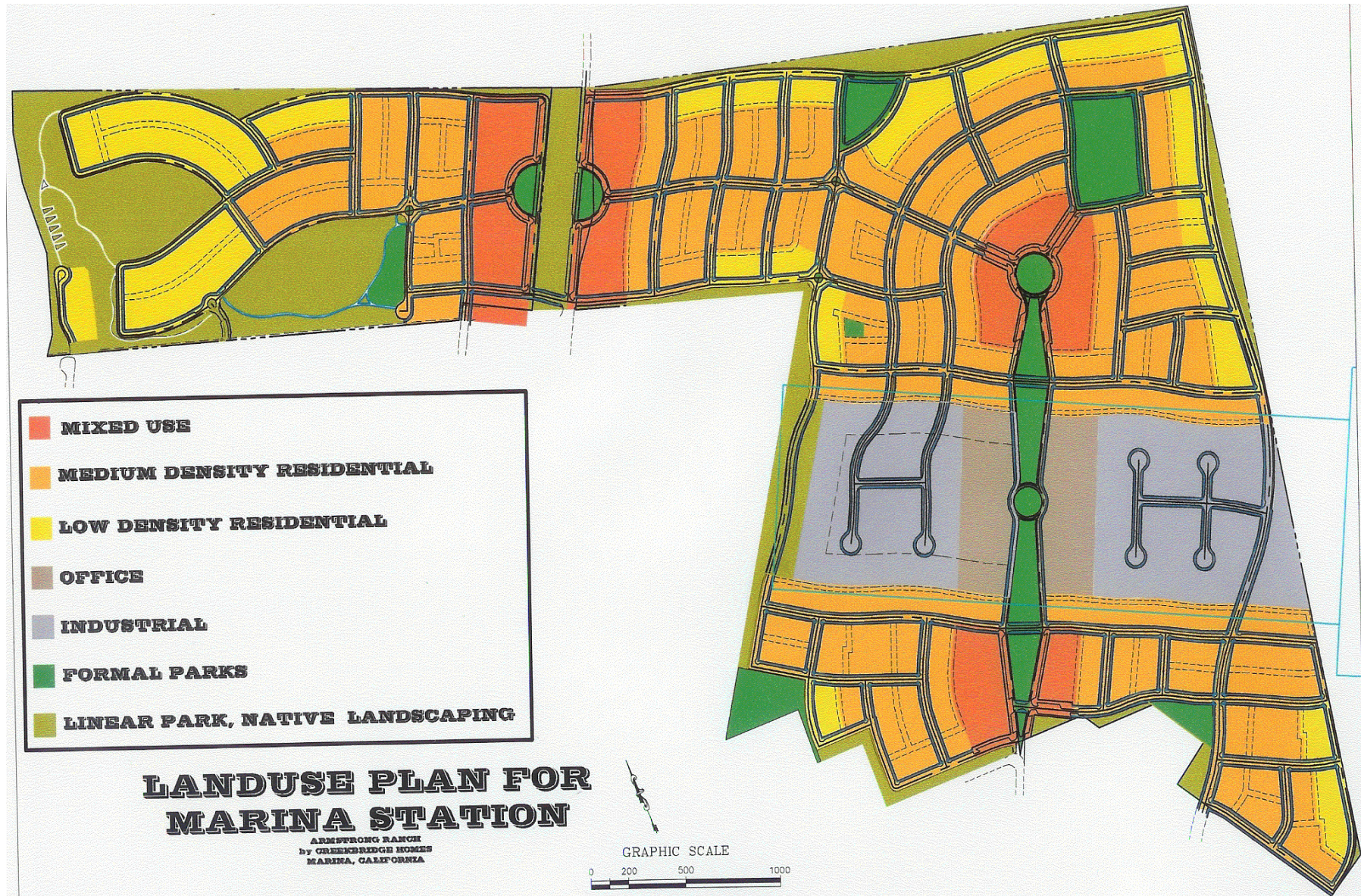


**Figure 1-1  
Marina Coast Water District Vicinity Map and Well Locations<sup>2</sup>**

<sup>2</sup> Base map source RBF, Inc.



Figure 1-2 Marina Station Land Use Plan





## 1.2 Purpose of Water Supply Assessment.

The City of Marina is required to consider this water supply assessment (Water Code section 10910 et. seq.) and written verification of supply (Government Code section 66473.7) as part of the review and approval process for the land use entitlements on the Project.

<b>Table 1-1</b>	
<b>Proposed Land Uses</b>	
<b>Marina Station Project</b>	
<b>Land Use</b>	<b>Units</b>
Residential	
Single Family Homes (15,000 sf lots)	147
Single Family Homes (6,500sf lots)	669
Apartments	648
total	1,464
Non-Residential	<b>Sq. ft.</b>
Mixed Use Retail	60,000
Office Uses	143,808
Light Industrial	651,624
Open Spaces	<b>Acres</b>
Irrigated Parkland	12.5
Passive open space – native landscape	38.7
Passive open space – turf	4.3

## 1.3 Requirements for Water Supply Assessments

On October 9, 2001 former Governor Gray Davis signed into law Senate Bills 610 (Costa) and 221 (Kuehl) (Chapters 643 and 642, respectively, Statutes of 2001) requiring the preparation of a water supply assessment in conjunction with project review under the California Environmental Quality Act (CEQA), and a written verification of water supply where a tentative subdivision map is proposed for approval. The general intent of SB 221 and 610 was to create additional assurance that certain new developments could be provided with a reliable supply of water. It also intended that existing users and others dependent on common sources of water affected by new development were informed of the development's effect on those supplies,

and plans to maintain reliable supplies. The legislation also serves to better inform decision makers regarding the water supply implications of development.

SB 610 requires that a water supply assessment be prepared for certain developments, including residential developments in excess of 500 units or where projected water demand is equivalent to or greater than the amount of water required by a 500 dwelling unit project, and where an environmental impact report or negative declaration is being prepared under CEQA. The requirement adds a specific water supply assessment protocol for land use jurisdictions to follow and consider in evaluating the environmental impacts for a proposed project. In the case of the proposed Project, a water supply assessment must be included in the Environmental Impact Report prepared for the proposed development. The City of Marina must determine, based on the entire record, whether water supplies projected in the water supply assessment will be sufficient to satisfy the demands of the proposed project in addition to existing and planned future uses over a 20-year planning horizon.

SB 221 requires a city or county to include as a condition of approval of any tentative map, parcel map or development agreement for residential developments of 500 dwelling units or more, a requirement that a “sufficient water supply” be available.<sup>3</sup> Proof of this supply must be on the basis of a written verification from the public water system that will serve the development. A city or county may override this determination of a water supplier only if the city or county has substantial evidence that additional water supplies not accounted for by the water supplier are, or will be, available prior to completion of the subdivision.

---

<sup>3</sup> Under SB221, a “sufficient water supply” is defined as “... *the total water supply available during normal, single dry and multiple dry years within a 20-year projection that will meet the projected demand associated with the proposed subdivision, in addition to existing and planned future uses...*” (Government Code 66473.7(a)(2).) This does not mean that 100 percent of the development’s normal or unrestricted water demand must be met 100 percent of the time, nor does it mean that the new development may not have any impact on the service level to existing customers of the water provider. A “sufficient water supply” may be found to exist for a proposed subdivision as well as for existing customers as long as an acceptable water supply can be estimated and planned for during a record drought (ACWA, 2002).

#### **1.4 Relationship of this Document to the Marina Coast Water District Urban Water Management Plan**

The Urban Water Management Planning Act requires municipal water providers serving over 3,000 AF/Y (acre-feet per year) of water or having 3,000 service connections to prepare plans (urban water management plans or UWMPs) on a five-year, ongoing basis. A UWMP must demonstrate the continued ability to provide water supplies for current and future expected development under normal, single dry and multiple dry year scenarios. These plans also require the assessment of urban water conservation measures and wastewater recycling. Pursuant to Section 10632 of the California Water Code, the plans must also include a water shortage contingency plan outlining how water providers will manage water shortages of up to 50 percent of their normal supplies in a given year.<sup>4</sup>

MCWD's most recent Urban Water Management Plan was adopted in December of 2001 and is being updated concurrently with this Assessment for adoption in December of 2005. The 2005 UWMP projects demands for 25 years, five more than required by law, in order to allow for pending water supply assessment requests that may occur during the 2006-2010 period. As provided for in the law, this water supply assessment incorporates by reference and relies upon many of the planning assumptions and projections of the 2005 UWMP in assessing the water demand of the proposed project relative to the overall increase in demands expected by MCWD. The 2005 UWMP assumes the development of the Marina Station Project in evaluating the demands to be made on MCWD's water supplies. The 2005 UWMP finds sufficient supplies are available to meet expected demands of the Marina Station Project which is located within MCWD's Central Marina Service area.

---

<sup>4</sup> Like SB 610 and SB 221, specific levels of supply reliability are not mandated (i.e., whether a specific level of demand can be met over a designated frequency). Rather, the law provides that a specific level of reliability is a local policy decision of the water provider.

## **2.0 Project Water Demands and Forecasting Methods**

### **2.1 Project Water Demands**

**Table 2-1** depicts projected average annual water demands for the Marina Station Project utilizing water use factors that are based upon local climate and geography for land uses proposed. The analysis recognizes that plumbing fixtures in new development will comply with current plumbing code standards, requiring low flow plumbing devices. MCWD modified its District Code in August 2005 to require additional conservation measures in the construction of new development and remodeling. These new requirements include incorporation of hot water recirculation systems and high efficiency clothes washers for residential units, and zero-use urinals for non-residential construction. New residential requirements may reduce average indoor per capita consumption by about 10 percent or about 4 percent overall for new residential construction. Residential water savings anticipated by these code revisions have not been incorporated in this analysis. This analysis uses standard unit use factors for residential uses. The detailed data necessary to support a disaggregated use analysis where additional conservation as required in the new ordinance that can then be explicitly accounted has not been provided by the Developer.

The open space areas designated for native landscaping will receive irrigation only to establish plantings. Supplemental irrigation for these plantings will be disconnected within three years of planting, resulting in no long term demands on the MCWD system for this land use.

Actual water demands will vary depending upon the ultimate mix of specific uses, water use behavior of the residents and property managers, and landscape development and maintenance practices. These estimates are based on long-term averages. In any given year, consumption is expected to vary year-to-year by as much as 7 percent, depending on weather and precipitation, with the greater use in drier years. During the first few years after any given phase of development occurs, expected water use would likely be higher for landscape uses as new landscape plantings require additional water to become established.

## **2.2 Forecasting Methodology**

Legal requirements for water supply assessments do not specify a particular method to project usage nor are specific water use factors mandated for given land uses. Because water demand forecasts are estimates, not guarantees, with them come varying degrees of uncertainty. As noted above, an analysis using standard unit demands for water (e.g., 0.33 AF/Y for a typical single family house on an 8,000-10,000 square foot lot) have been used in this analysis, along with aggregate factors for commercial and industrial uses. For commercial and industrial uses, a 15 percent demand factor has been added to account for associated landscaping uses.

## **3.0 Available Water Supply**

### **3.1 Overall Supplies**

MCWD, a county water district and public agency, is the purveyor of water for the City of Marina and the former Fort Ord, also known as the Ord Community Service Area. MCWD's water supply is groundwater and water supplied by a small desalination plant, which is currently idled due to mechanical issues, but MCWD's Board of Directors has approved this supply as "available" within the context of SB 610/221. As discussed in MCWD's Urban Water Management Plan, MCWD also has ongoing conservation programs and is pursuing plans and regulatory approvals to augment the supplies for Ord Community. MCWD has contractual rights to a supply of recycled water from the Regional Water Treatment Plant operated by the Monterey Regional Water Pollution Control Agency.

The status of the Salinas River Valley Groundwater Basin, its management and current production of MCWD from the Salinas Basin and MCWD's legal entitlement to groundwater is discussed in detail in Chapter 2 of the 2005 UWMP. Also discussed in detail is the Salinas Valley Water Project, the regional plan to manage surface and groundwater for the Salinas Valley and its groundwater basin. Because MCWD's water source is groundwater from the



Salinas Groundwater Basin, which has a large storage volume buffering yearly hydrologic variation, MCWD's supplies do not vary significantly due to annual hydrology, with MCWD'S total demands forming less than 2 percent of annual basin yield. As such, normal, single dry, and multiple dry years are considered similar for planning purposes.

Table 2-1 Projected Water Demands

Marina Station Development			
Long Term Projected Water Demands in AF/Year			
Land Use	Units	Demand Factor	Projected Consumption
Single Family Homes (15,000 sf lots)	147	0.50	73.5
Single Family Homes (6,500 sf lots)	669	0.33	220.8
Apartments	648	0.25	162.0
total	1464		
Non-Residential	Square Ft.		
Mixed Use Retail	60,000	0.00021	12.6
Office Uses	143,808	0.000135	19.4
Light Industrial	651,624	0.00015	97.7
Landscape uses (@15% of indoor consumption)			19.5
Open Spaces	Acres		
Irrigated Parkland (less hardscape)	12.5	2.5	31.2
Passive open space - native landscape (1)	38.7	0.0	0.0
Passive open space - turf	4.3	2.5	10.8
subtotal			647.5
System Losses @ 5% of demands			32.4
<b>Water Demand Total</b>			<b>679.9</b>
<b>Available Supply</b>			<b>920.0</b>
<b>Projected Project Demand</b>			<b>679.9</b>
<b>Net Water Surplus</b>			<b>240.1</b>
(1) temporary irrigation only			

### **3.2 Available Supply for the Marina Station Project**

MCWD's 2005 UWMP recognizes two service areas: Central Marina and Ord Community. **Table 3-1** depicts the water supplies available to the MCWD, including a specific, phased allocation of 920 AF/Y for the Armstrong Ranch property, by agreement with the Monterey County Water Resources Agency (MCWRA), the regional manager of the Salinas River groundwater basin. The allocation, the phasing and the process for annexing the subject Property to Zones 2/2A of MCWRA to permit service by MCWD are defined in the Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands (dated March 1996) (hereafter Annexation Agreement). This allocated quantity of ground water from the Salinas River basin is limited to use within the boundaries of the Armstrong Ranch area served by the MCWD.

### **4.0 Water Conservation**

Water conservation and MCWD's efforts to implement the Best Management Practices for Urban Water Conservation are discussed in Chapter 4 of the 2005 UWMP. Conservation effects on water demands are built into the demand forecasts for MCWD and as such are not considered a separate component of supply.

The proposed Marina Station Project will be required to comply with current plumbing code requirements calling for low-flow plumbing fixtures and all other applicable MCWD specific conservation requirements providing for additional water savings appliances and fixtures, further reducing indoor water consumption.

**Table 3-1**  
**Water Supply Currently Available to Marina Coast Water District**

Fort Ord Reuse Authority Allocation (groundwater)	Annual Acre-feet Allotment or supply
City of Marina <sup>5</sup>	1,175
City of Seaside	862
CSU Monterey Bay	1,035
University of California MBEST Center	230
City of Del Rey Oaks	92.5
City of Monterey	65
Monterey County	560
US Army	1,577
County/State Parks	45
City of Marina (Sphere)	10
Allowance for line losses (10%)	535
FORA Strategic Reserve	413.5
<b>Rounded subtotal</b>	<b>6,600</b>
Central Marina	
Marina Coast Water District by Agreement with MCWRA (groundwater)	3,020
<b>Armstrong Ranch (groundwater)</b>	<b>920</b>
Lonestar Property (groundwater)	500
<b>Subtotal groundwater</b>	<b>11,040</b>
MCWD Desalination Plant (temporarily idle) <sup>6</sup>	300
<b>Total</b>	<b>11,340</b>

## 5.0 Water Supply Sufficiency Analysis

Based upon the analysis in **Table 2-1** and the firm groundwater allocation for the Armstrong Ranch lands, there is sufficient water for the Marina Station development, with a surplus of about 240 AF/Y remaining available for use in the context and terms of the Annexation Agreement.

## 6.0 Availability of Water Treatment and Delivery System Capacity

<sup>5</sup> Does not include 150 acre-foot loan from FORA Strategic Reserve

<sup>6</sup> Permitted supply which could be restored

MCWD has current plans to upgrade the transmission network to accommodate the water capacity (vs. supply) needs for the Marina Station Project and is negotiated with the Developer regarding pipeline size. A new pipeline that connects the well discharge piping at Well 11 (Salinas and Reservation Roads) to existing piping in Crescent Avenue will be constructed. The project includes about 4,800 lf of pipe that will improve cross-city flows, improve fire flows, and provide redundant water service to the Marina Station Project, i.e., from Well 10, Well 11, or possibly the Ord Community, in the event of significant system failures. Construction is expected to begin in February 2006 and completed by June 2006. Other system improvements have been discussed with the Developer and are being further evaluated in MCWD's 2006 Marina Water Master Plan. In-tract distribution systems will be designed and constructed by the developer to accommodate necessary demand and fire flows for the project in accordance with District design standards. Wellhead treatment for sulfides is also being considered for Well 12 as related to this project. No treatment other than chlorination for maintenance of system disinfection is currently required.

## **7.0 Regulatory Permits Necessary for Supply Delivery**

MCWD's local supplies are maintained under a public water supply permit from the State Department of Health Services. MCWD is exempt from local building codes with respect to construction of water treatment and delivery facilities.

## **8.0 Effect on Agricultural and Industrial Users Not Supplied by the Marina Coast Water District but Reliant on the Same Sources**

Agricultural users in the Salinas Valley generally rely on the same basin-wide supply from the Salinas Valley Groundwater Basin. These uses are taken into account in the basin planning of the Monterey County Water Resources Agency as part of developing a water balance for the Basin. Additional demands in the Marina and Ord Community areas are not expected to affect agricultural users provided development and water demand within MCWD remains consistent with the MCWRA agreements and Fort Ord Base Reuse Plan.

## **9.0 Summary Water Supply Sufficiency Determination**

Pursuant to Section 10910 (SB 610) of the California Water Code, and based on the foregoing analysis, MCWD has determined that its currently projected water supplies are sufficient to meet the projected annual water demands during normal, single dry and multiple dry years during the next 20 years associated with the Marina Station Project, in addition to other planned demands expected by MCWD within the Central Marina service area.<sup>7</sup>

Pursuant to California Government Code Section 66473.7 (SB 221), MCWD has determined based on the foregoing analysis that there is sufficient water supply available allocated to development on the Armstrong Ranch to serve the proposed Marina Station Project, or sufficient currently available water supplies to supply this project and other anticipated development within the City of Marina located within the MCWD's Marina service area over the next 20 years.

---

<sup>7</sup> Note: insufficient supplies exist to currently satisfy all expected demands in the Ord Community Service area over the next 20 years.

## 10.0 References

Association of California Water Agencies, Water Supply and Development: A Users Guide to California Statutes Including AB 221 (Kuehl) & SB 610 Costa. 2002.

Fort Ord Reuse Authority, Fort Ord Reuse Authority ("FORA") Allocation of Strategic Reserve, 10-23-98 Action. March 1, 2004.

Marina Coast Water District, 2005 Urban Water Management Plan. December, 2005

Marina Coast Water District. Marina Coast Water District Assigned Water Use Factors for Determining Water Capacity Charges. May, 2003.

Marina Coast Water District, Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands (1996), document recorded in the Office of the Monterey County Recorder on August 7, 1996, at Reel 3404 Page 749

Marina Coast Water District, Memorandum of Agreement Between the United States of America and the Monterey County Water Resources Agency, Monterey County Agreement No. A-0604, September 21, 1993

Marina Coast Water District, Urban Water Conservation Feasibility Study, 2004.

RBF, Inc. Comparison of Unit Water Demand & Wastewater Load Rates. Memorandum of January 16, 2004.

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 12-A

**Meeting date:** August 19, 2024

**Prepared by:** Paula Riso

**Approved by:** Remleh Scherzinger, PE

**Agenda Title:** Adopt Resolution No. 2024-42 to Approve the 2024 Strategic Plan

**Staff Recommendation:** Adopt Resolution No. 2024-42 to Approve the 2024 Strategic Plan.

**Background:** *Strategic Plan, Objective 6.8 - Update Strategic Plan*

Staff and Board periodically update the Strategic Plan, and it was last updated in January 2020. The District engaged Rauch Communications to help facilitate the process and create an updated Strategic Plan for 2024.

Following the Board workshops in April and June, Martin Rauch, Rauch Communications, put together a draft Strategic Plan for review.

**Discussion/Analysis:** Martin Rauch provided a draft Strategic Plan for review and is providing a staff and Board non-substantive edited version for approval.

In addition to the non-substantive edits, Director Cortez asked the following, “My only concern is that the ‘Vision’ bullet points on page 9 do not highlight the ‘highest priorities’ on page 10. Can we really emphasize the highest priorities in the "Vision" bullet points?”

Vice President Shriner also had proposed additions, and those additions are in italics below:

Page 13, OBJECTIVE 5.4: The District’s Board and Staff develop and maintain productive, mutually beneficial collaborative partnerships with County, municipalities, neighboring water providers, and stakeholders *to advocate for Environmental Justice while leveraging resources to benefit all of the community.*

Page 14, OBJECTIVE 6.3: *The District continues to work with innovative research and resulting projections to improve resilience to impacts of rising sea level, storm intensification, and coastal erosion.*

**Environmental Review Compliance:** None required.

**Legal Counsel Review:** None required.

**Financial Impact:** \_\_\_\_\_ Yes    ☒ No    Funding Source/Recap: None.

**Other Considerations:** None.

**Material Included for Information/Consideration:** Resolution No. 2024-42; and Final Strategic Plan (clean and redlined versions).

**Action Required:**    ☒ Resolution    \_\_\_\_\_ Motion    \_\_\_\_\_ Review

---

Board Action

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

Ayes\_\_\_\_\_

Abstained\_\_\_\_\_

Noes\_\_\_\_\_

Absent\_\_\_\_\_



August 19, 2024

Resolution No. 2024-42  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving 2024 Strategic Plan

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on August 19, 2024, at 920 Second Avenue, Suite A, Marina, California as follows:

WHEREAS, the District believes that the development of specific goals and objectives is vital to planning for our future water supply, infrastructure, fiscal planning, and organizational health and personnel, and.

WHEREAS, the last strategic plan was approved in January 2020; and,

WHEREAS, following Board workshops in April and June, Rauch Communications incorporated the Board's comments into the 2024 Strategic Plan.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the 2024 Strategic Plan.

PASSED AND ADOPTED on August 19, 2024, 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 \_\_\_\_\_

\_\_\_\_\_  
Gail Morton, President

ATTEST:

\_\_\_\_\_  
Remleh Scherzinger, 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. 2024-19 adopted August 19, 2024.

\_\_\_\_\_  
Remleh Scherzinger, Secretary

**DRAFT**



# **2024 STRATEGIC PLAN**

**MARINA COAST WATER DISTRICT**

Prepared by: Rauch Communication Consultants Inc.





## We Provide Quality Water and Wastewater Services



**DRINKING WATER.** We provide 1.15 billion gallons of safe, high-quality drinking water per year.

**CONSERVATION SERVICES.** We help our customers use water efficiently through rebates and conservation programs.



### **WASTEWATER COLLECTION AND TREATMENT.**

We collect wastewater through a series of pipelines and pumps and are an owner and partner in Monterey One Water for treatment services.

**RECYCLED WATER.** We are a partner in the Pure Water Monterey treatment plant.



**PROTECT PUBLIC HEALTH.** We provide clean drinking water and quality wastewater services that are essential for safeguarding public health.



**PREVENT POLLUTION.** We help customers learn to avoid clogs and obstructions caused by fats, oils, and grease (FOG) and to keep toxics out of the Bay by safely disposing of hazardous waste such as syringes, medication, paint, batteries, and motor oil.

## **Board of Directors**

Gail Morton, Esq., President

Jan Shriner, Vice President

Herbert Cortez, MS, Public Policy, Director

Brad Imamura, REHS (Retired), Director

Thomas P. Moore, Ph.D., Industrial Engineering, C.P.L., Director

## **Staff Leadership Team**

Remleh Scherzinger, MBA, CSDM, P.E., General Manager

Mary Lagasca, CPA, MAFM, Director of Administrative Services

Garrett Haertel, P.E., District Engineer

Derek Cray, Operations & Maintenance Manager

Patrick Breen, Water Resources Manager

Paula Riso, Executive Assistant/Clerk to the Board

## **Consultant**

Martin Rauch, Managing Consultant, Rauch Communications Consultants

## Table of Contents

Introduction .....	3
Founded 64 Years Ago to Serve Our Community .....	4
Mission, Vision, and Values .....	6
Big Picture View of the Strategic Direction .....	7
Goals, Objectives, and Implementation Phase .....	8
Monitoring, Reporting, Oversight, and Accountability .....	15
Single-Page View of the Core Elements of the Strategic Plan .....	16

# Introduction

---

*Planning is strategic when it helps move an organization forward from its current situation to its desired future.*

## Purpose of the Plan

This five-year Strategic Plan is the highest-level planning document for Marina Coast Water District (MCWD) and Groundwater Sustainability Agency and represents the Board's direction for the future. It clearly defines the District's mission, vision, and core values while establishing a comprehensive set of goals and objectives to guide decision-making.

The Plan is also a practical working tool, providing clear direction to Staff regarding the Board's goals, objectives, and priorities. The District will regularly refer to it as a guide to the District's actions during the period covered.

## Plan Development

**Background Research.** The consultant initiated the process by engaging in discussions with the General Manager and reviewing existing documents.

**Confidential Interviews.** The team carried out a series of confidential interviews. The goal was for the interviewees to candidly express their interests and perspectives on the District and its priorities. The interviewees included the Board of Directors, the Leadership Team (including the General Manager), and legal counsel.

**Strategic Planning Workshop.** The interviewees also participated in a workshop led by the consultant. At the workshop, the group reviewed the interview results, took part in exercises to assess the District's current state, identified issues and opportunities the District expects to confront in the future, and discussed priorities.

**Board and Staff Work.** Drawing from the interviews, workshop, and other information, the consultant, General Manager, and Leadership Team developed a draft Strategic Plan.

**Second Strategic Planning Workshop.** The draft was distributed to the Board and Leadership Team. At a second workshop, the participants reviewed, discussed, and refined the draft Plan, including the mission, vision, and values, and provided direction for additional changes.

**Implementation Phase.** The General Manager and Leadership Team will develop a work plan to implement the Strategic Plan in the coming years.

## **Founded 64 Years Ago to Serve Our Community**

*Marina Coast Water District is an independent, publicly owned special district governed by an elected five-member Board of Directors. We are focused on providing water, recycled water, and wastewater services to sustain our coastal lifestyle, health, and businesses while protecting the environment.*

**Founded in 1960 to Provide Water Service.** The District's origin dates back to 1958, when a group of dedicated local citizens proposed creating a publicly owned water system. In 1960, this vision was realized as the Marina County Water District was formed through a vote by the 766 registered voters in the then-unincorporated city of Marina.

**Protecting the Community by Adding Wastewater Services.** In 1970, responding to rising septic system failures and the community's growing sanitation needs, Marina voters approved the District's construction of a sewage treatment plant and disposal system. By 1993, the District became a member of the regional wastewater treatment plant while continuing to operate and maintain the wastewater pipeline and pump collection system.

**In 1996, the District Pioneered the First Ocean Water Desalination Facility in Monterey Bay.** The facility ran successfully for five years, proving the concept and demonstrating that it could be done in an environmentally and resource-sensitive way.

**The Great Endeavor.** In 1996, the District assumed contract operation of the Fort Ord water and wastewater systems. After over two decades of custodial operations, the District transitioned the military infrastructure into a comprehensive water and wastewater system.

**Expanded role in Regional water.** In September 2016, the District again took a bold step to become the groundwater sustainability agency for the Monterey Subbasin, part of the Salinas Valley Groundwater Basin. In concert with the Salinas Valley Basin Groundwater Sustainability Agency, the District has developed much-needed Groundwater Sustainability Plans. The two agencies have also partnered to manage the two Subareas within the Monterey Subbasin.

**A New Water Supply.** In partnership with Monterey One Water, the District developed and implemented an advanced water treatment system known as Pure Water Monterey. The Project began its first deliveries in 2022, and MCWD brought its first customer online in January of 2023 and delivered 412 acre-feet that year.

**Today, Marina Coast Water District is the Largest Public Water Utility in Monterey County.** MCWD serves 41,000 people and ten land use jurisdictions (Marina, Seaside, Del Ray Oaks, Monterey, U.S. Army, Bureau of Land Management, State of California, County of Monterey, UC Santa Cruz, CSUMB). The District is located over all the major water resources in the region. With connections to the Peninsula and Salinas Valley, the District manages an extensive portfolio of groundwater rights, a desalination plant, and partners in an advanced water recycling plant and aquifer storage and recovery facilities.

**Our Board and Staff are Committed to Working Collaboratively** with our urban and agricultural neighbors to sustain our shared water supply at a reasonable cost for generations to come.

# Strategic Framework

---

*Marina Coast Water District built the Strategic Plan from a series of logical and integrated components described below.*

**Mission.** The mission statement explains why the organization exists and articulates its essential work in a brief sentence or two.

**Vision.** The vision articulates what the organization will become at a given time in the future. It is the strategic target that, when achieved, fulfills the organization’s mission. As such, it is at the heart of the strategic planning process.

**Values.** Values provide guidance when an organization is faced with challenging decisions that require trade-offs, help govern attitudes and behaviors, and generally remain constant over time. The Board sets values.

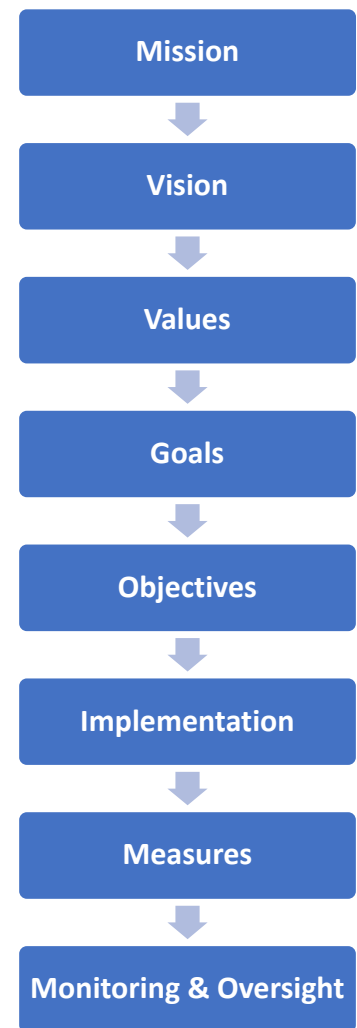
**Goals.** Goals describe broad, primary management, operations, and planning areas that must be addressed to accomplish the mission. Goals are not connected to timelines.

**Objectives.** Objectives are specific directions established by the Board, which expand upon and refine the goals. There may be multiple objectives for each goal. Objectives are related to goals but are more specific, measurable, and attainable, and have a time frame.

**Implementation Plan.** The Implementation Plan includes tasks/actions required to accomplish the mission, goals, and objectives through the annual budget process. The tasks/actions in the Plan are assigned to members of the Leadership Team and have timelines. There may be multiple tasks for each objective.

**Measures.** Staff developed measures to provide insights into progress in achieving the objectives. Progress will be tracked, analyzed, used to adjust course where appropriate, and reported to the Board.

**Reporting, Monitoring, and Oversight.** These are actions taken by the Board, Leadership Team, and Staff to ensure that the Plan is implemented and updated over time.





# Mission, Vision, and Values

---

## Mission

Marina Coast Water District delivers safe, and environmentally sustainable water, recycled water, and wastewater services that meet community needs.

## Vision

During the next five years, the District will:

- Be a regional leader and productive partner in water and wastewater services.

- Maintain reliable, productive facilities and properties.

- Secure strong, stable finances and affordable rates.

- Deliver excellent customer service.

- Hire and retain a qualified, high-performing Staff.

- Enhance service quality and effectiveness through innovation.

## Values

The Marina Coast Water District Board and staff are committed to and guided by the following core values in everything we do:

**Teamwork.** We collaborate productively and value, respect, and celebrate each individual's uniqueness to better serve our customers.

**Professional Excellence.** We seek innovative ways to achieve goals, foster personal and District-wide growth and learning, and develop solutions that improve and enhance the District and its services.

**Customers First.** We regard each customer as an owner and commit to delivering exceptional service, upholding ethical standards, and maintaining transparent communication on their behalf.

**Accountability.** We take responsibility for our actions and work, and diligently manage District finances, facilities, and other resources to provide sustainable, quality, cost-effective services

**Leadership.** We lead by example, inspire through our actions, collaborate effectively, and advocate for our customers—internally, locally, and regionally.

# Big Picture View of the Strategic Direction

---

*Marina Coast Water District's highest priority, strategy, and new direction are summarized below.*

## Our Highest Priorities.

**A Sustainable Water Supply Portfolio to Meet Long-Term Customer Needs.** Historically, the District has relied on groundwater rights. Recently, the District developed new recycled water supplies, currently serving local golf courses. We remain committed to developing additional supplemental supplies and building a reliable, sustainable portfolio to meet long-term customer water supply needs.

**An Effective, Funded Infrastructure Program to Deliver Quality Services.** Many of the District's facilities were built decades ago, with some dating back 60 years or more. Portions of the District's facilities constructed in the Ord area are not only at or beyond their useful life but built by the Army to lower or incompatible engineering and safety standards. A top priority is to implement, refine over time, and fund long-term infrastructure maintenance, renewal, and replacement management programs that enable high-quality water, recycled water, and wastewater services to our customers.

## Our Strategy

**Water Supply Strategy** is to evaluate and understand our current water supplies and options, seek opportunities for regional partnerships and state and federal funding, and pursue a diverse portfolio of sources for resilience and reliability.

**The Infrastructure Strategy** is to continue to undertake proactive, comprehensive, long-term planning and ensure there is adequate funding in place, including grants for infrastructure replacement and renewal.

## Notable Changes Resulting From This Plan

**Redouble the District's Focus on:**

- Being a collaborative leader and partner by confidently and actively engaging across the region to build productive, mutually beneficial partnerships.
- Being a champion for our customers by using the full suite of authorities as a County Water District and the resources available to the District to provide the quality and reliable services our customers need and deserve.
- Carrying out needed outreach and engagement with both customers and stakeholders to build understanding and support for the District's priorities and programs.
- Seeking state and federal grant funding to decrease costs for our customers.
- Conducting a comprehensive analysis of all existing and potential new water supply sources and developing a prioritized and systematic plan for new water supplies.

## **Goals, Objectives, and Implementation Phase**

*These notes provide an introduction to the strategic goals and objectives in the following pages.*

**Key Areas of Change.** This Strategic Plan targets critical areas where the Board has indicated a need for change or greater clarity. While the District has many other existing and ongoing initiatives, programs, and actions, these are not included in this Plan.

**Priorities.** Actions marked with “(High)” denote high-priority items, defined as essential or “must-do” actions. Some actions may be urgent in terms of timing but do not necessarily carry high priority.

**Timing.** Goals and objectives labeled “annually” or “ongoing” will be reported at least once a year, early in the budget season. This timing allows the General Manager to incorporate Board feedback into the preparation of the new fiscal year budget.

**Implementation.** Following the Board's review and approval of the goals and objectives, District Staff will develop a plan to implement them.

## **GOAL 1. WATER: Sustainable, Reliable, Affordable Water Supplies**

**Strategic Background.** Marina Coast Water District (MCWD) and Marina Coast Water District Groundwater Sustainability Agency (MCWDGSA) are located over all the major water resources in the region. MCWD has a broad water portfolio of groundwater rights, a desalination plant, and partners in a reclamation plant and aquifer storage and recovery facilities. The District has connections to the Salinas Valley and the Peninsula.

**Strategic Challenge.** Despite its existing and potential water resources, there are water supply challenges within the District and throughout the region. These include persistent delays in repairing the Nacimiento and San Antonio Dams, which could impact the groundwater basin; the impacts of the possible development of the CalAm water supply project adjacent to the District's service area; over-pumping of the Monterey and 180/400 subbasins in the Salinas Valley Groundwater Basin; and the threat of seawater intrusion in the Basin, among others.

**Strategic Response.** The District will actively and creatively seek to collaborate with regional partners to develop and sustainably manage a diverse portfolio of water supplies to meet our shared needs. As a result of its geographic location, the District has access to a wide variety of new water supplies either on its own or with regional partners. These resources include additional groundwater, various forms of recycled water such as advanced treated direct and indirect potable reuse, desalinated seawater and brackish water, and surface water.

*The following objectives and implementation actions must be completed to fulfill Goal 1.*

OBJECTIVE 1.1: Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.

OBJECTIVE 1.2: Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.

OBJECTIVE 1.3: The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.

OBJECTIVE 1.4: Manage water rights to ensure sustainability and resilience.

OBJECTIVE 1.5: Work with other agencies to stimulate a long-term effort to maintain a healthy watershed.

## GOAL 2. PEOPLE: A High-Performing Board, Staff, and Organization.

**Strategic Background.** District Staff are highly qualified, well-trained, motivated, and respected by their peers internally and in other agencies. Similarly, the Board is fortunate to be comprised of directors with diverse perspectives who work together well and understand their roles.

**Strategic Challenge.** One global challenge for the District is growth. It currently has about 20,000 water and wastewater connections but expects to double in size to about 40,000 connections within 13 years. As it grows, the ongoing challenge of recruiting and retaining staff remains a pressing concern.

Also, many of the Staff administrative and management tools need updating. For example, some software systems are under-supported and underused, and the Enterprise Resource Planning system (ERP) requires a comprehensive update. Internal administrative processes, including purchase orders, purchasing policies, and contracts, need revision. Moreover, the absence of Standard Operating Procedures and outdated District policies, procedures, guidelines, and design requirements pose further challenges.

The board's role requires cultivating relationships with local, regional, and state stakeholders. This is particularly challenging for new Board members, who often find it takes a long time to become oriented to the District's issues and be able to engage fully as productive members.

The District is involved in complex and costly legal issues that require ongoing evaluation and management of legal strategies.

**Strategic Response.** The District will continue progressing in efficiency and effectiveness by building out systems, policies, procedures, training, Standard Operating Procedures, improved use of technology, development of a strong culture, and more. Additionally, the District will enhance its capacity to recruit and retain necessary personnel. Professionalizing and systematizing the management, administration, and operations is also critical as the District grows. The Board will periodically self-evaluate and implement areas of improvement, such as improving the onboarding of new directors so they can engage more effectively in the shortest reasonable time frame.

*The following objectives and implementation actions must be completed to fulfill Goal 2.*

OBJECTIVE 2.1: The District attracts, onboards, and retains high-performing Staff, and manages succession effectively.

OBJECTIVE 2.2: Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.

OBJECTIVE 2.3: Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.

OBJECTIVE 2.4: The Board periodically self-evaluates and implements identified areas of improvement, enabling it to set clear and effective direction and provide effective monitoring and oversight.

OBJECTIVE 2.5: The Board approves and updates, as appropriate, the strategy for major litigation.

### GOAL 3. FINANCE: Stable and Secure Funding and Affordable Rates

**Strategic Background.** The District's financial management and reporting are excellent. District revenue is adequate to meet identified needs, including funding to invest about \$187 million in needed facility upgrades in the coming five years.

**Strategic Challenge.** A notable financial hurdle for the District involves effectively allocating costs and monitoring finances across six distinct cost centers: Marina (comprising water and wastewater services), Ord (comprising water and wastewater services as well), Groundwater Sustainability Agency, and recycled water. This requires six separate accounts. Furthermore, escalating costs and the need to develop supplementary water resources while responsibly managing the groundwater basin will increase costs over time.

**Strategic Response.** The District plans to unify its water and wastewater service areas when costs are within 10% across these service areas. The Board will prioritize maintaining affordable, predictable rates and seek substantial grant funding to minimize customer costs.

*The following objectives and implementation actions must be completed to fulfill Goal 3.*

OBJECTIVE 3.1: The District is unified under a single water, recycled water, and wastewater cost-of-service area as each enterprise's cost of service is within 10% of the corresponding enterprises.

OBJECTIVE 3.2: Finances are well managed to provide adequate revenue and avoid volatile rates.

OBJECTIVE 3.3: The Board receives understandable, timely, and up-to-date financial reports on an approved schedule.

OBJECTIVE 3.4: A full set of financial policies are in place, reviewed, and updated on a scheduled basis.

OBJECTIVE 3.5: Grant funding is obtained to help limit costs and improve services for customers.

## GOAL 4. INFRASTRUCTURE: Reliable, Cost-Effective, and Sustainable Facilities and Properties

**Strategic Background.** The District’s water and wastewater facilities function reliably due to rigorous maintenance and increasing investments in their renewal and replacement.

**Strategic Challenge.** However, there are a wide variety of facility and property-related challenges:

- The large number of aging facilities and substantial deferred maintenance in both the Ord and Marina areas.
- The renewal and replacement process has been slow for various reasons, including but not limited to the challenge of hiring engineers to oversee the work.
- MCWD is in the Bay Area Zone for prevailing wages, which substantially increases construction costs.
- The Ord area water and wastewater collection facilities, inherited from the Army, often lack proper documentation and do not meet District engineering, quality, and code standards.
- The extensive geographic spread of the Ord area necessitates more pipelines, pumps, and reservoirs per person, increasing costs.
- There are also property-related issues. For example, District Administrative Staff are not centrally operating in a single location but are scattered across three separate properties. Also, MCWD owns contaminated WWII-era buildings that need replacement, and the corporate yard is aged and inadequate for continued operational use.
- The District must also contend with general cyber threats and the targeting of water and wastewater utilities by various actors, including nation-states.

**Strategic Response.** The District will develop a comprehensive plan to guide the use of its properties and the renewal and replacement of facilities for timeliness, cost-effectiveness, and maximum long-term benefit. It will also continue to enhance its resilience to cyber threats.

*The following objectives and implementation actions must be completed to fulfill Goal 4.*

OBJECTIVE 4.1: A comprehensive plan guides long-term, cost-effective renewal, replacement, usage, and development of District facilities and properties.

OBJECTIVE 4.2: The comprehensive, long-term facility plan is funded.

OBJECTIVE 4.3: Corrective and preventive maintenance is planned and proactively implemented on schedule for cost-effectiveness and the least disruption to regular operations.

OBJECTIVE 4.4: Capital improvement program renewal, replacement, and new development are planned with the longest reasonable time horizon and completed on schedule and budget.

OBJECTIVE 4.5: The District is prepared to mitigate and recover from unplanned events and will maintain cybersecurity.

## GOAL 5. ENGAGEMENT: Communicate and Engage Effectively with Customers Partners, and Stakeholders.

**Strategic Background.** MCWD actively conducts public outreach through various channels, including social media, e-newsletters, the website, press releases, and more. Additionally, District Staff and directors engage with water utilities, municipalities, and a wide array of local, regional, and state stakeholders. A quantitative customer survey conducted in 2023 revealed generally high satisfaction levels, with notable findings including: 92% of respondents rated the taste and quality of delivered water positively; 75% correctly identified MCWD as their water provider, indicating a 16% higher recognition rate compared to other communities, and; 100% of customers who interacted with MCWD reported a positive customer service experience.

In addition, the Board and Staff have earned the respect of their peers in municipalities and utilities in the region.

**Strategic Challenge.** However, recognizing the evolving nature of customer expectations and circumstances, the District must continually work to communicate with and listen to customers in terms of both customer service questions and to build long-term understanding and support. Similarly, water, recycled water, and wastewater challenges can often best be solved through mutually beneficial partnerships, which, in turn, requires an ongoing commitment to building and maintaining good communication and strong working relationships with peer agencies and other stakeholders.

**Strategic Response.** The District views providing quality service and building understanding and garnering support from its customers as fundamental to its success. Additionally, it recognizes the importance of actively engaging and collaborating with neighboring entities across the region. Therefore, the District will continually refine and enhance its communication and engagement strategies at all levels.

*The following objectives and implementation actions must be completed to fulfill Goal 5.*

OBJECTIVE 5.1: Customers understand the services the District provides, where to learn more, and how to get their questions answered.

OBJECTIVE 5.2: The District provides prompt, responsive service to customer needs and requests.

OBJECTIVE 5.3: Customers understand and support the District and its activities.

OBJECTIVE 5.4: The District's Board and Staff develop and maintain productive, mutually beneficial collaborative partnerships with the County, municipalities, neighboring water providers, and other stakeholders.



## GOAL 6. STEWARDSHIP: Resilient and Sustainable Facilities and Operations.

### BACKGROUND/ CHALLENGE/ RESPONSE

**Strategic Background.** The District is actively implementing a robust climate action plan, and has already transitioned to 100% renewable energy, acquired two 100% electric, zero-emission vehicles, and purchased an electric forklift. It obtains electricity through 100% renewable sources.

**Strategic Challenge.** Marina Coast Water District remains challenged by escalating costs and diminishing reliability from Pacific Gas & Electric's (PG&E's) aging electrical distribution system.

Also of concern is the experience of communities that have faced fire and other emergencies losing internet connectivity either because it was destroyed or to reserve limited bandwidth for emergency responders. This has left utilities responsible for essential water and sanitation services that must operate around the clock without the necessary communication for their remote-dependent systems. Additionally, the District faces escalating climate impacts that may jeopardize its properties and facilities.

**Strategic Response.** The District will continue to implement its comprehensive climate action plan. It will conduct thorough assessments of its facilities and properties to identify climate-related risks. Additionally, the District will continue to invest in backup power solutions and explore opportunities for developing green power and storage independently or in collaboration with partners. Furthermore, it will assess the feasibility and advantages of establishing a fiber-optic communication network to enhance resilience for both the District and neighboring agencies, among other initiatives.

*The following objectives and implementation actions must be completed to fulfill Goal 6.*

OBJECTIVE 6.1: The District proactively decreases its greenhouse gas emissions by following its climate action plans.

OBJECTIVE 6.2: The District evaluates and considers actions that would increase energy independence and overall environmental sustainability within its service area and the region.

# **Monitoring, Reporting, Oversight, and Accountability**

## **Communicate With Staff**

Meet with all employees so all Staff members understand the Plan and the parts they are responsible for, and report at least annually to the entire Staff on the Plan's progress.

Display the mission, vision, goals, and objectives on posters, handouts, and business cards.

Incorporate the Mission, Vision, Goals, and Objectives in the employee handbook, orientation and training materials for new employees.

## **Clarify Roles and Expectations**

Integrate strategic responsibilities into job descriptions for the General Manager, Leadership Team, and Non-Management Staff so everyone knows what objectives or work plan initiatives and objectives they are responsible for driving forward or contributing. Include accomplishment of strategic priorities in performance reviews for the General Manager, Leadership Team, Non-Management Staff, and collective bargaining units.

## **Cascade the Plan**

Cascade strategic objectives and initiatives from the District-wide level to departments/teams and individuals. Each identifies ways to contribute to the strategic initiatives, objectives, and goals by answering the question: how does my group or department unit support the strategy with a focus on appropriate objectives?

## **Allocate Resources to Meet Strategic Objectives**

The District's annual budget and hiring practices reflect strategic goals and objectives.

## **Board Oversight and Monitoring**

When an item fulfills a particular goal and objective it is noted in the staff report for the agenda item.

The Board and its committees consider Strategic Plan goals and objectives when deliberating.

The General Manager will provide the Board with a comprehensive report on the Strategic Plan's progress annually early in the budget development process.

Incorporate the Mission, Vision, Goals, and Objectives into orientation and training materials for the Board and Committee members.

Staff will develop and track and the Board will review key performance measures to track progress on the Strategic Plan.

## **Review and Update the Plan**

The Board holds a brief workshop early in each budget development process to review progress on the Strategic Plan and consider making appropriate adjustments to it.

The General Manager will update implementation-related tasks as appropriate.

The Board undertakes a complete update of the plan every three to five years.

# Single-Page View of the Core Elements of the Strategic Plan

THIS WILL BE UPDATED WITH THE PROPER INFORMATION WHEN THE DOCUMENT IS FINALIZED

MISSION	Marina Coast Water District onsectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis				
VISION	Nostrud	Incididunt	Labore	Consectetur	Magna
VALUES	Lorem Ipsum		Amet	Dolor	Adipiscing
GOALS	1. STAFF: Lorem ipsum dolor sit amet, consectetur adipiscing	2. FACILITIES: Lorem ipsum dolor sit amet, consectetur adipiscing	3. ORGANIZATIONAL EXCELLENCE: Lorem ipsum dolor sit amet,	4. OUTREACH Lorem ipsum dolor sit amet, consectetur adipiscing.	
OBJECTIVES	1.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	2.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	3.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore	4.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor	
	1.2: consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis	2.2: quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	3.2: consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis	4.2: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	
	1.3: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	2.3: consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis	3.3: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	4.3: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	
		2.4: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	3.4: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do		
		2.5: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do			



### **BOARD OF DIRECTORS**

Gail Morton, Esq., President

Jan Shriner, Vice President

Herbert Cortez, MS, Public Policy, Director

Brad Imamura, REHS (Retired), Director

Thomas P. Moore, Ph.D., Industrial Engineering, C.P.L., Director

### **GENERAL MANAGER**

Remleh Scherzinger, MBA, CSDM, P.E.

Prepared by:



[www.rauchcc.com](http://www.rauchcc.com)



**DRAFT**



# **2024 STRATEGIC PLAN**

**MARINA COAST WATER DISTRICT**

Prepared by: Rauch Communication Consultants Inc.





## We Provide Quality Water and Wastewater Services



**DRINKING WATER.** We provide 1.15 billion gallons of **safe**, high-quality drinking water per year.

**CONSERVATION SERVICES.** We help our customers use water efficiently through rebates and conservation programs.



### **WASTEWATER COLLECTION AND TREATMENT.**

We collect wastewater through a series of pipelines and pumps and are an owner and partner in Monterey One Water for treatment services.

**RECYCLED WATER.** We are a partner in the Pure Water Monterey treatment plant.



**PROTECT PUBLIC HEALTH.** We provide clean drinking water and quality wastewater services that are essential for safeguarding public health.



**PREVENT POLLUTION.** We help customers learn to avoid clogs and obstructions caused by fats, oils, and grease (FOG) and to keep toxics out of the Bay by safely disposing of hazardous waste such as syringes, medication, paint, batteries, and motor oil.

## Board of Directors

Gail Morton, Esq., President

Jan Shriner, Vice President

Herbert Cortez, MS, Public Policy, Director

Brad Imamura, REHS (Retired), Director

Thomas P. Moore, Ph.D., Industrial Engineering, C.P.L., Director

## Staff Leadership Team

Remleh Scherzinger, MBA, CSDM, P.E., General Manager

Mary Lagasca, CPA, MAFM, Director of Administrative Services

Garrett Haertel, P.E., District Engineer

Derek Cray, Operations & Maintenance Manager

Patrick Breen, Water Resources Manager

Paula Riso, Executive Assistant/Clerk to the Board

## Consultant

Martin Rauch, Managing Consultant, Rauch Communications Consultants

## Table of Contents

Introduction .....	3
Founded 64 Years Ago to Serve Our Community .....	4
Mission, Vision, and Values .....	7
Big Picture View of the Strategic Direction .....	8
Goals, Objectives, and Implementation Phase .....	9
Monitoring, Reporting, Oversight, and Accountability .....	18
Single-Page View of the Core Elements of the Strategic Plan .....	19



# Introduction

---

*Planning is strategic when it helps move an organization forward from its current situation to its desired future.*

## Purpose of the Plan

This five-year Strategic Plan is the highest-level planning document for Marina Coast Water District (MCWD) and Groundwater Sustainability Agency and represents the Board's direction for the future. It clearly defines the District's mission, vision, and core values while establishing a comprehensive set of goals and objectives to guide decision-making.

The Plan is also a practical working tool, providing clear direction to Staff regarding the Board's goals, objectives, and priorities. The District will regularly refer to it as a guide to the District's actions during the period covered.

## Plan Development

**Background Research.** The consultant initiated the process by engaging in discussions with the General Manager and reviewing existing documents.

**Confidential Interviews.** The team carried out a series of confidential interviews. The goal was for the interviewees to candidly express their interests and perspectives on the District and its priorities. The interviewees included the Board of Directors, the Leadership Team (including the General Manager), and legal counsel.

**Strategic Planning Workshop.** The interviewees also participated in a workshop led by the consultant. At the workshop, the group reviewed the interview results, took part in exercises to assess the District's current state, identified issues and opportunities the District expects to confront in the future, and discussed priorities.

**Board and Staff Work.** Drawing from the interviews, workshop, and other information, the consultant, General Manager, and Leadership Team developed a draft Strategic Plan.

**Second Strategic Planning Workshop.** The draft was distributed to the Board and Leadership Team. At a second workshop, the participants reviewed, discussed, and refined the draft Plan, including the mission, vision, and values, and provided direction for additional changes.

**Implementation Phase.** The General Manager and Leadership Team will develop a work plan to implement the Strategic Plan in the coming years.

## Founded 64 Years Ago to Serve Our Community

*Marina Coast Water District is an independent, publicly owned special district governed by an elected five-member Board of Directors. We are focused on providing water, recycled water, and wastewater services to sustain our coastal lifestyle, health, and businesses while protecting the environment.*

**Founded in 1960 to Provide Water Service.** The District's origin dates back to 1958, when a group of dedicated local citizens proposed creating a publicly owned water system. In 1960, this vision was realized as the Marina County Water District was formed through a vote by the 766 registered voters in the then-unincorporated city of Marina.

**Protecting the Community by Adding ~~Sanitary~~ Wastewater Services.** In 1970, responding to rising septic system failures and the community's growing sanitation needs, Marina voters approved the District's construction of a sewage treatment plant and disposal system. By 1993, the District became a member of the regional wastewater treatment plant while continuing to operate and maintain the wastewater sewer pipeline and pump collection system.

**~~The Ocean as a Water Resource.~~** In 1996, the District ~~pioneered~~ Pioneered the ~~first~~ First ~~ocean~~ Ocean water ~~Water desalination~~ Desalination facility ~~Facility~~ in Monterey Bay. The facility ran successfully for five years, proving the concept and demonstrating that it could be done in an environmentally and resource-sensitive way.

**The Great Endeavor.** In 1996, the District assumed contract operation of the Fort Ord water and wastewater systems. After over two decades of custodial operations, the District ~~successfully~~ transitioned the ~~Military~~ military infrastructure into a comprehensive water and wastewater utility system.

**Expanded role in Regional water.** In September 2016, the District again took a bold step to become the groundwater sustainability agency for the Monterey Sub~~b~~-Basin, part of the Salinas Valley Groundwater Basin. In concert with the Salinas Valley Basin Groundwater Sustainability Agency, the District has developed ~~the~~ much-needed Groundwater Sustainability Plans ~~for the 180/400 Sub-Basin and the Monterey Subbasin~~. The two agencies have also partnered to manage the two Subareas within the Monterey Sub~~b~~-Basin.

**A New Water Supply.** In ~~Partnership~~ partnership with Monterey One Water, the District developed and implemented an advanced water treatment system known as Pure Water Monterey. The Project began its first deliveries in 2022, and MCWD brought its first customer online in January of 2023 and delivered ~~412AF~~ 412 acre-feet that year.

**Today, Marina Coast Water District is the Largest Public Water Utility in Monterey County.** MCWD serves 41,000 people and ten land use jurisdictions (Marina, Seaside, Del Ray Oaks, Monterey, U.S. Army, Bureau of Land Management, State of California, County of Monterey, UC Santa Cruz, CSUMB). The District is ~~centered on~~ located over all the major water resources in the region. With connections to the Peninsula and Salinas Valley, the District manages an extensive portfolio of groundwater rights, a desalination plant, and partners in an advanced water recycling ~~reclamation~~ plant and aquifer storage and recovery facilities.

**Our Board and Staff are Committed to Working Collaboratively** with our urban and agricultural neighbors to sustain our shared water supply at a reasonable cost for generations to come.

# Strategic Framework

---

*Marina Coast Water District built the Strategic Plan from a series of logical and integrated components described below.*

**Mission.** The mission statement explains why the organization exists and articulates its essential work in a brief sentence or two.

**Vision.** The vision articulates what the organization will become at a given time in the future. It is the strategic target that, when achieved, fulfills the organization's mission. As such, it is at the heart of the strategic planning process.

**Values.** Values provide guidance when an organization is faced with challenging decisions that require trade-offs, help govern attitudes and behaviors, and generally remain constant over time. The Board sets values.

**Goals.** Goals describe broad, primary management, operations, and planning areas that must be addressed to accomplish the mission. Goals are not connected to timelines.

**Objectives.** Objectives are specific directions established by the Board, which expand upon and refine the goals. There may be multiple objectives for each goal. Objectives are related to goals but are more specific, measurable, and attainable, and have a time frame.

**Implementation Plan.** The Implementation Plan includes tasks/actions required to accomplish the mission, goals, and objectives through the annual budget process. The tasks/actions in the Plan are assigned to members of the Leadership Team and have timelines. There may be multiple tasks for each objective.

**Measures.** Staff developed measures to provide insights into progress in achieving the objectives. Progress will be tracked, analyzed, used to adjust course where appropriate, and reported to the Board.

**Reporting, Monitoring, and Oversight.** These are actions taken by the Board, Leadership Team, and Staff to ensure that the Plan is implemented and updated over time.



# Mission, Vision, and Values

---

## Mission

Marina Coast Water District delivers safe, and environmentally sustainable water, recycled water, and wastewater services that meet community needs.

## Vision

During the next five years, the District will:

- Be a regional leader and productive partner in water and wastewater services.

- Maintain reliable, productive facilities and properties.

- Secure strong, stable finances and affordable rates.

- Deliver excellent customer service.

- Hire and retain a qualified, high-performing Staff.

- Enhance service quality and effectiveness through innovation.

## Values

The Marina Coast Water District Board and staff are committed to and guided by the following core values in everything we do:

**Teamwork.** We collaborate productively and value, respect, and celebrate each individual's uniqueness to better serve our customers.

**Professional Excellence.** We seek innovative ways to achieve goals, foster personal and District-wide growth and learning, and develop solutions that improve and enhance the District and its services.

**Customers First.** We regard each customer as an owner and commit to delivering exceptional service, upholding ethical standards, and maintaining transparent communication on their behalf.

**Accountability.** We take responsibility for our actions and work, and diligently manage District finances, facilities, and other resources to provide sustainable, quality, cost-effective services

**Leadership.** We lead by example, inspire through our actions, collaborate effectively, and advocate for our customers—internally, locally, and regionally.

# Big Picture View of the Strategic Direction

---

*Marina Coast Water District's highest priority, strategy, and new direction are summarized below.*

## Our Highest Priorities.

**A Sustainable Water Supply Portfolio to Meet Long-Term Customer Needs.** Historically, the District has relied on groundwater rights. Recently, the District developed new recycled water supplies, currently serving local golf courses. We remain committed to developing additional supplemental supplies and building a reliable, sustainable portfolio to meet long-term customer water supply needs.

**An Effective, Funded Infrastructure Program to Deliver Quality Services.** Many of the District's facilities were built decades ago, with some dating back 60 years or more. Portions of the District's facilities constructed in the Ord area are not only at or beyond their useful life but built by the Army to lower or incompatible engineering and safety standards. A top priority is to implement, refine over time, and fund long-term infrastructure maintenance, renewal, and replacement management programs that enable high-quality water, recycled water, and wastewater services to our customers.

## Our Strategy

**Water Supply Strategy** is to evaluate and understand our current water supplies and options, seek opportunities for regional partnerships and state and federal funding, and pursue a diverse portfolio of sources for resilience and reliability.

**The Infrastructure Strategy** is to continue to undertake proactive, comprehensive, long-term planning and ensure there is adequate funding in place, ~~including from~~including grants for infrastructure replacement and renewal.

## Notable Changes Resulting From This Plan

**Redouble the District's Focus on:**

- Being a collaborative leader and partner by confidently and actively engaging across the region to build productive, mutually beneficial partnerships.
- Being a champion for our customers by using the full suite of authorities as a County Water District and the resources available to the District to provide the quality and reliable services our customers need and deserve.
- Carrying out needed outreach and engagement with both customers and stakeholders to build understanding and support for the District's priorities and programs.
- Seeking state and federal grant funding to decrease costs for our customers.
- Conducting a comprehensive analysis of all existing and potentially new water supply sources and developing a prioritized and systematic plan for ~~developing new~~

~~supplemental~~ water supplies.

## **Goals, Objectives, and Implementation Phase**

---

*These notes provide an introduction to the strategic goals and objectives in the following pages.*

**Key Areas of Change.** This Strategic Plan targets critical areas where the Board has indicated a need for change or greater clarity. While the District has many other existing and ongoing initiatives, programs, and actions, these are not included in this Plan.

**Priorities.** Actions marked with “(High)” denote high-priority items, defined as essential or “must-do” actions. Some actions may be urgent in terms of timing but do not necessarily carry high priority.

**Timing.** Goals and objectives labeled “annually” or “ongoing” will be reported at least once a year, early in the budget season. This timing allows the General Manager to incorporate Board feedback into the preparation of the new fiscal year budget.

**Implementation.** Following the Board's review and approval of the goals and objectives, District Staff will develop a plan to implement them.

## GOAL 1. WATER: Sustainable, Reliable, Affordable Water Supplies

**Strategic Background.** Marina Coast Water District (MCWD) and Marina Coast Water District Groundwater Sustainability Agency (MCWDGSA) are located over ~~centered on~~ all the major water resources in the region. MCWD has a broad water portfolio of groundwater rights, a desalination plant, and partners in a reclamation plant and aquifer storage and recovery facilities. The District has connections to the Salinas Valley and the Peninsula.

**Strategic Challenge.** Despite its existing and potential water resources, there are water supply challenges within the District and throughout the region. These include persistent delays in repairing the Nacimiento and San Antonio Dams, which could impact the groundwater basin; the impacts of the possible development of the CalAm water supply project adjacent to the District's service area; over-pumping of the Monterey and 180/400 ~~and 900~~ subbasins in the Salinas Valley Groundwater Basin; and the threat of seawater intrusion in the Basin, among others.

**Strategic Response.** The District will actively and creatively seek to collaborate with regional partners to develop and sustainably manage a diverse portfolio of water supplies to meet our shared needs. As a result of its geographic location, the District has access to a wide variety of new water supplies either on its own or with regional partners. These resources include additional groundwater, various forms of recycled water such as advanced treated direct and indirect potable reuse, desalinated seawater and brackish water, and surface water.

*The following objectives and implementation actions must be completed to fulfill Goal 1.*

OBJECTIVE 1.1: Water supplies meet long-term needs from a diverse, affordable, sustainable, and reliable portfolio of sources.

OBJECTIVE 1.2: Water supply management and augmentation follow a comprehensive long-term strategy and plan for the orderly expansion of the system.

OBJECTIVE 1.3: The District actively engages in mutually beneficial partnerships with communities and water agencies across the region to protect, share, and sustainably manage our shared water resources.

OBJECTIVE 1.4: Manage water rights to ensure sustainability and resilience.

OBJECTIVE 1.5: Work with other agencies to stimulate a long-term effort to maintain a healthy watershed.



## GOAL 2. PEOPLE: A High-Performing Board, Staff, and Organization.

**Strategic Background.** ~~The~~ District Staff are highly qualified, well-trained, motivated, and respected by their peers internally and in other agencies. Similarly, the Board is fortunate to be comprised of directors with diverse perspectives who work together well and understand their roles.

**Strategic Challenge.** One global challenge for the District is growth. It currently has about 20,000 water and sewer-wastewater connections but expects to double in size to about 40,000 connections within 13 years. As it grows, ~~The-the~~ ongoing challenge of recruiting and retaining Staff-staff remains a pressing concern.

Also, many of the Staff administrative and management tools need updating. For example, some software systems are under-supported and underused, and the Enterprise Resource Planning system (ERP) requires a comprehensive update. Internal administrative processes, including purchase orders, purchasing policies, and contracts, need revision. Moreover, the absence of Standard Operating Procedures and outdated District policies, procedures, guidelines, and design requirements pose further challenges.

The board's role requires cultivating relationships with local, regional, and state stakeholders. This is particularly challenging for new Board members, who often find it takes a long time to become oriented to the District's issues and be able to engage fully as productive members.

The District is involved in complex and costly legal issues that require ongoing evaluation and management of legal strategies.

**Strategic Response.** The District will continue progressing in efficiency and effectiveness by building out systems, policies, procedures, training, Standard Operating Procedures, improved use of technology, development of a strong culture, and more. Additionally, the District will enhance its capacity to recruit and retain necessary personnel. Professionalizing and systematizing the management, administration, and operations is also critical as the District grows. The Board will periodically self-evaluate and implement areas of improvement, such as improving the onboarding of new directors so they can engage more effectively in the shortest reasonable time frame.

*The following objectives and implementation actions must be completed to fulfill Goal ~~1~~2.*

OBJECTIVE 2.1: The District attracts, onboards, and retains high-performing Staff, and manages succession effectively.

OBJECTIVE 2.2: Tools, systems, processes, policies, culture, and training are up-to-date and support the ability of Staff to perform efficiently and effectively.

OBJECTIVE 2.3: Technology is used to improve the cost-effectiveness of Management, Administration, Operations, and Maintenance.

OBJECTIVE 2.4: The Board periodically self-evaluates and implements identified areas of improvement, enabling it to set clear and effective direction and provide effective monitoring and oversight.

OBJECTIVE 2:5: The Board approves and updates, as appropriate, the strategy for major litigation.

### GOAL 3. FINANCE: Stable and Secure Funding and Affordable Rates

**Strategic Background.** The District's financial management and reporting are excellent. District revenue is adequate to meet identified needs, including funding to invest about \$187 million in needed facility upgrades in the coming five years.

**Strategic Challenge.** A notable financial hurdle for the District involves effectively allocating costs and monitoring finances across six distinct cost centers: Marina (comprising water and sewer-wastewater services), Ord (~~encompassing~~ comprising water and sewer-wastewater services as well), Groundwater Sustainability Agency, and recycled water. This requires six separate accounts. Furthermore, escalating costs and the need to develop supplementary water resources while responsibly managing the groundwater basin will increase costs over time.

**Strategic Response.** The District plans to unify its water and wastewater service areas when costs are within 10% across these service areas. The Board will prioritize maintaining affordable, predictable rates and seek substantial grant funding to minimize customer costs.

*The following objectives and implementation actions must be completed to fulfill Goal ~~13~~.*

OBJECTIVE 3.1: The District is unified under a single water, recycled water, and sewer wastewater cost-of-service area as each enterprise's cost of service is within 10% of the corresponding enterprises.

OBJECTIVE 3.2: Finances are well managed to provide adequate revenue and avoid volatile rates.

OBJECTIVE 3.3: The Board receives understandable, timely, and up-to-date financial reports on an approved schedule.

OBJECTIVE 3.4: A full set of financial policies are in place, reviewed, and updated on a scheduled basis.

OBJECTIVE 3.5: Grant funding is obtained to help limit costs and improve services for customers.

## GOAL 4. INFRASTRUCTURE: Reliable, Cost-Effective, and Sustainable Facilities and Properties

**Strategic Background.** The District's water and ~~sanitary sewer~~wastewater facilities ~~generally~~ function reliably due to rigorous maintenance and increasing investments in their renewal and replacement.

**Strategic Challenge.** However, there are a wide variety of facility and property-related challenges:

- The large number of aging facilities and substantial deferred maintenance in both the Ord and Marina areas.
- The renewal and replacement process has been slow for various reasons, including but not limited to the challenge of hiring engineers to oversee the work.
- MCWD is in the Bay Area Zone for prevailing wages, which substantially increases construction costs.
- The Ord area water and ~~sewer~~wastewater collection facilities, inherited from the Army, often lack proper documentation and do not meet District ~~engineering, quality,~~quality and code standards.
- The extensive geographic spread of the Ord area necessitates more pipelines, pumps, and reservoirs per person, increasing costs.
- There are also ~~a number of important~~ property-related issues. For example, District ~~administrative~~Administrative Staff are not centrally operating in a single location but are scattered across three separate properties. Also, MCWD owns contaminated WWII-era buildings that need replacement, and the corporate yard is aged and inadequate for continued operational use.
- The District must also contend with general cyber threats and the targeting of water and wastewater utilities by various actors, including nation-states.

**Strategic Response.** The District will develop a comprehensive plan to guide the use of its properties and the renewal and replacement of facilities for timeliness, cost-effectiveness, and maximum long-term benefit. It will also continue to enhance its resilience to cyber threats.

*The following objectives and implementation actions must be completed to fulfill Goal ~~14~~.*

OBJECTIVE 4.1: A comprehensive plan guides long-term, cost-effective renewal, replacement, usage, and development of District facilities and properties.

OBJECTIVE 4.2: The comprehensive, long-term, ~~7~~ facility plan is funded.

OBJECTIVE 4.3: Corrective and preventive maintenance is planned and proactively implemented on schedule for cost-effectiveness and the least disruption to regular operations.

OBJECTIVE 4.4: Capital improvement program renewal, replacement, and new development are planned with the longest reasonable time horizon and completed on schedule and budget.

OBJECTIVE 4.5: The District is prepared to mitigate and recover from unplanned events and will maintain cybersecurity.

## GOAL 5. ENGAGEMENT: Communicate and Engage Effectively with Customers Partners, and Stakeholders.

**Strategic Background.** MCWD actively conducts public outreach through various channels, including social media, e-newsletters, the website, press releases, and more. Additionally, District Staff and directors engage with water utilities, municipalities, and a wide array of local, regional, and state stakeholders. A quantitative customer survey conducted in 2023 revealed generally high satisfaction levels, with notable findings including: 92% of respondents rated the taste and quality of delivered water positively; 75% correctly identified MCWD as their water provider, indicating a 16% higher recognition rate compared to other communities, and; 100% of customers who interacted with MCWD reported a positive customer service experience.

In addition, the ~~District believes that the~~ Board and Staff have ~~generally~~ earned the respect of their peers in municipalities and utilities in the region.

**Strategic Challenge.** However, recognizing the evolving nature of customer expectations and circumstances, the District must continually work to communicate with and listen to customers in terms of both customer service questions and to build long-term understanding and support. Similarly, water, recycled water, and wastewater challenges can often best be solved through mutually beneficial partnerships, which, in turn, requires an ongoing commitment to building and maintaining good communication and strong working relationships with peer agencies and other stakeholders.

**Strategic Response.** The District views providing quality service and building understanding and garnering support from its customers as fundamental to its success. Additionally, it recognizes the importance of actively engaging and collaborating with neighboring entities across the region. Therefore, the District will continually refine and enhance its communication and engagement strategies at all levels.

*The following objectives and implementation actions must be completed to fulfill Goal ~~1~~5.*

OBJECTIVE 5.1: Customers understand the services the District provides, where to learn more, and how to get their questions answered.

OBJECTIVE 5.2: The District provides prompt, responsive service to customer needs and requests.

OBJECTIVE 5.3: Customers understand and support the District and its activities.

OBJECTIVE 5.4: The District's Board and Staff develop and maintain productive, mutually beneficial collaborative partnerships with the County, municipalities, neighboring water providers, and other stakeholders.

## GOAL 6. STEWARDSHIP: Resilient and Sustainable Facilities and Operations.

### BACKGROUND/ CHALLENGE/ RESPONSE

**Strategic Background.** The District is actively implementing a robust climate action plan, and has already transitioned to 100% renewable energy, acquired two 100% electric, zero-emission vehicles, and purchased an electric forklift. It obtains electricity through 100% renewable sources.

**Strategic Challenge.** Marina Coast Water District remains challenged by escalating costs and diminishing reliability from Pacific Gas & Electric's (PG&E's) aging electrical distribution system.

Also of concern is the experience of communities that have faced fire and other emergencies losing internet connectivity either because it was destroyed or to reserve limited bandwidth for emergency responders. This has left utilities responsible for essential water and sanitation services that must operate around the clock without the necessary communication for their remote-dependent systems. Additionally, the District faces escalating climate impacts that may jeopardize its properties and facilities.

**Strategic Response.** The District will continue to implement its comprehensive climate action plan. It will conduct thorough assessments of its facilities and properties to identify climate-related risks. Additionally, the District will continue to invest in backup power solutions and explore opportunities for developing green power and storage independently or in collaboration with partners. Furthermore, it will assess the feasibility and advantages of establishing a fiber-optic communication network to enhance resilience for both the District and neighboring agencies, among other initiatives.

*The following objectives and implementation actions must be completed to fulfill Goal ~~16~~.*

OBJECTIVE 6.1: The District ~~will~~ proactively decreases its greenhouse gas emissions by following its climate action plans.

OBJECTIVE 6.2: The District evaluates and considers actions that would increase energy independence and overall environmental sustainability within its service area and the region.

# **Monitoring, Reporting, Oversight, and Accountability**

## **Communicate With Staff**

Meet with all employees so all Staff members understand the Plan and the parts they are responsible for, and report at least annually to the entire Staff on the Plan's progress.

Display the mission, vision, goals, and objectives on posters, handouts, and business cards.

Incorporate the Mission, Vision, Goals, and Objectives in the employee handbook, orientation and training materials for new employees.

## **Clarify Roles and Expectations**

Integrate strategic responsibilities into job descriptions for the General Manager, Leadership Team, and Non-Management Staff so everyone knows what objectives or work plan initiatives and objectives they are responsible for driving forward or contributing ~~to~~. Include accomplishment of strategic priorities in performance reviews for the General Manager, Leadership Team, Non-Management Staff, and collective bargaining units.

## **Cascade the Plan**

Cascade strategic objectives and initiatives from the District-wide level to departments/teams and individuals. Each identifies ways to contribute to the strategic initiatives, objectives, and goals by answering the question: how does my group or department unit support the strategy with a focus on appropriate objectives?

## **Allocate Resources to Meet Strategic Objectives**

The District's annual budget and hiring practices reflect strategic goals and objectives.

## **Board Oversight and Monitoring**

~~Staff reports in the agenda packet when~~ When an item fulfills a particular goal and objective it is noted in the staff report for the agenda item.

The Board and its committees consider Strategic Plan goals and objectives when deliberating.

The General Manager will provide the Board with a comprehensive report on the Strategic Plan's progress annually early in the budget development process.

Incorporate the Mission, Vision, Goals, and Objectives into orientation and training materials for the Board and Committee members.

Staff will develop and track and the Board will review key performance measures to track progress on the Strategic Plan.

## **Review and Update the Plan**

The Board holds a brief workshop early in each budget development process to review progress on the Strategic Plan and consider making appropriate adjustments to it.

The General Manager will update implementation-related tasks as appropriate.

The Board undertakes a complete update of the plan every three to five years.



# Single-Page View of the Core Elements of the Strategic Plan

THIS WILL BE UPDATED WITH THE PROPER INFORMATION WHEN THE DOCUMENT IS FINALIZED

MISSION	Marina Coast Water District onsectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis				
VISION	Nostrud	Incididunt	Labore	Consectetur	Magna
VALUES	Lorem Ipsum		Amet	Dolor	Adipiscing
GOALS	1. STAFF: Lorem ipsum dolor sit amet, consectetur adipiscing	2. FACILITIES: Lorem ipsum dolor sit amet, consectetur adipiscing	3. ORGANIZATIONAL EXCELLENCE: Lorem ipsum dolor sit amet,	4. OUTREACH Lorem ipsum dolor sit amet, consectetur adipiscing.	
OBJECTIVES	1.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	2.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	3.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore	4.1: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor	
	1.2: consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis	2.2: quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	3.2: consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis	4.2: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	
	1.3: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	2.3: consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis	3.3: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	4.3: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo	
		2.4: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla	3.4: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do		
		2.5: Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do			



#### **BOARD OF DIRECTORS**

Gail Morton, Esq., President

Jan Shriner, Vice President

Herbert Cortez, MS, Public Policy, Director

Brad Imamura, REHS (Retired), Director

Thomas P. Moore, Ph.D., Industrial Engineering, C.P.L., Director

#### **GENERAL MANAGER**

Remleh Scherzinger, MBA, CSDM, P.E.

Prepared by:



[www.rauchcc.com](http://www.rauchcc.com)

**Marina Coast Water District  
Agenda Transmittal**

**Agenda Item:** 12-B

**Meeting Date:** August 19, 2024

**Prepared By:** Andrew Racz, PE

**Approved By:** Remleh Scherzinger, PE

**Reviewed By:** Garrett Haertel, PE

**Agenda Title:** Adopt Resolution No. 2024-43 to Approve a Reimbursement Agreement between MCWD and Seaside Peninsula Acquisition Group, LLC, for McClure Way Phase II Water Pipeline Improvements Related to the Seaside Resort Hotel Project

**Staff Recommendation:** Adopt Resolution No. 2024-43 to Approve a Reimbursement Agreement between MCWD and Seaside Peninsula Acquisition Group, LLC, for McClure Way Phase II Water Pipeline Improvements related to the Seaside Resort Hotel Project.

**Background:** *Strategic Element No. 2 Infrastructure – Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District standards. Strategic Goal 2.1 - Improvements and expansion plans for existing water (potable water and recycled water) delivery and wastewater collection systems; 2020 System Master Plans.*

On June 20, 2022, MCWD approved an Infrastructure Agreement (“IA”) with the Seaside Peninsula Acquisition Group, LLC, for improvements related to the construction of the Seaside Resort Hotel (“Hotel Project”). The District has determined that the new 12” domestic water main being constructed by the Developer in McClure Way to serve the Hotel Project (“McClure Way Phase I”), should be extended approximately 1,400 linear feet (lf) to Fairway Court to improve B-zone system pressures for existing MCWD customers. The extended water pipeline and associated pressure reducing valve station (PRV), budgeted in MCWD’s FY 2024-2025 CIP as Project OW-0340, should be advanced at this time to allow for design and construction coordination between MCWD and the Hotel Project Developer.

**Discussion/Analysis:** It was determined during the master planning process that new and upgraded 12” water pipelines would be required in the vicinity of the Blackhorse-Bayonet golf course to provide adequate pressure and fire flows to new and existing customers in the area while also supporting future development. To satisfy these needs, the 2020 Water System Master Plan proposed Projects W9 and W10 (O-P4 and O-P5): an upsized 12” pipeline along Monterey Road and a new 12” pipeline between General Jim More Blvd. and Coe Avenue. The total estimated cost of both projects in 2020 was \$3.068 million, of which \$960,000 represented a benefit to existing customers.

The Proposed McClure Way Phase II Pipeline Improvements successfully address the deficiencies identified in the 2020 Water System Master Plan, and by utilizing a new alignment across the Blackhorse-Bayonet Golf Course, achieve the required downstream system pressure and flow improvements at a fraction of the pipeline length of W9/W10 and at a significantly lower cost. The proposed Phase II improvements build upon the McClure Way Phase I water pipeline currently being built by the Hotel Project Developer. Phase I is a Developer-funded improvement to install approximately 2,300 lf of new 12” potable water pipeline from the

intersection of General Jim Boulevard and McClure Way to the future Hotel Project site at the center of the golf course. MCWD can take advantage of Phase I by contracting the Developer to construct Phase II: 1,400 lf of additional 12” water main extending beyond the hotel’s service connection and downhill through the golf course to an existing MCWD potable water stub at the end of Fairway Court (a street in the Enclave development accessed via Monterey Road). Because the Phase II main will drop 75 feet in elevation along its alignment, a new 8” PRV is required to drop pressure in the line from D-zone at the Hotel to B-zone at Fairway Court. Civil improvement plans for the Phase II main are provided as Exhibit A.

The estimated total cost of Phase II improvements, as proposed by the Developer’s contractor Monterey Peninsula Engineering (MPE) is \$675,000 (Exhibit B). This quoted lump-sum price compares similarly to the recent cost to construct the Coe Avenue water improvements (OW-0341, approximately \$580,000 for a new PRV station and 1,066 lf of new 12” water main). Notably, the price is 30% less expensive than the estimated cost of MCWD-funded capital improvements proposed in the 2020 Water System Master Plan, representing a significant savings to MCWD ratepayers. The Developer will be reimbursed for Phase II construction costs in accordance with the terms of the “Seaside Resort Hotel Reimbursement Agreement for McClure Way Phase II Improvements” submitted herewith for approval, using the previously approved reimbursement agreement template document. The included reimbursement agreement has been reviewed by District Counsel.

The McClure Way Phase II Water Pipeline Improvements were budgeted in the FY 2024/2025 Capital Improvement Program (CIP) (OW-0340) at \$300,000. As the current scope of work is anticipated to cost \$675,000, District staff recommends amending the FY 2023-2024 CIP budget for Project OW-0340 by transferring an additional \$375,000 from CIP GW-2508 (Water Pipeline Renew/Replacement Program) to fully fund this project at \$675,000 and approve the reimbursement agreement with Seaside Peninsula Acquisition Group, LLC.

**Environmental Review Compliance:** On July 7, 2005, the City of Seaside adopted Resolution No. 05-44 which found: i) that the Final Environmental Impact Report (EIR) for the Seaside Resort Project was completed in compliance with California Environmental Quality Act (CEQA); ii) the CEQA Guidelines and significant impacts identified in the Final EIR were required in or incorporated into the Project to avoid or substantially lessen the impacts identified; and, iii) recognized that the approval of the Project would nonetheless result in certain unavoidable and potentially irreversible effects, both project-related and cumulative.

**Legal Counsel Review:** Legal Counsel reviewed the Board Transmittal, Resolution, and standard Reimbursement Agreement.

**Climate Adaptation:** By completing this project concurrently with the work already designed, planned, and approved within McClure Way (Phase I) and the hotel site, it will minimize additional greenhouse gas emissions by eliminating the future impacts from construction equipment and materials if the pipeline work is undertaken in the future.

**Financial Impact:**   X   Yes        No      **Funding Source/Recap:** FY2024-2025 CIP Budget: CIP OW-0340 & CIP GW-2508.

The Project costs are proposed at \$675,000, and the budgeted amount for OW-0340 within the 2024/2025 CIP is \$300,000. The remaining amount will be transferred from water programmatic funds (GW-2508) in the amount of \$375,000 leaving a remaining balance of \$139,000 for additional water pipeline renewal/replacement projects.

CIP Budget Amendment	Budget	Change	Balance
From: GW-2508	\$514,000	\$ (375,000)	\$139,000
To: OW-0340	\$300,000	\$375,000	\$675,000

**Material Included for Information/Consideration:** Resolution No. 2024-43; Exhibit A – Civil Improvement Plans; Exhibit B – Cost Proposal from MPE; and, Reimbursement Agreement.

**Action Required:**      X   Resolution               Motion           Review

---

Board Action

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

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

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

August 19, 2024

Resolution No. 2024 - 43  
Resolution of the Board of Directors  
Marina Coast Water District

Approving a Reimbursement Agreement between MCWD and Seaside Peninsula Acquisition Group, LLC; and Amending the FY 2024-2025 Capital Improvement Budget to fund the McClure Way Phase II Water Pipeline Improvements (OW-0340)

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 19, 2024 at the business office of the District, 920 Second 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 is contractually obligated to provide 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 ceased to exist on June 30, 2020; and,

WHEREAS, the District holds title to, and is the owner of, 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, the City of Seaside on July 7, 2005, adopted Resolution No. 05-44 allocating sufficient water to the Seaside Resort and associated projects and authorized Marina Coast Water District to provide water service for the Project; and,

WHEREAS, the District was in preparation for planning to improve water mains in the vicinity of the Blackhorse Bayonet Golf Course and Seaside Resort; and,

WHEREAS, the District and Seaside Peninsula Acquisition Group, LLC entered into an Infrastructure Agreement on June 19, 2022, relating to water allocation and infrastructure for water service at Seaside Resort (the “Hotel Project”); and,

WHEREAS, District staff recommends having the Developer extend the water main and install a new PRV station to accommodate existing and future demands beyond what is required to serve the Hotel Project, and reimburse the Developer for the construction costs; and,

WHEREAS, an estimated cost of \$675,000 is necessary to cover the full amount of the reimbursement; and,

WHEREAS, an additional \$375,000 in resources is necessary for the project to cover the full amount of the project spend; and,

WHEREAS, a FY 2024-2025 Capital Improvements Program Project (OW-0340) Budget approval is required to resource this project in order to achieve the desired facility objectives.

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

1. find the actions approved herein are exempt from CEQA per C.C.R., Title 14, Section 15282(k) – Other Statutory Exemptions.
2. adopt Resolution No. 2024-43 approving a Reimbursement Agreement between MCWD and Seaside Peninsula Acquisition Group, LLC; and Amending the FY 2024-2025 Capital Improvement Budget to fund the McClure Way Phase II Water Pipeline Improvements (OW-0340).
3. amend the FY2024-2025 Capital Improvement Plan Budget as follows:

<b>CIP Budget Amendment</b>	<b>Budget</b>	<b>Change</b>	<b>Balance</b>
From: GW-2508	\$514,000	\$ (375,000)	\$139,000
To: OW-0340	\$300,000	\$375,000	\$675,000

4. authorize the General Manager to file a Notice of Exemption, execute the Reimbursement Agreement between MCWD and Seaside Peninsula Acquisition Group, LLC and to take all actions and execute all documents which may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on August 19, 2024, 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\_\_\_\_\_

\_\_\_\_\_  
Gail Morton, President

ATTEST:

---

Remleh Scherzinger, 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. 2024-43 adopted August 19, 2024.

---

Remleh Scherzinger, Secretary



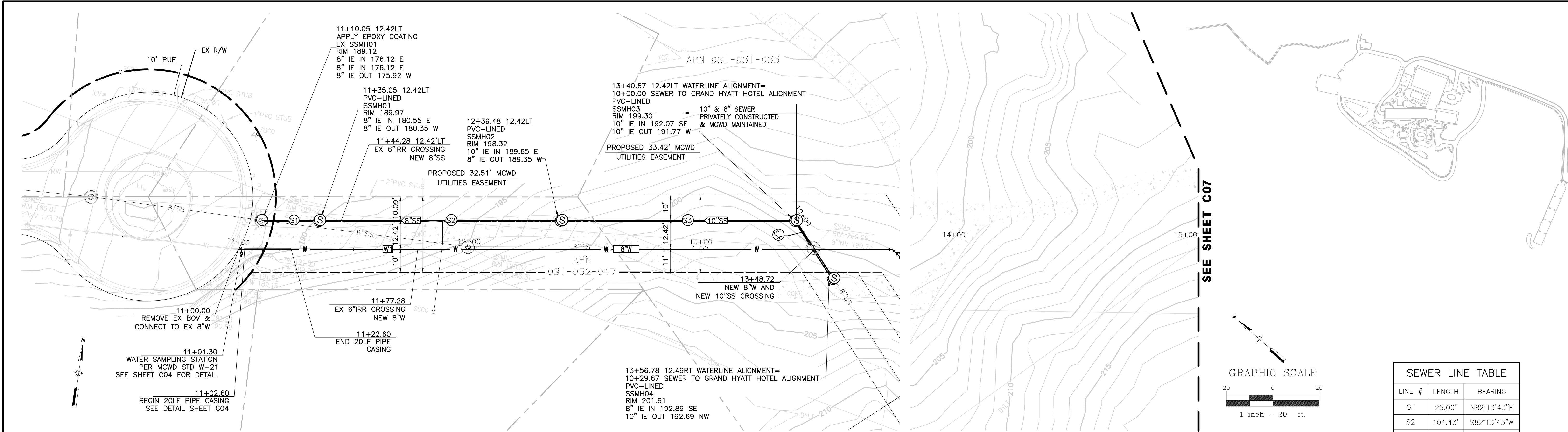










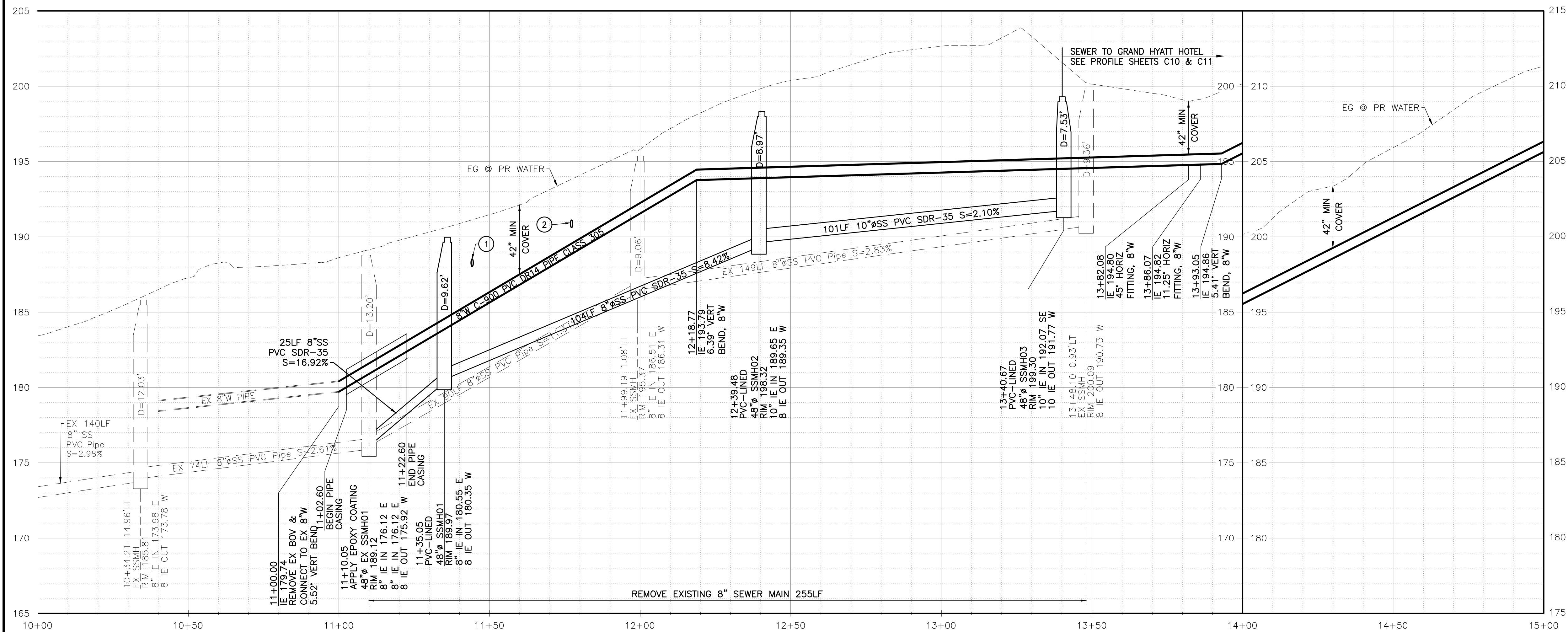


SEWERLINE 'A' & WATERLINE 'A'  
STA 10+00 TO STA 15+00

SEE SHEET C07

SEWER LINE TABLE		
LINE #	LENGTH	BEARING
S1	25.00'	N82°13'43"E
S2	104.43'	S82°13'43"W
S3	101.19'	N82°13'42"E
S4	29.67'	S40°40'27"E

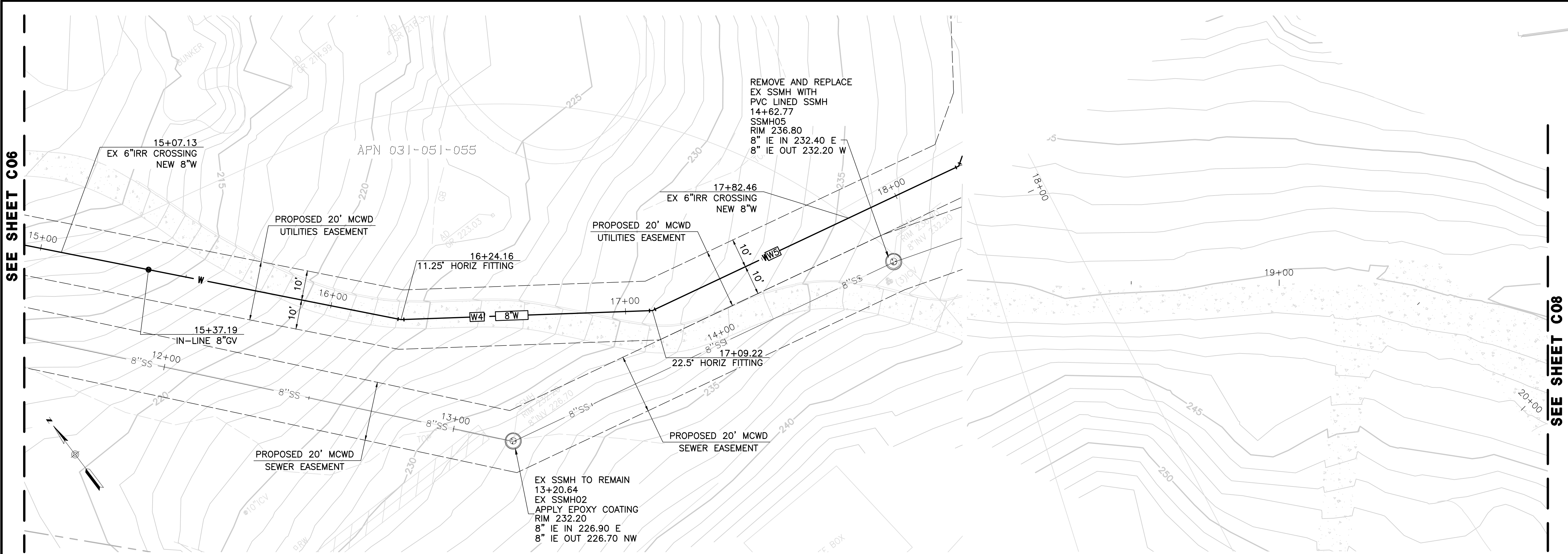
WATER LINE TABLE		
LINE #	LENGTH	BEARING
W1	282.08'	N82°13'43"E
W2	3.99'	S52°46'17"E
W3	238.10'	S41°31'17"E



CALL AT LEAST 2 WORKING DAYS PRIOR TO EXCAVATING

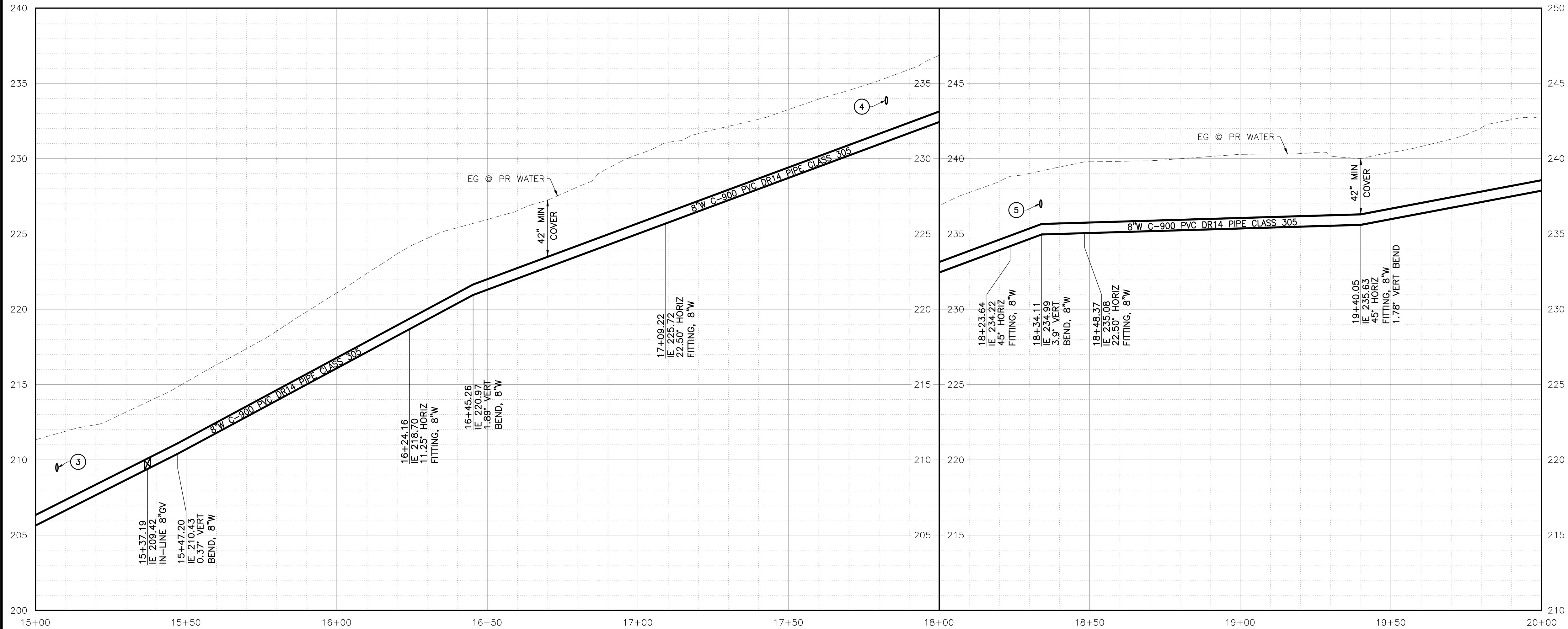
<div>PRELIMINARY NOT FOR CONSTRUCTION</div> <div>DESIGNED BY: RICK DRAWN BY: RICK REVIEWED BY: RICK SCALE (H): 1" = 20' (V): 1" = 4'</div>	<div>PREPARED UNDER THE DIRECTIONS OF:</div> <div><div><div>RICK ENGINEERING COMPANY</div><div>Sacramento</div></div><div><div>2525 EAST BIDWELL STREET FOLSOM, CA 95630 916.638.8200 (FAX) 916.934.5144</div><div>rickengineering.com</div><div>San Diego - San Luis Obispo - Bakersfield - Riverside - Orange - Phoenix - Tucson</div></div></div>	<div>MONTEREY PENINSULA ENGINEERING</div> <div>MCCLURE WAY IMPROVEMENT PLANS (PHASE II)</div> <div>PUBLIC UTILITY PLAN &amp; PROFILE</div> <div>STA 10+00 TO STA 15+00 (WATER &amp; SEWER)</div> <div>CITY OF SEASIDE      COUNTY OF MONTEREY      CALIFORNIA</div>	<div>DATE 04/29/2024</div> <div>JOB NUMBER 19681</div> <div>SHEET NUMBER C06</div> <div>OF 12 SHEETS</div>																
<div>REV    DATE    DESCRIPTION    APP'D</div> <table><tr><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td></tr></table>																	<div>M. SCOTT LILLIBRIDGE, P.E. RCE 52504</div> <div>DATE</div>	<div>COPYRIGHT 2024 RICK ENGINEERING COMPANY</div>	<div>336</div>





WATERLINE 'A'  
STA 15+00 TO STA 20+00

WATER LINE TABLE		
LINE #	LENGTH	BEARING
W4	85.05'	S54°46'17"E
W5	114.43'	S77°56'30"E
W6	24.72'	N57°03'30"E
W7	91.68'	N35°13'43"E



CALL AT LEAST 2 WORKING DAYS PRIOR TO EXCAVATING

REV	DATE	DESCRIPTION	APP'D

PRELIMINARY NOT FOR CONSTRUCTION	
DESIGNED BY:	RICK
DRAWN BY:	RICK
REVIEWED BY:	RICK
SCALE (H):	1" = 20'
(V):	1" = 4'



PREPARED UNDER THE DIRECTIONS OF:	
M. SCOTT LILLIBRIDGE, P.E. RCE 52504	DATE

**RICK**  
ENGINEERING COMPANY  
Sacramento

2525 EAST BIDWELL STREET  
FOLSOM, CA 95630  
916.638.8200  
(FAX) 916.934.5144

[rickengineering.com](http://rickengineering.com)

San Diego - San Luis Obispo - Bakersfield - Riverside - Orange - Phoenix - Tucson

MONTEREY PENINSULA ENGINEERING

MCCLURE WAY IMPROVEMENT PLANS (PHASE II)

**PUBLIC UTILITY PLAN & PROFILE**

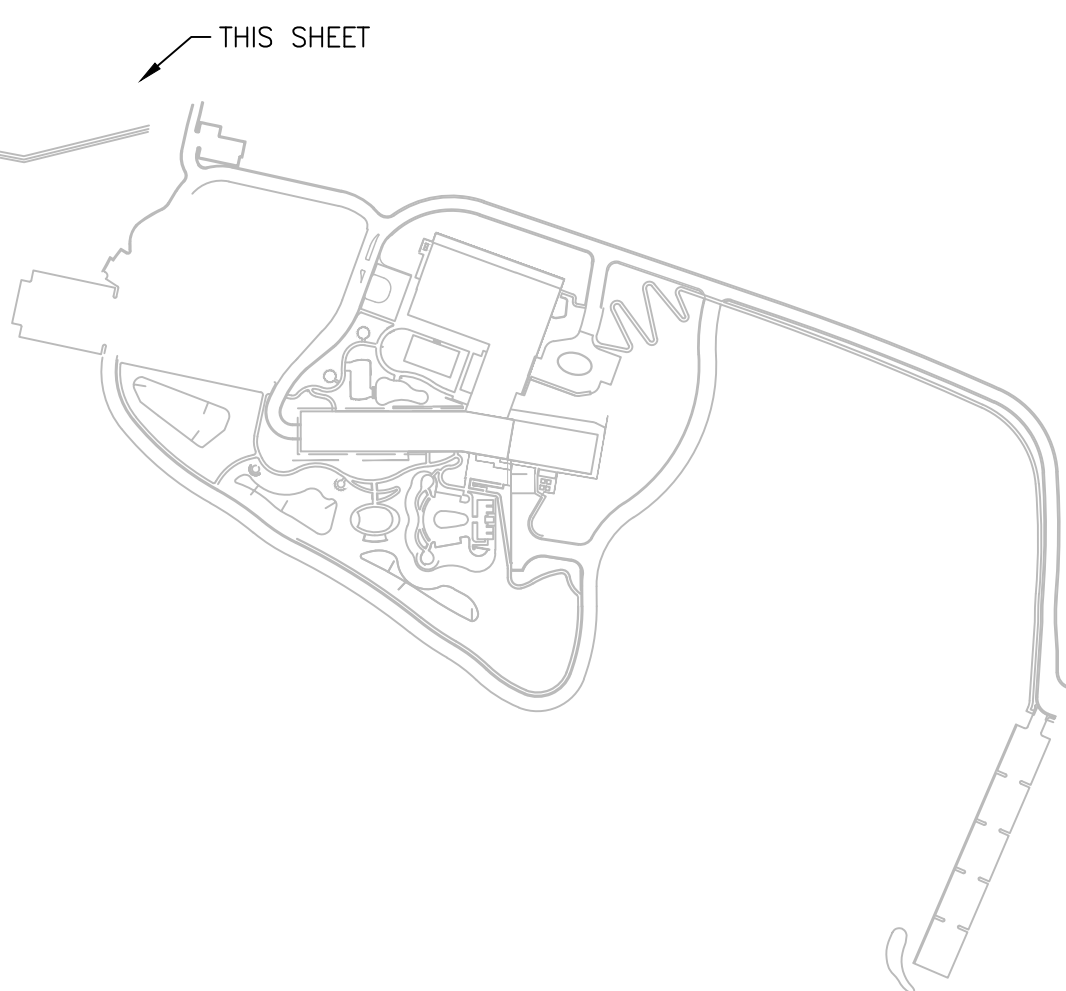
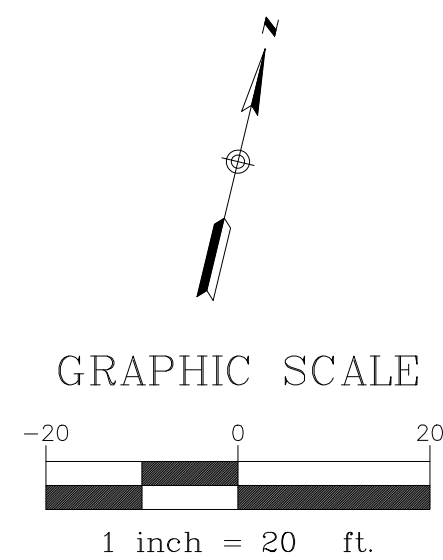
**STA 15+00 TO STA 20+00 (WATER)**

CITY OF SEASIDE      COUNTY OF MONTEREY      CALIFORNIA

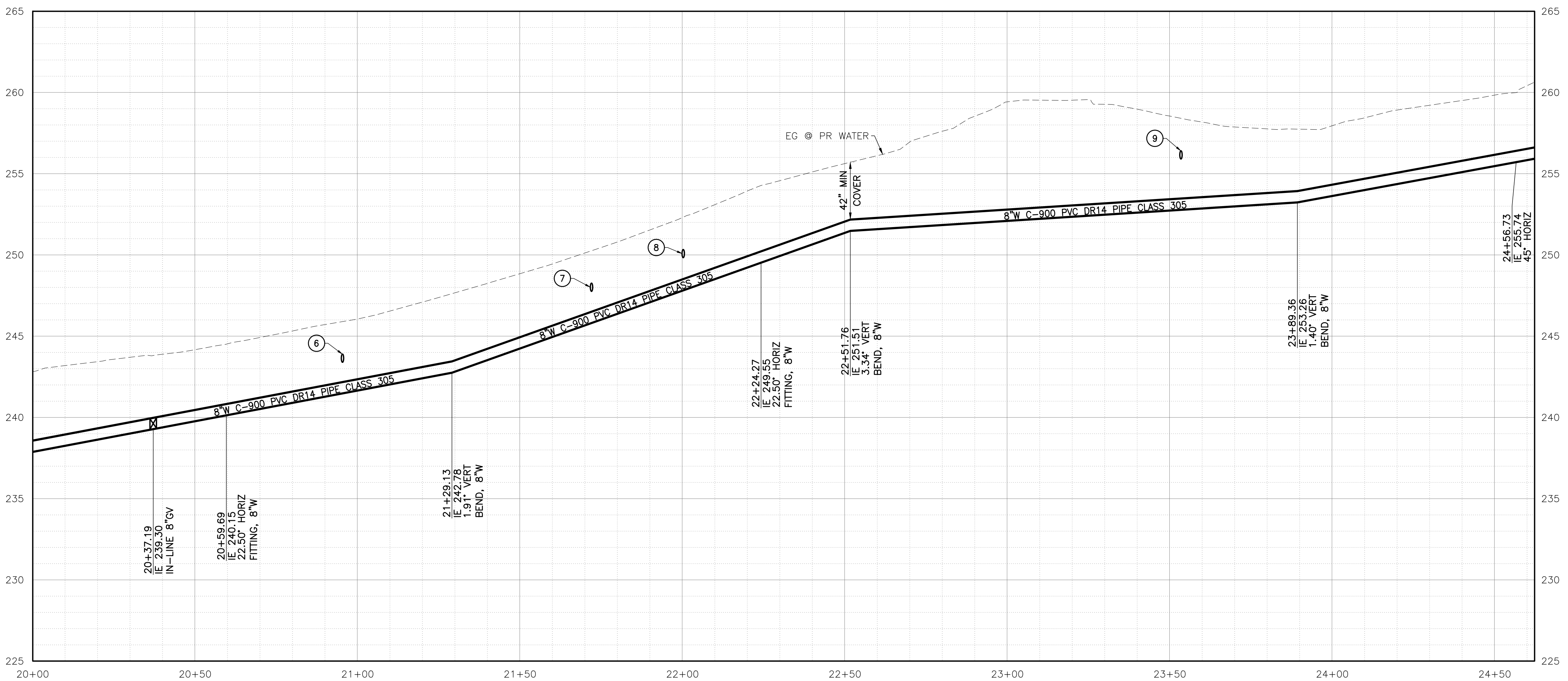
DATE	04/29/2024
JOB NUMBER	19681
SHEET NUMBER	C07
OF 12 SHEETS	



SEE SHEET C07



WATERLINE 'A'  
STA 20+00 TO STA 24+57



WATER LINE TABLE		
LINE #	LENGTH	BEARING
W8	119.64'	N80°13'43\"E
W9	164.59'	S79°16'17\"E
W10	232.46'	N76°13'43\"E



CALL AT LEAST 2 WORKING DAYS PRIOR TO EXCAVATING

REV	DATE	DESCRIPTION	APP'D

PRELIMINARY NOT FOR CONSTRUCTION	
DESIGNED BY:	RICK
DRAWN BY:	RICK
REVIEWED BY:	RICK
SCALE (H):	1" = 20'
(V):	1" = 4'



PREPARED UNDER THE DIRECTIONS OF:	
M. SCOTT LILLIBRIDGE, P.E.	DATE
RCE 52504	

**RICK**  
ENGINEERING COMPANY  
Sacramento

2525 EAST BIDWELL STREET  
FOLSOM, CA 95630  
916.638.8200  
(FAX) 916.934.5144  
rickengineering.com

COPYRIGHT 2024 RICK ENGINEERING COMPANY

MONTEREY PENINSULA ENGINEERING  
MCCLURE WAY IMPROVEMENT PLANS (PHASE II)  
**PUBLIC UTILITY PLAN & PROFILE**  
STA 20+00 TO STA 24+57 (WATER)

CITY OF SEASIDE      COUNTY OF MONTEREY      CALIFORNIA

DATE	04/29/2024
JOB NUMBER	19681
SHEET NUMBER	C08
OF 12 SHEETS	

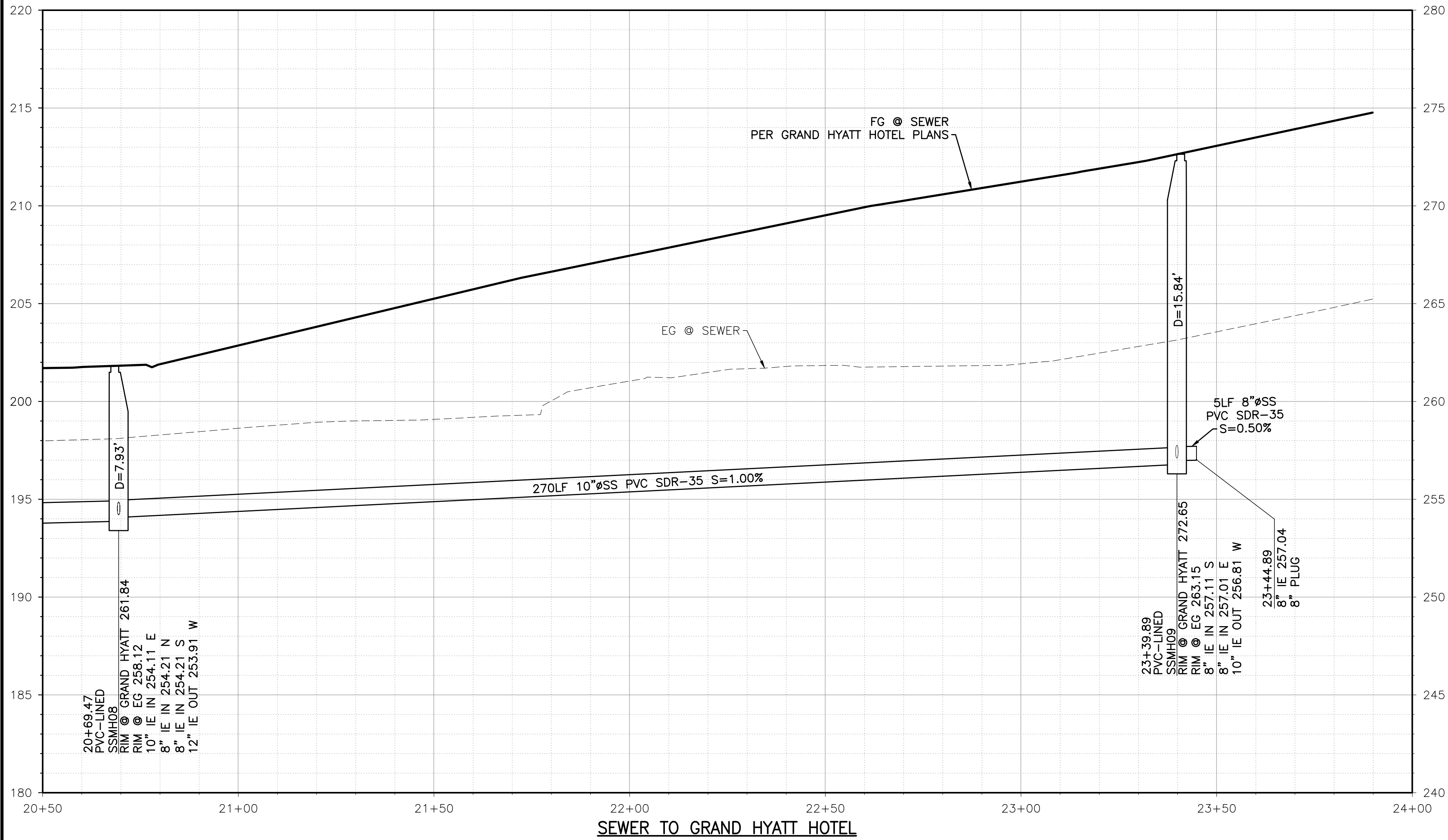








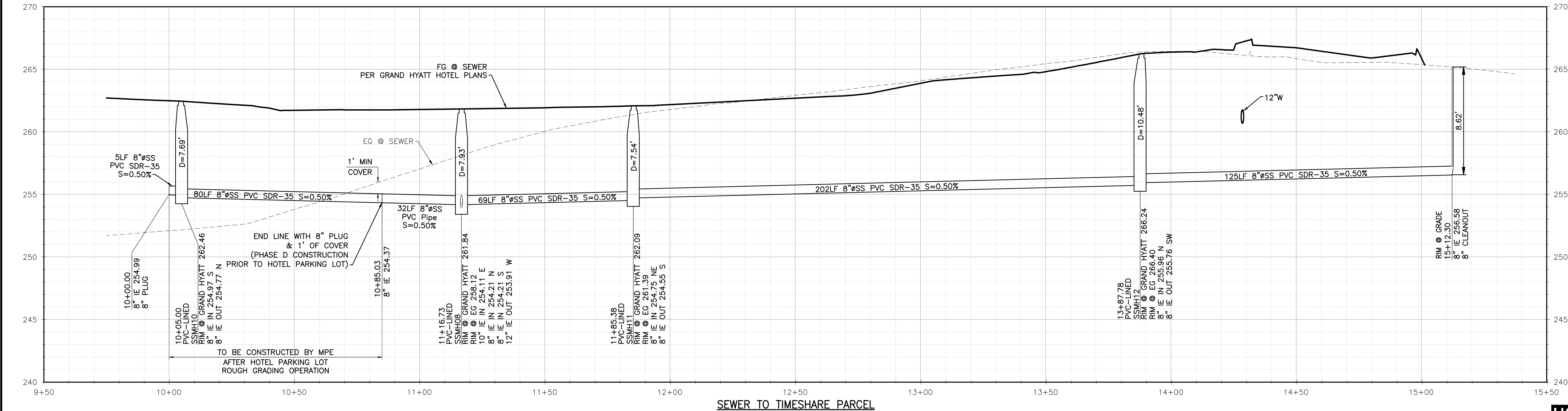




- \*PIPE CROSSING NOTES:**
- ALL CROSSINGS REQUIRE POTHOLING. DEPTH OF EXISTING PIPE UNKNOWN.
  - UTILITY CROSSING ON PLANS ARE NOT ALL INCLUSIVE, USA PROPOSED UTILITY ALIGNMENT TO VERIFY. EXISTING UTILITY CROSSINGS SHALL BE RELOCATED TO CROSS BELOW 12" POTABLE WATER WITH A MINIMUM 1 FOOT VERTICAL CLEARANCE.

**UTILITY CONSTRUCTION NOTES**

- PRIOR TO CONSTRUCTION OF WATER, THE SEWER MAIN SHALL BE CONNECTED TO THE EXISTING SEWER MAIN AND ACCEPTED BY MCWD TO ALLOW RECONNECTION OF THE GOLF COURSE CLUBHOUSE SEWER FACILITY.
- ALL WATER MAIN JOINTS SHALL BE MECHANICALLY RESTRAINED. USE OF THRUST BLOCKS, AS SHOWN ON SHEET C04, REQUIRES APPROVAL FROM MCWD.



SEWER TO TIMESHARE PARCEL



CALL AT LEAST 2 WORKING DAYS PRIOR TO EXCAVATING

PRELIMINARY NOT FOR CONSTRUCTION			
DESIGNED BY:	RICK		
DRAWN BY:	RICK		
REVIEWED BY:	RICK		
SCALE (H):	1" = 20'		
(V):	1" = 4'		
REV	DATE	DESCRIPTION	APP'D



PREPARED UNDER THE DIRECTIONS OF:

M. SCOTT LILLIBRIDGE, P.E.  
RCE 52504



2525 EAST BIDWELL STREET  
FOLSOM, CA 95630  
916.638.8200  
(FAX)916.934.5144

rickengineering.com

San Diego - San Luis Obispo - Bakersfield - Riverside - Orange - Phoenix - Tucson

COPYRIGHT 2024 RICK ENGINEERING COMPANY

MONTEREY PENINSULA ENGINEERING

MCCLURE WAY IMPROVEMENT PLANS (PHASE II)

SEWER PROFILES

STA 20+50 TO 24+00 & 9+50 TO 15+50 (SEWER)

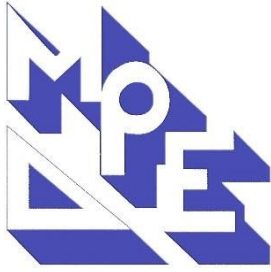
CITY OF SEASIDE

COUNTY OF MONTEREY

CALIFORNIA

DATE	04/29/2024
JOB NUMBER	19681
SHEET NUMBER	C11
OF 12 SHEETS	





# MONTEREY PENINSULA ENGINEERING

CONTRACTORS & ENGINEERS  
P.O. BOX 2317  
MONTEREY, CA 93942  
(831) 384-4081

August 8, 2024

Andrew Racz  
MCWD  
11 Reservation Rd  
Marina Ca 93933

## **Re: Proposal for McClure Way domestic – Revised to 12”**

We propose to the following budget to provide labor, equipment & materials to complete various site and infrastructure improvements as shown on the conceptual plan by Rick Engineers for the above referenced project namely the extension of water mains from the PRV at the bottom of McClure road to the Fairway Court connection.

The scope includes:

- 12” Domestic water line from hotel turnout to Fairway court per plans
- 8” Supply and install underground PRV at fairway court
- Silt fence (2000lf)
- POC’s to Hotel turnout and Fairway court main
- Restore course grade only (no irrigation or turf)

**Proposed price** **\$675,000**

### Exclusions

Engineering, testing, permits and fees,  
Surveying, compaction test  
Turf restoration  
Irrigation restorations  
Cart path repairs  
Based on use of native soils for backfill

*Peter Taormina*



Cell 831.277.6112

**SEASIDE RESORT HOTEL  
REIMBURSEMENT AGREEMENT  
FOR  
MCCLURE WAY PHASE II IMPROVEMENTS**

THIS AGREEMENT ("Reimbursement Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_ 2024, by and among SEASIDE PENINSULA ACQUISITION GROUP, LLC, a Delaware limited liability company ("Developer"), and the MARINA COAST WATER DISTRICT, a California water district ("District"). Developer and District are sometimes referred to herein as a "Party" and collectively as "Parties."

**RECITALS**

A. Developer is in the process of constructing The Seaside Resort Hotel, pursuant to entitlements approved by the City of Seaside, consisting of residential, public, open space and recreational uses (the "Development").

B. Developer and District have entered into that certain agreement entitled "Water, Sewer and Recycled Water Infrastructure Agreement for Seaside Resort (McClure Way Infrastructure Project)" (the "Infrastructure Agreement") pursuant to which the Developer has agreed to install and convey to the District upon completion, certain improvements (collectively, the "Facilities" and each severable portion or phase thereof, a "Facility") required by the District to provide water and sewer services to the Development.

C. The District desires the Developer to install certain additional Facilities within the boundary of the Development to improve water service to areas not attributable to the Development.

D. The District and Developer desire to enter into an agreement to provide for the reimbursement by the District to Developer of costs of design and construction of certain Facilities pursuant to the Infrastructure Agreement.

**NOW THEREFORE**, in consideration of the mutual promises contained herein, District and Developer hereby agree as follows:

**1. SCOPE/DESCRIPTION OF REIMBURSABLE IMPROVEMENTS**

1.1 Improvements Subject to this Reimbursement Agreement. The District has determined that the 12" McClure Way domestic water main, which is being constructed by the Developer to serve the Development ("McClure Way Phase I"), needs to be extended with 12-inch water approximately 1,400 linear feet downhill to Fairway Court to achieve target B-zone system pressures for existing MCWD customers. Additionally, a new pressure reducing valve (PRV) station is required at the start of the extended line. Collectively these reimbursable improvements will be referred to as "McClure Way Phase II". A detailed scope of work and budget for the McClure Way Phase II improvements shall be agreed upon in writing, using the Work Release format in Exhibit 1, attached hereto.

1.2 Reimbursement. Provided Developer designs, constructs and dedicates the McClure Way Phase II Improvements to MCWD as set forth in this Reimbursement Agreement, Developer shall be entitled to reimbursement from MCWD (the "Reimbursement Amount"), which shall be based subsequent to the completion and acceptance by District of the McClure Way Phase II Improvements and provided the Parties have agreed upon the final Reimbursement Amount, District shall pay the Reimbursement Amount to Developer within sixty (60) days of invoice from Developer.

## **2. DESIGN AND CONSTRUCTION REQUIREMENTS**

2.1 Developer shall, at its sole cost and expense, cause the design and construction of the McClure Way Phase II Improvements in strict accordance with the District's requirements. The Infrastructure Agreement shall be incorporated herein and shall govern the design, construction, dedication and warranty requirements for the McClure Way Phase II Improvements.

## **3. REIMBURSEMENT COSTS**

3.1 Determination of Total McClure Way Phase II Improvements. MCWD's Reimbursement Amount shall be based on the actual construction costs of the McClure Way Phase II Improvements, as described in Section 1.2 above:

100% of the cost of constructing a new 12-inch water main and 8" pressure reducing valve station, connections to existing water main, valves, and appurtenances (lump-sum proposed cost of \$675,000)

3.2 Submission of Documentation; District Right To Audit. Upon Developer's completion of the McClure Way Phase II Improvements, Developer shall submit documentation to District evidencing the cost of the McClure Way Phase II Improvements' construction including, but not limited to, costs of design, permits, bonds, and insurance incurred by Developer from the date of acceptance of the McClure Way Phase II Improvements by the District until full reimbursement by the District and all other mutually agreed upon costs ("Eligible Costs"). Costs incurred for the McClure Way Phase II Improvements jointly with other incidental infrastructure improvements (such as joint trenching) shall be allocated on a pro rata basis according to costs of installation of each improvement. Such documentation may include, but is not limited to, copies of Developer's construction contract(s), invoices, cancelled checks, complete lien releases with respect to all Facilities and any other documentation reasonably requested by District. Developer agrees that District shall have the right to audit, upon District's reasonable request, Developer's records of the Eligible Costs of the Facility in order for Developer to verify the Developer's Eligible Costs.

## **4. MISCELLANEOUS**

4.1 Notice. Any notice or communication required hereunder between the District or Developer must be in writing, and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express or other similar courier promising overnight delivery. If personally delivered, a

notice shall be deemed to have been given when delivered to the party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any party hereto may at any time, by giving ten (10) days written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

**To District:**

Marina Coast Water District  
**ATTN: General Manager**  
11 Reservation Road  
Marina, CA 93933

**To Developer:**

Seaside Peninsula Acquisition Group  
**ATTN:** \_\_\_\_\_  
5600 Mariner Street, STE 200  
Tampa, FL 33609

4.2 Term. The term of this Reimbursement Agreement shall start on the day and year duly executed by the parties and shall expire (a) two (2) years thereafter or (b) upon completion by the Developer and acceptance by the District of the McClure Way Phase II Improvements and the expiration of the required warranty period, whichever occurs first.

4.3 Modification. Modifications or amendments to this Reimbursement Agreement shall be in writing and executed by all parties.

4.4 Assignment. This Reimbursement Agreement and all of the terms and conditions contained herein shall inure to the benefit of and bind the successors and assigns of District and Developer. Nothing contained herein restricts or prohibits the sale or other transfer of property.

4.5 Entire Agreement. This Reimbursement Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original. This Reimbursement Agreement, together with the attached Exhibits, constitutes the final and exclusive understanding and agreement of the parties and supersedes all negotiations or previous agreements of the parties with respect to all or any part of the subject matter hereof. The Exhibits attached to this Reimbursement Agreement are incorporated herein for all purposes.



4.6 Compliance with Infrastructure Agreement. Dispute Resolution. Developer agrees all Facilities it constructs shall be constructed in compliance with the terms of the Infrastructure Agreement. Any dispute between the parties as to the proper interpretation, application or enforcement of this Reimbursement Agreement shall be subject to dispute resolution in the same manner and with the same effect as provided in Section 19 of the Infrastructure Agreement, the provisions of which are hereby incorporated into this Reimbursement Agreement by reference.

4.7 Waiver. All waivers of the provisions of this Reimbursement Agreement shall be in writing and signed by the appropriate authorities of the District and the Developer.

4.8 California Law. This Reimbursement Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions.

4.9 Prevailing Wage. All Facilities paid for in whole or in part by reimbursement of Eligible Costs from District funds under this Reimbursement Agreement are subject to the prevailing wage requirements for public works construction, under Sections 1770 through 1781 of the Labor Code. The applicable provisions shall be applied. Nothing in this section shall be deemed to modify the provisions of Section 29 of the Infrastructure Agreement with respect to all other Facilities.

4.10 Attorney's Fees. If either party to this Reimbursement Agreement brings a suit or proceeding to enforce or require performance of the terms of this Reimbursement Agreement, the prevailing party in such suit or proceeding shall be entitled to recover from the other party reasonable costs and expenses, including attorneys' fees and the costs and fees of any experts reasonably engaged by the attorney.

4.11 Severability. If any term or provision of this Reimbursement Agreement, or the application of any term or provision of this Reimbursement Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Reimbursement Agreement, or the application of this Reimbursement Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties. Notwithstanding the foregoing, if any material provision of this Reimbursement Agreement, or the application of such provision to a particular situation, is held to be invalid, void or unenforceable, the party adversely affected may (in its sole and absolute discretion) terminate this Reimbursement Agreement by providing written notice of such termination to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Reimbursement Agreement the day and year first above written.

<b>DISTRICT:</b> Marina Coast Water District, A California County Water District  By: _____ Remleh Scherzinger, PE General Manager  Approved as to Form:  By: _____ David Hobbs, District Legal Counsel	<b>DEVELOPER:</b> Seaside Peninsula Acquisition Group, LLC, a Delaware Limited Liability Company  By: _____  Name: _____  Its: _____
---	--

**EXHIBIT 1**  
**Work Release for McClure Way Phase II Improvements Reimbursement**

<b>Type of Facility</b> (mark all that apply)	<b>Location</b>	<b>Funding Source</b>
<input checked="" type="checkbox"/> Water	<input checked="" type="checkbox"/> In-Tract	<input checked="" type="checkbox"/> CIP OW-0340, FY2024-25
<input type="checkbox"/> Sewer	<input type="checkbox"/> Out-Of-Tract:	<input type="checkbox"/> Developer
<input type="checkbox"/> Recycled Water	Seaside Resort Hotel	

**Scope of Work – Description:** McClure Way Phase II Improvements

New water main and PRV station including:

- 1,357-LF of 12-inch C900 DR14 PVC pipe with ductile iron fittings
- Three (3) each 12-inch gate valves
- One above-ground dual pressure reducing valve station consisting of:
  - One 8-inch pressure reducing valve
  - One bypass pressure reducing valve
  - Two 8-inch gate valves
  - Two bypass gate valves
  - Associated valves, fittings, and appurtenances
- Points of Connection to hotel turnout and Fairway Court main
- Pipeline testing, disinfection, and tie-in
- Surface grade restoration (excluding turf, irrigation line, or cart path repairs)

Developer shall manage the design, construction, and installation of the McClure Way Phase II Improvements, including the retention of an engineering firm for design purposes. Developer shall select the contractor from at least 3 bids and upon acceptance advise the District of scope of work and cost associated with the design of the project.

**Estimated Costs:**

Proposed Total Cost:	\$675,000.00
Estimated Start Date:	Fall 2024
Estimated Completion Date:	Winter 2024/2025

Actual Reimbursement Amount shall be based on contracts, invoices and other documentation as provided in this Reimbursement Agreement.

**Attachments:**

Drawings: Improvement Plans for McClure Way Phase II MCWD Utilities, prepared by Rick Engineering Company

**Agreed:**

**DEVELOPER:**

SEASIDE PENINSULA ACQUISITION  
GROUP, LLC a Delaware limited liability  
company

**DISTRICT:**

MARINA COAST WATER DISTRICT,  
a California water district

By: \_\_\_\_\_  
Authorized Agent

By: \_\_\_\_\_  
General Manager

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_