



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

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DIRECTORS
KENNETH K. NISHI
President

WILLIAM LEE
Vice President

THOMAS P. MOORE
HOWARD GUSTAFSON
DAN BURNS

Agenda

Regular Board Meeting, Board of Directors Marina Coast Water District

11 Reservation Road, Marina, California
Tuesday, March 16, 2010, 6:45 p.m. PST

This meeting has been noticed according to the Brown Act rules. The Board of Directors now meets regularly on the second Tuesday of each month. The meetings normally begin at 6:45 p.m. at the District offices at 11 Reservation Road, Marina, California.

Mission: *Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Vision: *The Marina Coast Water District will be the leading public supplier of integrated water and wastewater services in the Monterey Bay Region.*

1. Call to Order

2. Roll Call

3. Closed Session

A. Pursuant to Government Code Section 54957

Public Employee Performance Evaluation

Title: General Manager

B. Pursuant to Government Code 54956.8

Conference with Real Property Negotiator (General Manager, Legal Counsel)

Property: Parcel of Land known as Sunset Place

Negotiating Parties: MCWD, Residents, City of Marina

Under Negotiation: Fee Title Ownership and Disposal

C. Pursuant to Government Code 54956.8

Conference with Real Property Negotiator (General Manager, Legal Counsel)

Property: D/E Reservoir Site and Surrounding Land

Negotiating Parties: MCWD and the City of Seaside

Under Negotiation: Consideration and Terms

7:00 p.m. Reconvene Open Session

This agenda is subject to revision and may be amended prior to the scheduled meeting. A final agenda will be posted at the District office at 11 Reservation Road, Marina, 72 hours prior to the meeting. Copies will also be available at the Board meeting. A complete Board packet containing all enclosures and staff materials will be available for public review on Thursday, March 11, 2010 at the District office, Marina and Seaside City Halls, and at the Marina and Seaside Libraries. The next regular meeting of the Board of Directors is scheduled for April 13, 2010.

4. Possible Action on Closed Session Items *The Board will report out on any action taken during Closed Session, and may take additional action in Open Session, as appropriate. Any closed session items not completed will be discussed at the end of the meeting.*

- C. Consider Adoption of Resolution No. 2010-14 to Approve an Agreement with the City of Seaside for Land Transfer

5. Pledge of Allegiance

6. 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 three minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

7. Presentations

- A. Consider Adoption of Resolution No. 2010-15 in Recognition of Community Member, Mr. Sid Williams, for his Dedicated Service to the MCWD as a Member on the Water Conservation Commission
- B. Receive a Presentation on the Regional Water Project

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

- A. Approve the Draft Spring 2010 Newsletter
- B. Approve the Expenditures for the Month of February 2010
- C. Approve the Draft Minutes of the Regular Board Meeting of February 9, 2010
- D. Approve the Draft Minutes of the Special Board Meeting of February 17, 2010
- E. Approve the Draft Minutes of the Special Board Meeting of February 24, 2010
- F. Approve the Draft Minutes of the Special Board Meeting of March 3, 2010

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

- A. Consider Adoption of Resolution No. 2010-16 to Approve a Reimbursement Resolution to the State Water Resources Control Board for the Recycled Water Facility Component of the Regional Urban Water Augmentation Project

Action: The Board of Directors is requested to approve a Reimbursement Resolution to the State Water Resources Control Board for the Recycled Water Facility Component of the Regional Urban Water Augmentation Project.

- B. Consider Adoption of Resolution No. 2010-17 to Approve an Agreement With Monterey Peninsula College (MPC) to Construct Potable Water Infrastructure

Action: The Board of Directors is requested to consider adopting Resolution No. 2010-17 that authorizes an Agreement with Monterey Peninsula College to construct certain potable water infrastructure bordering the proposed MPC site in Marina, CA.

- C. Consider Coastal Water Project FEIR (SCH No. 2006101004) and Addendum; Consider Adoption of Resolution No. 2010-18 to Make CEQA Findings, Approve and Adopt Addendum to FEIR and Approve the Acquisition of 224-acres (+/-) of Armstrong Ranch Land and Appurtenant Easements

Action: The Board of Directors will consider approving and adopting an Addendum to the Coastal Water Project FEIR and approving the Acquisition of 224-acres (+/-) of Armstrong Ranch Land and Appurtenant Easements.

- D. Consider Adoption of Resolution No. 2010-19 to Approve the Hire of a Director of Administrative Services

Action: The Board of Directors is requested to consider approving the hire of a Director of Administrative Services.

- E. Receive Draft Budget for FY 2010 – 2011 and Review Budget Schedule

Action: The Board is requested to receive the draft budget for FY 2010-2011, schedule a budget workshop, and provide direction to staff regarding completion of the budget.

- F. Consider Selection of a Facilitator for the District's 2010 Strategic Planning Session

Action: The Board of Directors is requested to select a facilitator to facilitate the District's 2010 Strategic Planning Session set for April 3, 2010.

10. Staff Reports

- A. Receive Update on the Landscape Incentive Program

11. Discussion

- A. Discuss Rates, Fees and Capacity Charges
- B. Discuss Master Meter Water Usage Tier Charges

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

A. General Manager's Report

B. District Engineer's Report

C. Counsel's Report

D. Committee and Board Liaison Reports

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

E. Director's Comments

13. Correspondence

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

*Regular Meeting: Tuesday, April 13, 2010, 6:45 p.m.,
11 Reservation Road, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-A

Meeting Date: March 16, 2010

Submitted By: Rich Youngblood

Presented By: Rich Youngblood

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-15 in Recognition of Community Member, Mr. Sid Williams, for his Dedicated Service to the MCWD as a Member on the Water Conservation Commission

Detailed Description: The Board of Directors is requested to consider adopting a resolution recognizing Mr. Sid Williams for his service on the Water Conservation Commission.

Mr. Williams was appointed as a public member to Water Conservation Commission in March 2005. As a member of the Commission he provided input on water conservation activities, practices and programs. During his tenure on the Water Conservation Commission, Mr. Williams provided invaluable insights and guidance.

Mr. Williams' dedication and commitment to public service has been recognized by his fellow Commission members and all those who have come into contact with him. For his unselfish dedication and commitment, the District wishes to recognize Mr. Sid Williams for his years of service, and wishes him well in the future.

Environmental Review Compliance: None required.

Board Goals/Objectives: *2007/2008 Strategic Plan, Goal No. 1 – To manage and sustain the District's ground water and desalinated water, recycled water and wastewater services, conservation activities, infrastructure and human resources at or above industry standards.*

Prior Committee or Board Action: None.

Financial Impact: Yes No

Funding Source/Recap: None

Material Included for Information/Consideration: Resolution No. 2010-15.

Staff Recommendation: The Board of Directors adopt Resolution No. 2010-15 to recognize community member, Mr. Sid Williams, for his dedicated service to the MCWD as a public member on the Water Conservation Commission.

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

Board Action

____ Resolution No ____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Resolution No. 2010-15
Resolution of the Board of Directors
Marina Coast Water District
Recognition of Public Member, Mr. Sid Williams,
for Dedicated Service to the MCWD as a Member on the
Water Conservation Commission

March 16, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 16, 2010 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Sid Williams was appointed in March 2005 to serve as a member on the Water Conservation Commission of the Marina Coast Water District; and,

WHEREAS, during his tenure, Sid Williams rendered superior service to the District by providing invaluable participation and insights, and by contributing significant personal time.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and commends Sid Williams for outstanding and dedicated service to the District and the Committee's of the Board.

PASSED AND ADOPTED on March 16, 2010, 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 _____

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, 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. 2010-15 adopted March 16, 2010.

Jim Heitzman, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-B

Meeting Date: March 16, 2010

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Reviewed By: Carl Niizawa

Agenda Title: Receive a Presentation on the Regional Water Project

Detailed Description: The Board of Directors is requested to receive a presentation on the Regional Water Project given by General Manager, Jim Heitzman.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement - Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____ Yes X No

Funding Source/Recap: None.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors receive a presentation on the Regional Water Project.

Action Required: _____ Resolution _____ Motion _____ Review X None

Board Action

_____ Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: March 16, 2010

Submitted By: Paula Riso

Presented By: Paula Riso

Reviewed By: Carl Niizawa

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of: A) Approve the Draft Spring 2010 Newsletter; B) Approve the Expenditures for the Month of February 2010; C) Approve the Draft Minutes of the Regular Board Meeting of February 9, 2010; D) Approve the Draft Minutes of the Special Board Meeting of February 17, 2010; E) Approve the Draft Minutes of the Special Board Meeting of February 24, 2010; and, F) Approve the Draft Minutes of the Special Board Meeting of March 3, 2010.

Environmental Review Compliance: None required.

Prior Committee or Board Action: See individual transmittals.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement - Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____Yes _____No

Funding Source/Recap: See individual transmittals.

Material Included for Information/Consideration: See individual transmittals.

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

Action Required: _____Resolution X Motion _____Review
(Roll call vote is required.)

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: March 16, 2010

Submitted By: Rich Youngblood
Reviewed By: Carl Niizawa

Presented By: Rich Youngblood

Agenda Title: Approve the Draft Spring 2010 Newsletter

Detailed Description: The Board of Directors is requested to approve the draft Spring 2010 Newsletter.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement - Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: Yes No

Funding Source/Recap: Printing account.

Material Included for Information/Consideration: Copy of the draft Spring 2010 Newsletter.

Staff Recommendation: Recommend approval of the draft Spring 2010 Newsletter to the MCWD Board of Directors.

Action Required: Resolution Motion Review

Board Action

Resolution No Motion By Seconded By

Ayes Abstained

Noes Absent

Reagendized Date No Action Taken

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: March 16, 2010

Submitted By: Suresh Prasad

Presented By: Suresh Prasad

Reviewed By: Carl Niizawa

Agenda Title: Approve Expenditures for the Month of February 2010

Detailed Description: The Board of Directors is requested to approve the attached February 2010 check register for expenditures totaling \$955,171.53.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Goal No. 4 – To manage the District's finances in the most effective and fiscally responsible manner.*

Financial Impact: ___Yes ___X___No

Funding Source/Recap: Expenditures are allocated across the five cost centers; 01-Marina Water, 02-Marina Sewer, 03- Ord Water, 04- Ord Sewer, 05-New Water.

Material Included for Information/Consideration: February 2010 Summary Check Register.

Staff Recommendation: The Board of Directors approve the February 2010 expenditures totaling \$955,171.53.

Action Required: ___Resolution ___X___Motion ___Review

Board Action

___Resolution No___ Motion By___ Seconded By___

Ayes___ Abstained___

Noes___ Absent___

Reagendized___ Date___ No Action Taken___

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: March 16, 2010

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of February 9, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of February 9, 2010.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____Yes X No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft minutes of February 9, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the February 9, 2010 regular Board meeting.

Action Required: _____Resolution X Motion _____Review

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
February 9, 2010
6:45 p.m.

Draft Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:45 p.m. on February 9, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi – President
Bill Lee – Vice President
Howard Gustafson
Dan Burns
Tom Moore – arrived at 6:50 p.m.

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Jean Premutati, Management Services Administrator
Rich Youngblood, Conservation Coordinator
Paula Riso, Executive Assistant

Audience Members:

Bob Holden, MRWPCA
Jan Shriner, Marina Resident
Vienna Merritt Moore, Marina Resident
Andy Sterbenz, Schaaf & Wheeler
Richard Newhouse, Marina Resident

The Board entered into closed session at 6:46 p.m.

3. Closed Session:

- A. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator (General Manager, Legal Counsel)
Property: Water Rights
Negotiating Parties: MCWD and Clark Colony Water Company
Under Negotiation: Price and Terms

- B. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator (General Manager, Legal Counsel)
Property: Desalination Plant, 11 Reservation Road
Negotiating Parties: MCWD and Marina Community Partners
Under Negotiation: Renovation and Use of Existing Real Property Facilities

President Nishi reconvened the meeting to open session at 7:02 p.m.

4. Possible Action on Closed Session Items:

Mr. Lloyd Lowrey, Legal Counsel, stated that no action was taken in closed session and instruction was given to the negotiators.

5. Pledge of Allegiance:

President Nishi asked Ms. Jan Shriner, Marina resident, to lead everyone present in the pledge of allegiance.

6. Oral Communications:

Ms. Shriner commented that she would like to know why the District is not funding professional taping of the Board meetings. She noted that the Marina City Council meetings coincide with the MCWD meetings and civically minded people are often split on which meeting to attend. Ms. Shriner commented that if the meetings were televised, it would allow people a chance to see both meetings.

Mr. Richard Newhouse, Marina resident, commented that the meetings used to be on Wednesday's and now they are on Tuesday's and asked if there was a reason why they were switched.

7. Consent Calendar:

Director Moore requested to pull item A.

Director Gustafson made a motion to approve the Consent Calendar consisting of items; B) Approve the Expenditures for the Month of January 2010; C) Approve the Draft Minutes of the Regular Board Meeting of January 12, 2010; and, D) Approve the Draft Minutes of the Special Board Meeting of January 20, 2010. Director Moore seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

A. Receive the Quarterly Financial Statements for October 1, 2009 to December 31, 2009:

Director Moore asked why the Regional Water Augmentation expenses didn't show the funds paid to RMC Water and Environment. Mr. Jim Heitzman, General Manager, commented that staff would look into it and provide an answer at a later time.

Director Moore made a motion to receive the Quarterly Financial Statements for October 1, 2009 to December 31, 2009. Director Gustafson seconded the motion. With a vote of 5-Ayes, 0-Noes, 0- Abstained, 0-Absent, the motion was passed unanimously.

8. Action Items:

A. Consider Adoption of Resolution No. 2010-09 to Approve a Professional Services Agreement with RMC Water and Environment for Program Management and Engineering Services for the Regional Water Supply Project:

Mr. Carl Niizawa, Deputy General Manager/District Engineer, introduced this item and reviewed the Regional Water Supply Project tasks that have already been completed by RMC.

Director Gustafson made a motion to adopt Resolution No. 2010-09 approving a Professional Services Agreement with RMC Water and Environment for Program Management and Engineering Services for the Regional Water Supply Project. Vice President Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- B. Consider Adoption of Resolution No. 2010-10 to Approve a Professional Services Agreement with RMC Water and Environment for Program Management and Engineering Services for the Recycled Water Project (RUWAP) and Amend the FY 2009/2010 Budget:

Mr. Niizawa introduced this item.

Vice President Lee made a motion to adopt Resolution No. 2010-07 approving a Professional Services Agreement with RMC Water and Environment for Program Management and Engineering Services for the Recycled Water Project (RUWAP) and Amend the FY 2009/2010 Budget. Director Gustafson seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

- C. Consider Adoption of Resolution No. 2010-11 to Approve a Reimbursement Resolution to the State Water Resources Control Board Clean Water State Revolving Fund for the Recycled Water Facility Component of the Regional Urban Water Augmentation Project:

Mr. Niizawa stated that staff would like to pull this item. President Nishi tabled this item until a later date.

- D. Consider Appointing a District Negotiation Team to Discuss the Process Regarding the General Manager's Evaluation and Contract:

Mr. Heitzman introduced this item. Director Moore questioned when the current contract renews. Mr. Lowrey commented that an answer from either party whether to renew the contract or not, needs to be received by March 8, 2010. Director Burns inquired on the process for negotiations and evaluations. Mr. Lowrey answered that historically, the President and Vice President have been the negotiating team while the entire Board does the Performance Evaluation.

President Nishi said that since historically, the Executive Committee, i.e. President and Vice President, have done the negotiations, he would like to continue with that practice. President Nishi also asked the Board to consider if they want to use a different evaluation form.

Director Moore made a motion to appoint the Executive Committee as the negotiation team. Director Gustafson seconded the motion. During public comment, Ms. Shriner asked the Board to reconsider the eight percent (8%) annual increases. With a vote of 4-Ayes, 1-Noes (Burns), 0-Abstained, 0-Absent, the motion was passed.

Director Moore asked to set a special meeting date as the next regular Board meeting is after the contract renewal date. The Board selected February 17, 2010 at 6:00 pm. Mr. Heitzman requested to have another special meeting on March 3, 2010 at 6:00 pm. Director Burns asked if action had to take place by the March 3, 2010 meeting or would the contract automatically renew. Mr. Lowrey answered that if no action or notice was given by March 8, 2010, the contract automatically renews. He added that upon mutual agreement, the contract negotiations can be extended to a later date. Mr. Newhouse asked for clarification. Mr. Lowrey repeated that the contract automatically renews on March 9, 2010 unless both parties mutually agree to extend the negotiations period. Ms. Shriner inquired if the decision is to terminate, how much notice is given. Mr. Lowrey answered that it is six months. Ms. Shriner asked what the cost to the District was to terminate the contract. Mr. Lowrey answered it was one year's salary. Ms. Shriner asked if it included benefits. Mr. Lowrey answered that he would have to look at the contract to find that answer. Ms. Shriner commented that the special meeting of February 17th coincides with a City Council meeting.

9. Staff Reports:

A. Receive 4th Quarter 2009 Ord Community Water Consumption and Sewer Flows Report:

Mr. Rich Youngblood, Conservation Coordinator, introduced this item. Director Moore asked why there was usage in the Marina Heights development. Mr. Youngblood answered that there are seven irrigation meters installed there. Director Burns inquired on the CSUMB usage numbers. Mr. Youngblood stated that now all the meters have been installed at CSUMB, their usage is being recorded instead of listed under estimated usage.

Vice President Lee made a motion to receive the 4th Quarter 2009 Ord Community Water Consumption and Sewer Flows Report. Director Moore seconded the motion. With a vote of 5-Ayes, 0-Noes, 0- Abstained, 0-Absent, the motion was passed unanimously.

B. Receive Update on the Regional Urban Water Augmentation Project/Regional Plan:

Mr. Heitzman introduced this item stating that the District is contemplating putting in an application to the California Pollution Control Financing Authority (CPCFA) for Private Activity Bonds (PAB) which are low-interest bonds. An Inducement Resolution needs to be submitted to place the District's financing needs on record and in line for PAB allocation.

C. Receive Draft Employee Handbook for Review:

Ms. Jean Premutati, Management Services Administrator, introduced this item and explained that the Board is asked to review the Draft Employee Handbook and provide feedback to staff by February 26th.

10. Workshop:

A. Ord Community Ad Hoc Recommendation Discussion – Part IV:

Mr. Niizawa gave a brief update of what was discussed at the last three workshops. Workshop I discussed the Committee's Recommendation; Workshop II discussed technical issues; and Workshop III was a briefing. Mr. Niizawa explained the District's investments (Ord infrastructure improvements) and the dynamics that come with the investments and operation of the Ord Community.

11. Informational Items:

A. General Manager's Report:

Mr. Heitzman commented that the CPUC met under Judge Minken and everything looked favorable as the parties are working diligently together. Staff would like to prepare some options on a "Citizen's Committee" to meet monthly or quarterly to bring in citizens who are concerned about the Regional Water Project and want to participate in the forum on a regular basis. In the near future, staff will bring information on the cost and how it might occur.

B. District Engineer's Report:

Mr. Niizawa commented that CalAm has retracted its offer of the recycled pipe in General Jim Moore Blvd.

C. Counsel's Report:

Mr. Lowery stated he had attended a workshop by ACWA on the new water legislation adopted last December. The new water legislation is aimed to reflect emphasis on conservation, and to give co-equal weight on environmental values and water supply.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee commented that the Water Conservation Commission met last week and there wasn't a full attendance to be able to approve the past minutes.

2. Joint City-District Committee:

President Nishi stated they were meeting next week.

3. MRWPCA Board Member:

President Nishi commented that the MRWPCA passed the Outfall Agreement at their last meeting.

4. LAFCO Liaison:

Director Moore stated that they met on the 25th of January and approved a draft policy on preservation of open space and agricultural lands, including agricultural land buffers. They also discussed a DEIR on the City of Gonzales' General Plan. Director Moore also commented that the Franklin J. Lunding, Planning 2020, Inc. lawsuit was finally settled.

5. JPIA Liaison:

No comments.

6. FORA:

President Nishi stated the meeting was scheduled for Thursday, February 11th instead of Friday, February 12th.

7. Executive Committee:

No meeting was held.

8. Community Outreach:

Director Gustafson commented there were no formal meetings.

9. Special Districts Association Liaison:

Director Gustafson commented that new officers were selected and it was a general meeting.

A. Director's Comments:

Director Burns commented that in answer to Mr. Newhouse's question, he didn't know why the meetings were on Tuesday instead of Wednesday, but they have been held on Tuesday for the two years he has been on the Board. Director Burns commented to Ms. Shriner that the cost of filming the meetings has increased from \$4,800 to \$10,000 per year since she first started asking the Board to fund AMP filming the meetings. Director Burns asked Ms. Shriner several questions: 1) What is the real figure to film the meetings; 2) What is the return on investment; 3) How many people in Marina are really going to watch the meeting; and, 4) How can you confirm it.

Director Moore thanked Mr. Niizawa for a very good briefing on the OCAC process. He also commented that he had not yet had a chance to read the Handbook.

Director Gustafson commented that he had read the Handbook and it looked good. He added that it was a good meeting and good reports.

President Nishi commented that at the last meeting, the Board was supposed to get a report at this meeting on the list of contractors used in the landscaping incentive program and he hoped to get the report at the next meeting. President Nishi added that when Directors give their Committee Reports, please provide information that is related to water issues or would be advantageous to the District.

12. Adjournment:

The meeting was adjourned at 8:03 p.m.

APPROVED:

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-D

Meeting Date: March 16, 2010

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of February 17, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of February 17, 2010.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____ Yes X No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft minutes of February 17, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the February 17, 2010 special Board meeting.

Action Required: _____ Resolution X Motion _____ Review

Board Action

_____ Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
February 17, 2010
6:00 p.m.

Draft Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:00 p.m. on February 17, 2010.

2. Roll Call:

Board Members Present:

Howard Gustafson – President
Bill Lee – Vice President
Ken Nishi
Dan Burns
Tom Moore

Board Members Absent:

None.

Staff Members Present:

Lloyd Lowrey, Legal Counsel
Paula Riso, Executive Assistant

Audience Members:

None.

3. Pledge of Allegiance:

Director Gustafson led everyone present in the pledge of allegiance.

4. Oral Communications:

None.

The Board entered into closed session at 6:01 p.m.

5. Closed Session:

- A. Pursuant to Government Code 54957.6
Conference with Labor Negotiators (President Nishi, Vice President Lee)
Unrepresented Employee: General Manager

The Board reconvened to open session at 6:49 p.m.

6. Possible Action on Closed Session Item:

Mr. Lloyd Lowrey, Legal Counsel, stated that the Board provided direction to the negotiators and no action was taken in closed session.

7. Director's Comments:

There were no comments.

8. Adjournment:

The meeting was adjourned at 6:50 p.m.

APPROVED:

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-E

Meeting Date: March 16, 2010

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of February 24, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of February 24, 2010.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____Yes ___X___No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft minutes of February 24, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the February 24, 2010 special Board meeting.

Action Required: _____Resolution ___X___Motion _____Review

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
February 24, 2010
6:00 p.m.

Draft Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:00 p.m. on February 24, 2010.

2. Roll Call:

Board Members Present:

Howard Gustafson – President
Ken Nishi
Dan Burns
Tom Moore

Board Members Absent:

Bill Lee – Vice President

Staff Members Present:

Jim Heitzman, General Manager – arrived at 6:50 p.m.
Carl Niizawa, Deputy General Manager/District Engineer
Lloyd Lowrey, Legal Counsel
Jean Premutati, Management Services Administrator
Barbara Montanti, Customer Service Assistant

Audience Members:

Jan Shriner, Marina Resident
Molly Erickson, Law Offices of Michael Stamp

3. Pledge of Allegiance:

President Nishi asked Director Burns to lead everyone present in the pledge of allegiance.

4. Oral Communications:

Ms. Jan Shriner, Marina resident, stated that she was glad the discussions were beginning to take place regarding airing the meetings on the Government Channel or the Green Party Channel.

Agenda Item 4 (continued):

To clarify the difference, Ms. Shriner stated that the Green Party is only affiliated through the Producer on the Green Party's registration and the Producer is only a citizen Producer through the Community Access Channel. The Producer's time slots are fifty-eight minutes exactly. Ms. Shriner stated that if the meeting goes beyond fifty-eight minutes, the Producer will edit the meeting and the District is at his editing mercy. For the Green Party to post the meeting on-line there is a \$50 charge each time, but with Government Channel all the meetings would be available worldwide. At this time, all the recordings are the property of the Producer so if there were ever a lawsuit, all the recordings would be controlled by the Producer, whereas, if it were on the Government Channel, the recordings are public property.

The Board entered into closed session at 6:04 p.m.

5. Closed Session:

- A. Pursuant to Government Code 54957.6
Conference with Labor Negotiators (President Nishi, Vice President Lee)
Unrepresented Employee: General Manager

The Board ended closed session at 6:33 p.m. and took a break until 6:38 p.m.

President Nishi reconvened the meeting to open session at 6:38 p.m.

6. Possible Action on Closed Session Item:

Mr. Lloyd Lowrey, Legal Counsel, stated that there was no action taken in closed session and instructions were given to the negotiators.

7. Action Items:

- A. Consider Adoption of Resolution No. 2010-11 to Ratify the Settlement Agreement and Mutual Release, Substituting Polyvinyl Chloride Pipe for High Density Polyethylene Pipe for the General Jim Moore Boulevard Phase V Project:

Mr. Carl Niizawa, Deputy General Manager/District Engineer, introduced this item. Director Moore asked if there was a difference in the value to the District between the PVC and HDPE pipes. Mr. Niizawa answered that fundamentally it was easier for the contractor to install the PVC pipe because it came in smaller lengths of pipe instead of the already constructed HDPE pipe.

Director Gustafson commented that the life of a HDPE pipe is approximately one hundred years where the life of a PVC pipe is approximately fifty years.

Agenda Item 7-A (continued):

Director Gustafson made a motion to adopt Resolution No. 2010-11 to ratify the Settlement Agreement and Mutual Release, substituting Polyvinyl Chloride Pipe for High Density Polyethylene Pipe for the General Jim Moore Boulevard Phase V Project. Director Moore seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Absent
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

Ms. Jean Premutati, Management Services Administrator, asked the Board to review dates to schedule a Strategic Planning session. President Nishi asked if staff had any dates in mind. Ms. Premutati suggested holding the meeting on a Saturday to allow more time for discussion. President Nishi suggested selecting several dates to work with. The Board selected March 27, April 3, and April 10, 2010 for Ms. Premutati to work with in setting up a Strategic Planning session.

Mr. Lowrey commented that the Board could move to agenda item 8 (Director Comments), while waiting for the General Manager to arrive.

8. Director's Comments:

There were no comments.

President Nishi recessed the meeting from 6:49 – 6:50 p.m.

- B. Consider Adoption of Resolution No. 2010-12 to Approve and Authorize Execution of a Reimbursement Agreement with California American Water Company for Certain Local Agency Expenses Incurred in Application No. 01-09-019 Pending Before the California Public Utilities Commission ("CPUC"):

Mr. Jim Heitzman, General Manager, introduced this item. President Nishi noted that a letter dated February 24, 2010 was received from Landwatch Monterey County addressed to the Board of Directors. Director Moore asked Mr. Lowrey to give an opinion on the assertions made by the Landwatch letter. Mr. Heitzman answered that the comment of litigation by California American Water Company (CAW) is only if the MCWD or MCWRA Boards act in bad faith. If neither agency decides to move forward with the project due to legitimate concerns or motion, there is no cause for litigation. Mr. Lowrey agreed and added that this agreement doesn't commit the District to provide service to anyone, it is only a financing mechanism for the participation of the MCWD and MCWRA in the CPUC proceedings, so it would not involve LAFCO.

Agenda Item 7-B (continued):

Mr. Heitzman pointed out that the letter was incorrect where, in the first paragraph, it states that MCWD would receive \$4.3 million and didn't know how much the County would receive. Mr. Heitzman clarified that a total of \$4.3 million was available to both agencies. Director Moore commented that the last paragraph of the letter states that CAW could forgive repayment of the loan thus underwriting a project that benefits non-CAW customers and be unfair to CAW ratepayers. Mr. Heitzman answered that the comment was not accurate because CAW has to go to the Department of Ratepayer Advocates and the CPUC to authorize the of expenditure of funds. If CAW is deemed non-prudent in their expenses, the shareholders pay for that, not the CAW ratepayers. Director Moore clarified that the CPUC would have to give approval before CAW could put the cost of the loan on the ratepayers.

Mr. Lowrey commented that Exhibit B has been modified to replace RMC Water and Environment with a generic consultant.

Director Gustafson commented that there has been much public outreach regarding this project as the Regional Plenary Oversight Group (REPOG) had been meeting for several years discussing water issues and this project.

Ms. Molly Erickson, Law Offices of Michael Stamp, commented that they received notice of this meeting just twenty-five hours ago and did not feel that was enough time to review such an important document. Ms. Erickson commented that she represents the Ag Land Trust and a letter was submitted from the Stamp Law Office dated February 24, 2010. She voiced her concerns and stated that she did speak with Mr. Lowrey earlier in the afternoon, but that did not sufficiently satisfy the short notice of the meeting.

The Board of Directors discussed time frames and if this item could be delayed. Mr. Heitzman noted that the CPUC was meeting on Friday and would like to have this Agreement approved and ready to go by then. There is great urgency to keep on schedule so environmental work can be completed without delaying the process by a year or so. Mr. Heitzman added that the MCWD and MCWRA did not have to take the full \$4.3 million and would only be responsible for what is expended over the next couple of months. The interest rate payable to CAW is 0.1% at this time, but it could vary depending on CPUC decisions.

Mr. Lowrey respectfully disagreed with the letter received from the Law Offices of Michael Stamp, which states this Agreement is a project and requires CEQA. This Agreement is a financing mechanism to enable the District to continue gathering and giving information in support of it position and favor of the project. Mr. Lowrey stated that the project is going to have to be approved, if at all, by the CPUC.

Agenda Item 7-B (continued):

Director Gustafson made a motion to adopt Resolution No. 2010-12 to Approve and Authorize Execution of a Reimbursement Agreement with California American Water Company for Certain Local Agency Expenses Incurred in Application No. 01-09-019 Pending Before the California Public Utilities Commission (“CPUC”). Director Burns seconded the motion. Director Moore stated he would have preferred to give the public more notice on this item. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Absent
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

9. Adjournment:

The meeting was adjourned at 7:21 p.m.

APPROVED:

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-F

Meeting Date: March 16, 2010

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of March 3, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of March 3, 2010.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: _____ Yes X No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft minutes of March 3, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the March 3, 2010 special Board meeting.

Action Required: _____ Resolution X Motion _____ Review

Board Action

_____ Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
March 3, 2010
6:00 p.m.

Draft Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:00 p.m. on March 3, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi – President
Bill Lee – Vice President
Howard Gustafson
Dan Burns
Tom Moore

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Suresh Prasad, Director of Finance
Jean Premutati, Management Services Administrator
Paula Riso, Executive Assistant

Audience Members:

Bob Holden, MRWPCA
Jan Shriner, Marina Resident
Vienna Merritt Moore, Marina Resident
David Brown, Marina Resident
Collin Gallagher, Marina Resident
Richard Newhouse, Marina Resident
Dave McCall, Marina Resident
Frank Lambert, Marina Resident

Greg Furey, Marina Resident
Luana Connelly, Marina Resident
Luida Madsen, Marina Resident

3. Pledge of Allegiance:

President Nishi asked Ms. Luana Connelly to lead everyone present in the pledge of allegiance.

4. Oral Communications:

Ms. Jan Shriner, Marina resident, voiced her concerns over the salary of the General Manager. She cautioned against providing the General Manager with annual 8% cost-of-living allowance (cola), which could amount to \$500,000 in another ten years.

President Nishi asked Legal Counsel if Ms. Shriner's comments were consistent with what is already agendized for the meeting. Mr. Lloyd Lowrey, Legal Counsel, stated that in his opinion they were. President Nishi asked that Mr. Lowrey advise other public speakers to only speak on what is not on the agenda. Mr. Lowrey stated he would.

Mr. Collin Gallagher, Marina resident, commented on the article in the Herald and cautioned against Directors making statements to the press speaking on matters that may be addressed by the Board at a later date. This could influence others opinions on the matter.

Mr. David Brown, Marina resident, asked if public would get a chance to speak on the action item before Board action is taken. President Nishi answered that the public would get a chance to comment on the action item before the Board takes action.

The Board entered into closed session at 6:08 p.m.

5. Closed Session:

- A. Pursuant to Government Code 54957.6
Conference with Labor Negotiators (President Nishi, Vice President Lee)
Unrepresented Employee: General Manager

The Board ended closed session at 6:21 p.m.

President Nishi reconvened the meeting to open session at 6:22 p.m.

6. Possible Action on Closed Session Items:

Mr. Lowrey stated that instructions were given to the negotiators and no action was taken in closed session. The Board has determined to bring into open session a proposed action on an amendment to the contract with the General Manager, Jim Heitzman. The specific amendment would be to extend the time for negotiating possible changes to the contract until June 8, 2010 and also to extend the time for either party to give notice of termination.

A. Consider Adoption of Resolution No. 2010-13 to Amend the General Manager's Contract:

Mr. Lowrey explained that the contract amendment allows time for negotiating purposes due to the press of business and everything the District is involved in right now, and allows the extension of the March 8, 2010 contract renewal date until June 8, 2010.

Mr. Brown commented that the contract extension was a good idea. He voiced his concern over the annual increase of 8% and urged the Directors to reconsider the increase before renewing the contract.

Mr. Gallagher commented that he would like to suggest that the nature and details of the contract be discussed, before the June 8, 2010 date, on how the General Manager can help the District broadcast to the public what the savings are and how they would translate to the ratepayer. He would like to see the projects that the General Manager can realize, and what the savings are for the ratepayer and District. Mr. Gallagher asked that there be some performance measures or metrics to justify the General Manager's salary.

Mr. Richard Newhouse, Marina resident, commented that it was a good idea to extend the contract to June 8th. He stated that he had to fight to get a 3% cola and that an 8% cola was high in this economy and he hopes the Board of Directors will take that into consideration when re-negotiating the General Manager's contract.

Luana Connelly, Marina resident, commented that she had no problem with putting the negotiations off until June as it moves it closer to the upcoming elections. She also commented that having three Directors discussing things in the newspaper is not an appropriate way to negotiate anything. Ms. Connelly commented that she had no problems with Mr. Heitzman's work, but there are many highly qualified managers out there who don't receive such high raises. She asked the Board to take that into consideration.

Frank Lambert, Marina resident, commented that he opposed the 8% increase. There are many people in the Community that are taking pay cuts and sacrifices and it is incorrect to consider the pay raise.

Mr. Heitzman asked if he could speak. Director Burns asked if Mr. Heitzman agreed to the extension. Mr. Heitzman answered that he agreed to the extension and was happy to extend. Mr. Heitzman asked if he could comment on what people said. Mr. Lowrey stated that it was appropriate for those in the audience and on this side of the dais to speak for their three minutes. Director Gustafson stated that he wanted to hear what Mr. Heitzman had to say. President Nishi commented that he did not want a dialog between the participants during the meeting and that they could talk after the meeting.

Special Board Meeting

March 3, 2010

Page 4 of 5

Director Moore made a motion to adopt Resolution No. 2010-13 amending the General Manager's Contract. Vice President Lee seconded the motion. Director Moore thanked the General Manager for agreeing to extend the negotiations and thanked the negotiating team for accomplishing what has been asked of them to accomplish so far. The motion was passed.

Director Moore	-	Yes	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

President Nishi thanked the public for coming and making their comments and thanked the Board. He asked Mr. Heitzman if he understood when he was hired that he would be working long hours and on controversial projects. President Nishi asked if Mr. Heitzman was aware that he would not be receiving any increases after 2009. Mr. Heitzman answered that he was aware of those conditions. President Nishi commented that Mr. Heitzman had been hired to bring controversial projects to fruition and the Board had anticipated that this would be accomplished in three years and did not anticipate the CPUC process. President Nishi again asked if Mr. Heitzman was aware that he would not be getting a raise after 2009. Mr. Heitzman affirmed that it was made very clear to him. President Nishi voiced his concern over people giving misinformation to the public. He then thanked Mr. Heitzman for the positive changes he made to the District. Complimenting him for being fully engaged and loyal to the District and always looking out for the ratepayers and positioning the District for the future.

7. Director's Comments:

Director Gustafson commented that he has heard a lot of misinformation, lying to the public, trying to convince the public that there is something wrong with agendas, and clichés like transparency. He stated that he is aware of the economic situation and has been taking Friday furloughs since last June.

Director Burns stated that he is just an average Joe and in reading the contract, his comprehension of it was the same as the public's. He understood it to mean that if the contract was renewed, it would include all the colas. Mr. Heitzman commented that the contract had two dates and those were the only dates for colas. Director Burns answered that the assumption was different.

Mr. Heitzman commented that the assumption by some people, when they stand up at public meetings and continue to give false statements, affects people and their families. Those people have no integrity and it is frustrating to be in the public sector and know that they can stand up and say whatever they want about you. Mr. Heitzman commented that there were only two dates in the contract and he could work until he was ninety-five years old and be renewed every time and he wouldn't get any raises.

Special Board Meeting
March 3, 2010
Page 5 of 5

Vice President Lee commented that Mr. Heitzman has done a great job and worked well with the Board and brought things to fruition.

8. Adjournment:

The meeting was adjourned at 6:46 p.m.

APPROVED:

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: March 16, 2010

Submitted By: Carl Niizawa
Reviewed By: Jim Heitzman

Presented By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-16 to Approve a Reimbursement Resolution to the State Water Resources Control Board for the Recycled Water Facility Component of the Regional Urban Water Augmentation Project

Detailed Description: The Marina Coast Water District (MCWD) is pursuing financing/funding from the Clean Water State Revolving Fund (CWSRF) for the recycled water facility component of the Regional Urban Water Augmentation Project (RUWAP). The CWSRF funding resources are managed through the State Water Resources Control Board (SWRCB) and are requested by completing and submitting a Financial Assistance Application (FAA). RMC Water and Environment is preparing the FAA for this task with assistance from MCWD staff. The resolution will approve the finance amount and declare that MCWD will repay the received project funds to the State Water Resources Control Board from proceeds from recycled water sales.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board of Directors adopted Resolution No. 2009-21 on April 14, 2009 to approve the submittal of the CWSRF application to the SWRCB for the RUWAP and to authorize a District representative. In addition, the Board of Directors adopted Resolution No. 2009-69 on September 22, 2009 to approve a dedicated source of revenue for repayment to the CWSRF for funding the RUWAP's recycled water facilities.

Board Goals: *2007/2008 Strategic Plan, Mission Statement - Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: Yes No

Funding Source/Recap: If the District is awarded funds from CWSRF, proceeds from recycled water sales and other revenue sources will be used to pay for debt service.

Material Included for Information/Consideration: Resolution No. 2010-16.

Staff Recommendation: The Board of Directors adopt Resolution No. 2010-16 to approve a Reimbursement Resolution to the SWRCB - CWSRF for the recycled water facility component of the Regional Urban Water Augmentation.

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

Board Action

____ Resolution No ____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Resolution No. 2010-16
Resolution of the Board of Directors
Marina Coast Water District
Approve Reimbursement Resolution to the
State Water Resources Control Board
for the Recycled Water Facility Component
of the Regional Urban Water Augmentation Project

March 16, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 16, 2010, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS the District desires to finance the costs of construction of the recycled water facility component of the RUWAP (the “Project”); and,

WHEREAS, the District intends to finance the construction of the Project or portions of the Project with moneys (“Project Funds”) provided by the State of California, acting by and through the State Water Resources Control Board (SWRCB); and,

WHEREAS, the SWRCB may fund the Project Funds with proceeds from the sale of obligations, the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and,

WHEREAS, prior to either the issuance of the Obligations or approval by the SWRCB of the Project Funds the District desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available moneys of the District; and,

WHEREAS, the District has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Obligations.

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

Section 1. The District hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the SWRCB of the Project Funds.

Section 2. The reasonably expected maximum principal amount of the Project Funds is \$40,800,000.

Section 3. This resolution is being adopted no later than 60 days after the date on which the District will expend moneys for the portion of the Project costs to be reimbursed with Project Funds.

Section 4. Each District expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

Section 5. To the best of our knowledge, this District is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 6. This resolution is adopted as official intent of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

Section 7. All the recitals in this Resolution are true and correct and this District so finds, determines and represents.

PASSED AND ADOPTED on March 16, 2010, 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 _____

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, 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. 2010-16 adopted March 16, 2010.

Jim Heitzman, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: March 16, 2010

Submitted By: Brian True

Presented By: Brian True

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-17 to Approve an Agreement with Monterey Peninsula College (MPC) to Construct Potable Water Infrastructure

Detailed Description: The Board of Directors is requested to consider approving an Agreement with Monterey Peninsula College (MPC) for MCWD to construct certain potable water infrastructure needed for MPC's Marina Educational Center project approximately located at 3rd Avenue and 12th Street in Marina, CA. The proposed Agreement provides for MPC to compensate MCWD for MCWD's costs associated with planning, designing, and constructing an 8-inch potable water pipeline within 12th Street, a 12-inch potable pipeline in 3rd Avenue (the western edge of MPC's parcel), and certain other plumbing and connections within the public's right-of-way.

The Agreement will allow MPC to reduce the overall cost of installing the MCWD-required infrastructure because MCWD can achieve a lower cost of construction due to the State's contracting requirements placed upon MPC and because MPC will avoid certain administrative and carrying costs by utilizing this Agreement.

The District's ratepayers benefit from this Agreement because MPC will share in the cost of construction with MCWD, will reimburse MCWD for the full cost for planning and designing the entire project effort, and will reimburse MCWD this year for MPC's share of infrastructure that becomes available for use now rather than in later years if the infrastructure were to be installed only after additional development occurs.

MCWD has a CIP identified in the Budget to increase the capacity of the currently existing potable water pipeline in 3rd Avenue. This project will be brought forward to the current fiscal year and the budget adjusted to resource the project effort once the design is complete and a construction contract is brought to the Board for approval.

Environmental Review Compliance: A review of the potential environmental impacts related to the project work will be conducted. Since the project work generally entails construction within existing paved roadways, staff anticipates the utilization of an exemption category within the CEQA requirements and the filing of a Notice of Exemption.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: ___X___ Yes _____No

Funding Source/Recap: MPC will compensate MCWD for the cost of construction for their share of the installed infrastructure and for the full cost for planning and designing the entire project. CIP number OW-0207 is identified in the Budget and will be utilized to resource the District's share of the project cost.

Material Included for Information/Consideration: Resolution No. 2010-17; and, Agreement for Constructing Water Infrastructure with Exhibit 1 - 3rd Avenue Extension.

Staff Recommendation: The Board of Directors adopt Resolution No. 2010-17 approving an agreement with Monterey Peninsula College (MPC) to construct potable water infrastructure.

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

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Resolution No. 2010-17
Resolution of the Board of Directors
Marina Coast Water District
Approving an Agreement with Monterey Peninsula College to
Construct Potable Water and Sewer Infrastructure

March 16, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“MCWD”), at a regular meeting duly called and held on March 16, 2010, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Monterey Peninsula College (MPC) desires to enter into an Agreement with MCWD to install certain potable water infrastructure in order to minimize construction costs while MCWD desires to enter into an Agreement with MPC to support the objective of providing new infrastructure for the community at the lowest possible cost; and,

WHEREAS, MPC and MCWD have negotiated an “Agreement to Construct Potable Water and Sewer Infrastructure” that provides the terms and conditions for planning, designing, and constructing the proposed infrastructure as well as terms for MCWD to receive fair compensation from MPC for the cost of the project effort, and have presented the Agreement to the Directors for approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the Agreement to Construct Potable Water and Sewer Infrastructure with Monterey Peninsula College California in the form presented to the Directors in open session on March 16, 2010, and authorize the District’s General Manager and Deputy General Manager to take all actions and execute all documents that give effect to this Resolution.

PASSED AND ADOPTED on March 16, 2010, 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 _____

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, 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. 2010-17 adopted March 16, 2010.

Jim Heitzman, Secretary

**MPC – MARINA EDUCATION CENTER PROJECT
AGREEMENT FOR CONSTRUCTING
WATER INFRASTRUCTURE**

THIS AGREEMENT (“Agreement”) is entered into as of the ____ Day of _____ 2010, by and among MONTEREY PENINSULA COLLEGE, a California Community College (“Developer”), and the MARINA COAST WATER DISTRICT, a California water district (“District” or “MCWD”). Developer and District are sometimes referred to herein as a “Party” and collectively as “Parties.”

RECITALS

A. Developer is the designated owner of an area of the former Fort Ord in the City of Marina consisting of a total of approximately 6.64-acres of which 4.19-acres will be developed within the contemplated project and which generally is described as the easterly parcels of land at the intersection of 3rd Avenue and 12th Street.

B. The District desires the Developer to comply with the District’s In-Tract Policy by improving certain facilities (1) within the boundary of the development (In-Tract), and/or (2) outside of the boundary of the development (Out-of-Tract) to provide or improve water, sewer and recycled water services to the development and areas outside of the development. The District’s In-Tract Policy may be obtained from the District’s web-site at www.mcwd.org. Pursuant to this Agreement, the Developer shall make Payment to the District for certain improvements required by the District to provide water and sewer service to the development.

C. The District and Developer desire to enter into an agreement to provide for the payment of costs by the Developer to the District for supplying materials for the project and for construction of said facilities pursuant to this Agreement.

D. Additionally, certain facilities benefiting both the District’s overall potable water system and the Developer’s project are proposed to be constructed by the District with greater capacity than needed by just the Developer. The District and Developer desire to enter into an agreement to provide for a method of determining the fair-share division of project costs between the District and the Developer.

NOW THEREFORE, in consideration of the mutual promises contained herein, District and Developer hereby agrees as follows:

ARTICLE 1. SCOPE OF WORK

1.1 FACILITIES SUBJECT TO THIS AGREEMENT. Developer and District have agreed that certain facilities depicted in Exhibit 1 are eligible for payment under this Agreement (“Eligible Facilities”). This Agreement is particular to a single project with several scope elements that individually are termed “facilities”. Exhibit 1 showing the Eligible Facilities generally depicts the installation of an 8-inch potable water pipeline within the 12th Street alignment between the western-side of the 3rd Avenue intersection and the eastern border of the developed area, the installation of a 12-inch potable water pipeline within the 3rd Avenue alignment between the northern-side of the 12th Street intersection and the terminus of the

existing 12-inch pipeline approximately 200-feet north of the southern border of the developed area, as well as installation of all needed potable water appurtenances and services lines (up to and including the meter boxes). The specific Eligible Facilities will be those scope elements identified and fully described through the bid/contract documents and any subsequent construction change orders. While the District retains the right to design and construct all Eligible Facilities to District standards, the Developer will approve the scope on the bid/contract documents via an authorization-to-construct signature block on the plan set. Additional Eligible Facilities within the scope generally described in Exhibit 1 may be added to this Agreement only if mutually agreed upon by the District and the Developer.

1.2 OWNERSHIP OF CONSTRUCTED INFRASTRUCTURE. Developer and District agree that all infrastructure constructed under the terms and conditions of this Agreement shall be solely owned and operated by the District.

1.3 IN-TRACT AND OUT-OF-TRACT FACILITIES. Eligible Facilities may be viewed within this Agreement as In-Tract or Out-of-Tract improvements. The fair-share division of the project's materials and construction costs shall be assigned to the Developer or the District within the following framework.

1.3.1 In-Tract water, sewer, and recycled water facilities required to serve the development itself or to replace existing facilities to accommodate the Development and the District's In-Tract Policy shall have facility costs assigned to and paid by the Developer.

1.3.2 Out-of-Tract water, sewer, and recycled water facilities required to serve only the Developer itself or to replace existing facilities removed to accommodate the Development and the District's In-Tract Policy shall have facility costs assigned to and paid by the Developer.

1.3.3 Out-of-Tract water, sewer, and recycled water facility improvements consisting of over-sized pipes that facilitate the moving of water, sewage, or recycled water through the boundaries of the development or other facilities located within the development that serve areas within and/or outside the boundaries of the development, including facilities listed in the District's budgeted Capital Improvement Project list approved by the MCWD Board of Directors, shall have a portion of the facility cost assigned to the District consistent with Section 1.3.4 below. Facilities sized to maintain existing capacity plus the needs of the Development shall not be considered oversized and the costs associated with such scope items shall be assigned to and paid by the Developer.

1.3.4 For Out-of-Tract oversized facilities, the difference in construction cost between the size (inches of diameter) required by the development and the size (inches of diameter) required by the District for areas outside the development are viewed as a fair-share division of costs directed towards the District. In this particular instance, the potable water pipeline within 3rd Avenue is required to be a 12-inch diameter pipeline; however, the Developer's plans indicate a project need for only a 6-inch diameter water pipeline. The District agrees to pay for the difference in cost between the installation costs of a 6-inch pipe and a 12-inch pipe.

1.4 STANDARDS OF DESIGN AND CONSTRUCTION. All facility design, materials supplied, and construction shall meet the requirements set forth in MCWD's Procedures, Guidelines, and Design Requirements Manual (November, 2007) and per the District's Standard

Specifications. The District's Procedures, Guidelines, and Design Requirements Manual and Standard Specifications may be obtained from the District's web-site at www.mcwd.org.

1.5. EASEMENT. The District and Developer agree and understand that the existing 60-foot-wide 12th Street alignment between 3rd Avenue and 4th Avenue is currently utilized as a public right-of-way and this makes the alignment a suitable location within the guidance of the In-Tract Policy for constructing the proposed potable water pipeline. The Parties further agree that, in the future, if the 12th Street alignment is removed from the public's right-of-way, then the Developer will provide immediately to the District a permanent non-exclusive 20-foot-wide easement centered on the pipeline and that the Developer will take all steps and actions needed to prevent the planning and construction of Developer-owned facilities, infrastructure, assets, and landscaping that impinges on the District's ability to operate and maintain the pipeline facility.

ARTICLE 2. PAYMENT

2.1 COMPENSATION AND PAYMENT SCHEDULE. Developer shall compensate the District for supplying materials and constructing the Eligible Facilities described in Exhibit 1 as provided in Section 1.3. The Developer agrees to compensate the District for 100% of the project costs associated with planning and designing the Eligible Facilities as well as MCWD staff time and legal costs.

The Parties agree to the following payment schedule:

First Payment - \$65,000 – due immediately upon Agreement execution.

Second Payment - \$150,000 – due prior to MCWD executing a contract with the successfully-awarded contractor but after MCWD authorizes such a contract for execution.

Third Payment – estimated at roughly \$140,000 – due immediately upon submittal by the contractor of the first payment request within the project work.

The amount of the Third Payment is based on preliminary cost estimates for the project work and shall not be construed to represent the actual cost of the project work or the fair-share division of the project costs that will be more accurately determined and modified as described in Section 2.3 below.

The District shall furnish materials and construct the new facilities and other services requested by the Developer and agreed to by the District within the terms of this Agreement. The proposed list of Eligible Facilities is shown on Exhibit 1 to this Agreement, subject to modification by the Parties to accommodate the development timing, phasing, specific design and bidding documents, and changes during the course of construction.

The Developer agrees to provide additional payments to the District in the event that shared project costs exceed the value-in-sum of all Developer payments. Upon completion of the Eligible Facilities by the District, if a balance remains from the sum of the Developer's payments after all shared project costs are paid, said balance will be returned to the Developer by the District. The District shall manage such Developer payment funds faithfully and timely fulfill construction obligations to the Developer under this agreement at the earliest possible time.

2.1.1 The Developer's obligations for participating in compensatory project costs within the fair-share division of costs provisions of this Agreement will terminate as described in

section 4.2 of this Agreement. In the event that costs are incurred by the District for work required to make the Eligible Facilities perform as specified in the contract documents (i.e. repair work) in the time-period after project completion but before the Term of the Agreement expires, the Developer agrees to compensate the District for their fair-share portion of such cost as defined in this Agreement. The District agrees that the Developer's representative will be alerted in the event of such a post-completion repair work call-out and that a representative of the Developer may observe all post-completion repair work. The District further agrees that the Developer may meet and confer with the District regarding any repair work scoping and problem resolutions. The District shall be solely responsible for the maintenance and operation of the constructed facilities beyond the Term of this Agreement.

2.2 DOCUMENTATION REVIEW; DEVELOPER RIGHT TO AUDIT. Upon the District's completion of the Eligible Facilities, the District shall allow the Developer or the Developer's representative to review evidence of the cost of the Eligible Facilities constructed including, but not limited to, costs of design, engineering and staking, construction, permits, construction supervision, bonds, and insurance. Such documentation may include, but is not limited to, copies of Districts construction contract(s), invoices, cancelled checks, complete lien releases with respect to all Facilities and any other documentation reasonably requested by Developer. District agrees that Developer shall have the right to audit, upon Developer's reasonable request, prior to the completion of the Eligible Facilities, the District's records of the then current project costs.

2.3 BID DATA BASIS. The specific fair-share division of project cost amounts will be determined by using the actual bid data provided by the contractor awarded the contract. The bidding contractors will be required to provide unit-pricing for a bid alternative that allows the determination of difference in cost between pipe, fitting, and valve sizes the development needs and oversized facilities the District needs. Once the District accepts the bids and notifies the apparent low-bidder, the District and Developer will confer and determine the fair-share division of project costs between the District and the Developer. The division will be expressed in written form and signed by both Parties; however, the division may be modified as subsequent events dictate through the construction process. Modifications to the compensation for project costs will be in written form pursuant to section 4.3.

ARTICLE 3. LIABILITY

3.1 THIRD PARTIES. Developer does not assume any liability, duty, or obligation to District's contractors, subcontractors, or agents by execution or performance of this Agreement and no contractors, subcontractors, or agents or any parties are third party beneficiaries of this Agreement. Similarly, the District does not assume any liability, duty, or obligation to Developer's contractors, subcontractors, or agents by execution or performance of this Agreement and no contractors, subcontractors, or agents or any parties are third party beneficiaries of this Agreement.

3.2 INSURANCE. The Parties agree that the most stringent insurance requirements standard to either organization, dictated by the financing mechanism for the construction of the MPC school facilities, or dictated by California law pertaining to construction contracts, shall govern the insurance requirements described in the contract documents and are the requirements to which the successful bidding contractor shall adhere. The Developer agrees that this

requirement has been met when providing authorization-to-construct on the plan sheets that are part of the bid contract documents.

ARTICLE 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 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 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 after 5:00 PM on a normal business day or on a Saturday, Sunday, or Holiday shall be deemed to have been given 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 given 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:

If to District: MARINA COAST WATER DISTRICT
ATTN: General Manager
11 Reservation Road
Marina, CA 93933

With a copy to: Noland, Hamerly, Etienne & Hoss
ATTN: Lloyd Lowrey
333 Salinas Street
Salinas, CA 93901

If to Developer Monterey Peninsula College
ATTN: VP of Administrative Services
980 Fremont Street
Monterey, CA 93940

And _____

With a copy to:

4.2 TERM. The term of this Agreement shall start on the day and year on which the Agreement is duly executed by the Parties and shall remain in effect until all terms and conditions contained in this Agreement have been satisfied. This term is more specifically described as one-year-plus-31-days from the date the Notice of Completion (NOC) is filed with Monterey County by MCWD upon final completion of the work, assuming no claims arise within 31-days of NOC filing. The Developer's obligations for participating in compensatory project costs within the fair-share division of cost provisions of this Agreement shall terminate one-year-plus-31-days after the date of the District's complete and formal acceptance of the Eligible Facilities.

4.3 MODIFICATION. Modifications or amendments to this agreement shall be in writing and executed by all Parties.

4.4 ASSIGNMENT. This Agreement and all terms and conditions contained herein shall inure to the benefit of and bind successors and assigns of the District and the Developer. Nothing contained herein restricts or prohibits the sale or other transfer of property.

4.5 ENTIRE AGREEMENT. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original. This 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 Agreement are incorporated herein for all purposes.

4.6 DISPUTE RESOLUTION. Any dispute between the parties as to the proper interpretation, application, or enforcement of this Agreement or to the failure to perform by either Party shall be subject to dispute resolution. Disputes arising under this agreement shall be resolved as follows:

4.6.1 Prevention of Claims/ Meet and confer (3 days)

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 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 who may seek to intervene in the negotiation or may direct staff to seek arbitration. If the parties are still unable to amicably resolve such disagreements or misunderstandings, they agree to enlist the informal assistance of a third party to help them reach an accord. If any disagreement remains unresolved for ten days, the parties agree to submit it to mediation.

4.6.2 Mediation (30 days)

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 (a). Mediation shall commence not more than ten 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.

Mediation shall be submitted first to a mediator with at least ten years experience in Monterey County. 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.

4.6.3 Arbitration (60 days)

If mediation fails to resolve the dispute, the mediator shall become the arbitrator, and shall proceed to dispose of the case under such rules or procedures as he or she shall select. If the mediator is unable or unwilling to serve as arbitrator, 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 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. Endispute 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.

_____ s' INITIALS _____

_____ 'S: INITIALS _____

4.7 WAIVER. All waivers of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of the District and Developer.

4.8 CALIFORNIA LAW. This 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 PAYMENT OF PREVAILING WAGES. All Eligible Facility costs paid in whole or in part from District funds under this 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. The District makes no warranties or representations to Developer about whether the project or some fraction of the project would be considered a "Public Works" project for the purposes of California law. 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 in the event some labor cost is paid by the Developer. 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.

4.10 HOURS OF LABOR FOR PUBLIC WORKS CONSTRUCTION. Pursuant to sections 1810 through 1815 of the labor code, eight hours of labor constitutes a legal day's work, and work associated with the project work herein described performed by employees of the Developer or any Developer subcontractor in excess of eight hours per day, or forty hours in any one week, shall be compensated at not less than one and one-half times their basic rate of pay.

4.11 ATTORNEY'S FEES AND COSTS. If either party to this Agreement brings a suit or proceeding to enforce or require performance of the terms of this Agreement, the prevailing party in such suit 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.

4.12 SEVERABILITY. If any terms or provisions of this Agreement, or application of any term or provisions of this 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 Agreement, or application of this 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 provisions of this Agreement, or the application of such provision to a particular situation, is held invalid, void or unenforceable, the party adversely affected may (in its sole and absolute discretion) terminate the Agreement by providing written notice of such termination to the other party.

4.13 OTHER AGREEMENTS. This Agreement is not intended to, and shall not, cancel, supersede, modify, or otherwise affect any other Agreements that have been, or may be made, or any approvals or permits that have been issued between or by any party regarding the Project or the Facilities.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

DISTRICT:

Marina Coast Water District, a California
Water District

By: _____

Title: General Manager

Date Signed: _____

Attest:

By: _____

Title: District Secretary

Approved as to form:

By: _____

Title: District Legal Counsel

DEVELOPER:

Monterey Peninsula College, a California
Community College

By: _____

Title: Vice President of Administrative
Services

Date Signed: _____

By: _____

Title: _____

Date Signed: _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: March 16, 2010

Submitted By: Carl Niizawa
Reviewed By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Consider Coastal Water Project FEIR (SCH No. 2006101004) and Addendum; Consider Adoption of Resolution No. 2010-18 to Make CEQA Findings, Approve and Adopt Addendum to FEIR and Approve the Acquisition of 224-acres (+/-) of Armstrong Ranch Land and Appurtenant Easements

Detailed Description: The Board of Directors is requested to review and approve Resolution No. 2010-18. This Resolution would make findings required for compliance with the California Environmental Quality Act ("CEQA") and enable the General Manager and Secretary and the President to take the actions and execute the documents necessary or appropriate to exercise the District's right to acquire and accept a portion of the Armstrong Ranch property (the "Site") in accordance with this Resolution (the "Acquisition"). The District's approval would be in accordance with the Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands, March 1996 as amended, between the District, the Monterey County Water Resources Agency, the City of Marina, and the land owners of applicable land (hereafter "1996 Agreement"). The property would be conveyed to the District in accordance with Government Code Section 66428(a)(2) in compliance with applicable laws and regulations.

The Acquisition of the Site by the District would provide land for future water supply infrastructure to produce, treat, store, and distribute water as provided in the 1996 Agreement as amended, and the District's 2005 Urban Water Management Plan. The only potential future physical changes to the environment that are currently known and related to the Site include components of one or more alternative projects described and evaluated in the following certified EIRs:

- MCWD/Denise Duffy & Associates, Regional Urban Water Augmentation Project Final EIR (certified October 27, 2004), in addition to Addenda Nos. 1 and 2 to the Final EIR (SCH # 2003081142); and,
- California Public Utilities Commission/ESA, California American Water Company, Coastal Water Project Final EIR (certified December 17, 2009) (SCH#2006101004) (hereafter, "CPUC EIR").

The processes for preparing the above EIRs offered numerous opportunities for public involvement and were designed to maximize agency and public input for the projects and their alternatives and the details of those processes are included in the EIRs and certification documents for those projects and their alternatives.

As a responsible agency for the Monterey Regional Water Supply Program (Regional Project), MCWD has prepared an Addendum to the CPUC EIR for the Acquisition that is attached to the

subject resolution. This Addendum is supported by an attached Initial Study for the Acquisition, which concludes the following with regards to CEQA compliance:

- Acquisition of the 224-acre (+/-) Site, including the appurtenant easements, in and of itself, is merely a property transfer that would not directly have any significant effects on the environment,
- CEQA Guidelines Sections 15004 (b)(2)(A) provides that “agencies may designate a preferred site for CEQA review and may enter into land acquisition agreements when the agency has conditioned the agency’s future use of the site on CEQA compliance,” and the California Supreme Court’s decision in *Save Tara v. City of West Hollywood* (2008) 45 Cal.4th 116, at 134, states that the Guidelines' exception for land purchases is a reasonable interpretation of CEQA,
- Future potential projects with components proposed at the Site have been previously described and evaluated in certified EIRs, most recently the CPUC EIR, and the significant environmental effects of alternative water supply projects have been identified in those EIRs.

Because of public interest in water supply and infrastructure issues, MCWD circulated a Notice of Preparation of an EIR to analyze the proposed property acquisition in September 2009. Certification by the CPUC of the CPUC EIR in 2009, which includes discussion of the Regional Urban Water Augmentation Project EIR previously certified by MCWD, obviated the need for an additional EIR by MCWD. The Addendum contains information responsive to comments received in response to the NOP. MCWD’s Board of Directors must consider the Addendum, along with the certified CPUC EIR, prior to making a decision on the Acquisition; however, the Addendum does not need to be circulated for public review in accordance with CEQA Guidelines Section 15164(c).

Subsequent to acquisition of the site, the District proposes to annex the site to the District through a Local Agency Formation Commission annexation process in conjunction with annexation of the site to MCWRA Zones 2 and 2A and the City of Marina. These annexations would also be pursued as envisioned in the 1996 Agreement and would provide for the exercise of jurisdiction over the Site by the District and Marina and the benefits and burdens of inclusion in MCWRA Zones 2 and 2A. Future uses of the property that would result in physical changes to the environment are conditioned on CEQA compliance in the attached resolution. A use permit was issued in January 2010 for a pipeline in an easement on the Armstrong Ranch granted and recorded in 2007, based on the RUWAP EIR.

The proposed Acquisition was negotiated in collaboration with the J.G. Armstrong Family, owners of the Armstrong Ranch property. The terms of the Acquisition have been reviewed by District Legal Counsel and approved as to form for the District.

The General Manager, as designated negotiator for the District, recommends approval of Resolution No. 2010-18 by the Board.

Environmental Review Compliance: Adopt the Armstrong Ranch Property Acquisition Addendum to the CPUC EIR, adopt the findings in Resolution No. 2010-18 and file a Notice of Determination based upon the CPUC’s EIR for the Coastal Water Project.

Prior Committee or Board Actions:

- Approval of the 1996 Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands and July 1996 Supplement;
- Resolution No. 2003-33 to Adopt a Negative Declaration under the California Environmental Quality Act for an "Amendment to Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands Affecting Marina Coast Water District and J.G. Armstrong Family Members”;
- Resolution No. 2003-34 to Approve an "Amendment to Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands Affecting Marina Coast Water District and J.G. Armstrong Family Members”
- Resolution No. 2004-56 Certification the Final Environmental Impact Report for the Regional Water Augmentation Project;
- Resolution No. 2005-27 Approving of the Plan for the District Regional Urban Water Augmentation Project and the Notice of Determination for the Regional Water Augmentation Project;
- Resolution No. 2006-90 authorizing the General Manager to accept water, sewer and recycled water easements under the terms of Board approved infrastructure agreements;
- Resolution No. 2006-91 Certifying a CEQA Addendum for the District’s Regional Urban Water Augmentation Project and Authorizing Filing a Notice of Determination;
- Resolution No. 2006-93 Approving the Revisions to Regional Urban Water Augmentation Project and Authorizing Filing of a Notice of Determination for the Recycled Water Project; Resolution No. 2007-18 Adopting a CEQA Addendum for the District’s Regional Urban Water Augmentation Project;
- Resolution No. 2007-19 Adopting Addendum No. 2 to the Certified Environmental Impact Report for the Regional Urban Water Augmentation Project; Approving Revisions to the Recycled Water Project and Authorizing Filing a Notice of Determination;
- Resolution No. 2007-25 authorizing the General Manager to accept Water, Sewer and Recycled Water Easements;
- Resolution No. 2009-25 and the associated MOU between the District and MRWPCA for Brine Disposal;
- Resolution No. 2009-42 and the associated MOU between the District and MRWPCA for the Regional Urban Water Augmentation Project;
- Resolution No. 2009-44 and the associated Revised MOU between the District, MCWRA, and MRWPCA Regarding Cooperative Planning and Joint Analysis for a Monterey Regional Water Supply Program;
- Resolution No. 2009-45 and the associated Revised MOU between the District, MCWRA, and MRWPCA Recycled Water Three-Way;
- Resolution No. 2010-08 and the associated Agreement between the District and MRWPCA for Use of the Regional Treatment Plant’s Outfall for Brine Disposal

Board Goals/Objectives: *2007/2008 Strategic Plan, Mission Statement – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: X Yes No

Funding Source/Recap: Per section 6.10.2 of the 1996 Agreement, purchase payments for the Site shall commence 6-months after conveyance. Principal and interest payments will be made in 20 equal semi-annual payments with other terms specified in the 1996 Agreement. The 1996 Agreement also includes a provision for converting purchased acreage to a “gift” based on the amount of water that future Armstrong Ranch developments utilize. Payments made by MCWD prior to development will be funded by District reserves intended for the purpose with on-going payments planned for within the approved CIP Budget as a line item within Cost Center 1 (Marina Water), “Armstrong Purchase Option (per 2/2A Agreement)”.

Material Included for Information/Consideration: Resolution No. 2010-18 with the following attachments:

- A. CPUC EIR Executive Summary
- B. Armstrong Ranch Property Acquisition – Addendum to the CPUC EIR, including Initial Study Checklist
- C. Letter dated 2-23-10 from Mike Novo, Director of the Monterey County Planning Dept.

Staff Recommendation: The Board of Directors review and approve the General Manager exercising the District’s option to purchase the subject property in accordance with the terms of the 1996 Annexation Agreement, as amended.

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

Board Action

_____ Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Resolution No. 2010-18
Resolution of the Board of Directors
Marina Coast Water District
Approving the Acquisition of 224-acres (+/-) of Armstrong Ranch Land
And Appurtenant Easements

March 16, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“the District”), at a regular meeting duly called and held on March 16, 2010, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the Directors find as follows:

AUTHORITY

WHEREAS, this resolution is adopted pursuant to the County Water District Law, Sections 30000 and following, of the California Water Code, and pursuant to the California Environmental Quality Act (“CEQA”), codified at Sections 21000 and following of the Public Resources Code, and the CEQA Guidelines codified at Title 14, Sections 15000 and following of the California Code of Regulations; and,

PURPOSE

WHEREAS, the District desires to own property in the area north of the City of Marina and south of land owned by the Monterey Regional Water Pollution Control Agency (“MRWPCA”) and the Monterey Regional Waste Management District (“MRWMD”) to provide land for future construction, operation and maintenance of water supply infrastructure to produce, treat, store, and distribute water; and,

BACKGROUND ON ACQUISITION

WHEREAS, in March 1996, the District, Monterey County Water Resources Agency (“MCWRA”), the City of Marina (Marina), J.G. Armstrong Family Members (“Armstrong Family”) and RMC Lonestar, the owners of certain Marina area lands, signed the Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands (“1996 Agreement”) to help reduce seawater intrusion and protect the groundwater resource and preserve the environment of the Salinas River Groundwater Basin (“Basin”) through voluntary commitments by the signatories to limit, conserve and manage the use of groundwater from the basin and to provide the terms and conditions for the annexation of certain territory in the Marina area to the MCWRA’s benefit assessment Zones 2 and 2A as a financing mechanism providing additional revenues to the MCWRA to manage and protect the groundwater resources in the Basin and to reduce seawater intrusion; and,

WHEREAS, on July 23, 1996, the District and the Armstrong Family modified the 1996 Agreement with a Supplement; and,

WHEREAS, in the 1996 Agreement, the District, the MCWRA, the City of Marina, the Armstrong Family, and RMC Lonestar agreed on terms and conditions to annex certain Marina Area lands, including the Site, into assessment Zones 2 and 2A, and spelled out terms for future annexation of the property to the District and Marina and reservation of a portion of lands owned by the Armstrong Family and designated “the Armstrong Ranch” for the District’s possible future acquisition for water supply facilities; and,

WHEREAS, the portion of the Armstrong Ranch reserved for the District constitutes 224 (+/-) acres of the Armstrong Ranch property identified in the 1996 Agreement (northeast portion), located north of the City of Marina in Monterey County, together with certain easements (refer to Figure 3-2, Attachment B) (collectively, the “Site”) and the Site fits the definition of the purpose statement above and is consistent with the 1996 Agreement; and,

WHEREAS, in June 2003, the 1996 Agreement was amended to extend the District’s deadline to obtain the Site to June 30, 2010 ; therefore, with the deadline imminent, the District’s action on exercising its right to purchase the property is timely and urgent; and,

WHEREAS, the Site is located within the City of Marina’s Sphere of Influence, outside the City’s Urban Growth Boundary and, in the October 2000 City of Marina General Plan, the Land Use Map designates the Site for Public Facilities with the title “Regional Reservoir Reserve,” and the District is described as the sole water purveyor for the City; and,

WHEREAS, in 2000, an Environmental Impact Report (“EIR”) was prepared and certified by the City of Marina to address the environmental effects, mitigation measures, and project alternatives associated with the City of Marina General Plan, which designates development of public facilities at the Site; and,

WHEREAS, the District’s 2005 Urban Water Management Plan (pages 2-21 through 2-26) identifies the need for an augmentation of existing groundwater supplies through either recycled or desalinated water in accordance with the District’s approved Regional Urban Water Augmentation Project (“RUWAP”) that is defined below; and,

WHEREAS, on March 21, 2007, the District recorded a grant of easement from the owners of Armstrong Ranch land for construction, operation and maintenance of one or more underground water pipelines and appurtenances, appurtenant to and transferable with the District’s water and wastewater collection, supply and distribution systems; and,

WHEREAS, the District’s existing Capital Improvement Program (2009/2010) includes the RUWAP as project numbers RW-0155 and RW-0156, and Desalination as GW-0157, respectively, demonstrating the District’s existing programming for potential projects at the Site; and,

ACTION

WHEREAS, this Resolution would enable the General Manager and Secretary and the President to take the actions and execute the documents necessary or appropriate to exercise the District’s right to acquire and accept the Site in accordance with the 1996 Agreement as supplemented and amended and this Resolution (the “Acquisition”); and,

CEQA COMPLIANCE

LAND ACQUISITION

WHEREAS, CEQA Guidelines Sections 15004 (b)(2)(A) provides that “agencies may designate a preferred site for CEQA review and may enter into land acquisition agreements when the agency has conditioned the agency’s future use of the site on CEQA compliance,” and the California Supreme Court’s decision in *Save Tara v. City of West Hollywood* (2008) 45 Cal.4th 116, at 134, states that the Guidelines' exception for land purchases is a reasonable interpretation of CEQA; and,

WHEREAS, this Resolution conditions the District’s future use of the Site on CEQA compliance; and,

WHEREAS, in accordance with CEQA Guidelines Section 15050(b) and 15096, the District has reviewed, considered, and relies upon the information in two existing, certified EIRs, the California Public Utilities Commission (“CPUC”) EIR and the RUWAP EIR as discussed in the CPUC EIR as hereinafter described, and related entitlements and approvals, to (1) thoroughly disclose and consider all relevant publicly available information on potential future activities that could occur at the Site and that may be indirectly enabled by the Acquisition, and (2) comprehensively identify all indirect environmental impacts of the Acquisition, thereby, evaluating the “whole of the action” and avoiding piece-mealing or segmenting the analysis; and,

RUWAP EIR AND ENTITLEMENTS

WHEREAS, the *Final Environmental Impact Report for the Marina Coast Water District Regional Urban Water Augmentation Project* (“RUWAP EIR”) (State Clearinghouse #2003081142) was prepared pursuant to CEQA to address the environmental effects, mitigation measures, and project alternatives associated with the consideration of the Regional Urban Water Augmentation Project (“RUWAP”) and actions related thereto; and,

WHEREAS, the Directors, by Resolution No. 2004-56, certified the RUWAP EIR as complete and adequate and fully in compliance with all requirements of CEQA on October 27, 2004; and,

WHEREAS, the process of preparing the RUWAP EIR offered numerous opportunities for public involvement and was designed to maximize agency and public input for the RUWAP environmental review process and the details of that process are included in the RUWAP EIR and Addendum No. 1 to the RUWAP EIR as hereinafter described; and,

WHEREAS, the RUWAP EIR underscored that the District’s primary project objective of the RUWAP to provide 2,400 acre-feet per year (AFY) of new water supply to augment the existing groundwater supply for the Ord Community in accordance with the Fort Ord Reuse Authority (“FORA”) *Fort Ord Reuse Plan and Elements* (June, 1997) (“*Base Reuse Plan*”), its accompanying certified Final Environmental Impact Report (“EIR”) and the Facilities Agreement between the District and FORA; and,

WHEREAS, the RUWAP EIR evaluated two primary water supply augmentation alternatives that would provide 3,000 acre-feet year (AFY) of new water supply: (1) a seawater desalination alternative with no facilities proposed on the Site, and (2) a recycled water project alternative, with potential facilities at the Site, including a recycled water surface storage reservoir, pump stations, pipelines, water treatment, and appurtenant facilities; and,

WHEREAS, the RUWAP EIR also included a hybrid of the two primary water supply alternatives (a combination of 1,500 AFY seawater desalination project and a 1,500 AFY recycled water project); and,

WHEREAS, in June 2005, the District and FORA approved the RUWAP alternative consisting of a total augmentation supply of 3,000 AFY (including 300 AFY to be delivered outside existing areas served by the District), to be supplied by a combination of seawater desalination project and a recycled water project, that included a pipeline located on the Armstrong Ranch, made CEQA findings, and authorized filing a Notice of Determination on the approval; and,

WHEREAS, on October 25, 2006, the District adopted Addendum No. 1 to the RUWAP EIR and on November 15, 2006, the District approved changes to the recycled water component of the RUWAP; and,

WHEREAS, on February 14, 2007, the District adopted Addendum No. 2 to the RUWAP EIR and approved additional changes to the recycled water component of the RUWAP; and,

WHEREAS, a pipeline along the western boundary of the Site received a Use Permit from the County of Monterey in January 2010, the approval of which relied upon the RUWAP EIR; and,

CPUC EIR AND ENTITLEMENTS

WHEREAS, the CPUC prepared and certified an EIR, which was certified on December 17, 2009 (SCH#2006101004) (hereafter, "CPUC EIR") to address the environmental effects, mitigation measures, and project alternatives associated with the consideration of California-American Water Company ("CAW") Coastal Water Project, including the following key alternatives that were each addressed at the same level of detail (specifically, project-level): the Proposed Project (also called the Moss Landing Alternative), a CAW North Marina Alternative, and a two-phased Monterey Regional Water Supply Alternative (called the Monterey Regional Water Supply Program, or "MRWSP") that are hereafter referred to collectively as the "Coastal Water Project Alternatives"; and,

WHEREAS, the CPUC EIR, particularly in Chapter 5, refers to and discusses the RUWAP EIR and recycled water elements of the RUWAP; and,

WHEREAS, the process of preparing the CPUC EIR offered numerous opportunities for public involvement and was designed to maximize agency and public input for the Coastal Water Project environmental review process, and the details of that process are included in the CPUC's Decision to certify the EIR that is incorporated in its entirety into this Resolution by reference and is available for review at: http://docs.cpuc.ca.gov/published/final_decision/111407.htm; and,

WHEREAS, the full text of the CPUC EIR is incorporated in its entirety into this Resolution by reference and is available for review at <http://www.cwp-eir.com/index.html> (the Executive Summary (Pages ES-1 through ES-54) from said document is included as Attachment A to this Resolution); and,

WHEREAS, the CPUC EIR contains complete descriptions of the CAW Coastal Water Project Alternatives, the background of the CAW Coastal Water Project Alternatives process and development, the impacts and mitigation measures of the Coastal Water Project Alternatives, and other CEQA requirements and procedural information; and,

WHEREAS, the CPUC EIR reflects that the Moss Landing Alternative would not include any components on the Site; and,

WHEREAS, the CPUC EIR reflects that the North Marina Alternative would include the following components on the Site:

- portions of source water pipelines leading to the desalination plant,
- a desalination plant and appurtenance facilities to be located on 10 acres of the Site,
- portions of a return flow pipe to deliver concentrated brine byproduct to the MRWPCA's regional treatment plant site immediately north of the Site to enable discharge of the brine via the MRWPCA's existing wastewater ocean outfall structure,
- electricity transmission facilities to connect to the existing PG&E grid,¹ and
- portions of the product water distribution system, including pipelines, pump stations, storage, and appurtenances; and,

WHEREAS, the CPUC EIR reflects that Phase I of the MRWSP Alternative would include the following components on the Site:

- portions of source water pipelines leading to the desalination plant,
- a desalination plant and appurtenance facilities,
- portions of a return flow pipe to deliver concentrated brine byproduct to the MRWPCA's regional treatment plant site immediately north of the Site to enable discharge of the brine via the MRWPCA's existing wastewater ocean outfall structure,
- electricity transmission facilities to connect to the existing PG&E grid,² and,
- Portions of the product water distribution system, including pipelines, pump stations, storage, and appurtenances, and,

¹ The CPUC EIR also describes one or more alternatives to use of PG&E electricity for power supply for the desalination plant component of the North Marina Alternative, including biomass generators, gas-fired turbine generators, reciprocating engine generators, wind turbines, and solar. The impacts of these power supplies were not evaluated in the CPUC EIR but were assumed to have fewer or less severe environmental impacts than those due to use of existing PG&E electricity grid.

² The CPUC EIR also describes one or more alternatives to use of PG&E electricity for power supply for the desalination plant component of the Phase I MRWSP, including biomass generators, gas-fired turbine generators, reciprocating engine generators, wind turbines, and solar. The impacts of these power supplies were not evaluated in the CPUC EIR but were assumed to have fewer or less severe environmental impacts than those due to use of existing PG&E electricity grid.

- recycled water distribution elements of the District’s RUWAP³; and,

WHEREAS, the CPUC EIR identified that Phase II of the MRWSP would potentially include the following components on the Site:

- underground (A-Aquifer) storage of recycled water,
- a surface water treatment plant,
- additional power supply options, including one or more of the following: biomass, gas-fired turbine generators, reciprocating engine generators, wind turbines, and solar, and
- pipelines and/or other appurtenant structures; and,

WHEREAS, the Site is within the study area shown on Figure 3-20a, Revised Figure 5-3, Revised Figure 5-4, and Figure 5-5 of the CPUC EIR, and the study area is designated as “MCWD Property at Armstrong Ranch” in Figures 5-3 and 5-5, and specification of the number of acres to be acquired within the study area does not in any way change the analysis made in the CPUC EIR; and,

WHEREAS, the CPUC EIR identified significant impacts of the CAW Coastal Water Project alternatives and provided mitigation to reduce most of the significant impacts to a less-than-significant level with several environmental impacts remaining significant with mitigation, as summarized in the Executive Summary in Attachment A to this resolution; and,

WHEREAS, pursuant to CEQA Guidelines Sections 15096, 15162, 15164 and 15063 and in consultation with other affected agencies and entities, the District, as a responsible agency for approval of the Coastal Water Project alternatives, has prepared an Addendum to the CPUC EIR supported by an Initial Study (the Armstrong Ranch Property Acquisition Addendum in Attachment B) and finds the following related to the required CEQA compliance for the Acquisition:

- Acquisition of the Site, in and of itself, is merely a property transfer that would not directly have any significant effects on the environment,
- Future potential projects with components proposed to be located at the Site were described and evaluated previously in certified EIRs and those projects would result in significant environmental effects, including significant but potentially mitigable impacts,
- Although the decision to acquire the Site is not approval of a project under CEQA, the District is choosing to act as a responsible agency and to use a previously prepared and certified EIR, specifically the CPUC EIR, to support acquisition of the Site; and,

WHEREAS, the action under consideration is approval of the Acquisition of the Site, which approval constitutes one of many actions necessary to implement the Coastal Water Project alternatives and would not by itself result in any significant impacts as described in the Armstrong Ranch Property Acquisition Addendum (Attachment B to this resolution); and,

³ As described in the CPUC EIR on page 5-9, the elements of the RUWAP Recycled Water Project on the site may be constructed and operated pursuant to existing approvals by MCWD and Monterey County whether or not the MRWSP Alternative or its components are approved.

WHEREAS, the Directors have reviewed and considered the CPUC EIR and the Armstrong Ranch Property Acquisition Addendum (Attachment B) in their entirety and find that the CPUC EIR and the Armstrong Ranch Property Acquisition Addendum are adequate for the purpose of approving the District's Acquisition of the Site, and the District hereby relies upon the contents of those documents and the CEQA process for its CEQA compliance; and,

WHEREAS, the District intends to conduct all future activities at the Site in accordance with the CPUC EIR and with the RUWAP EIR as amended as discussed in the CPUC EIR; or, alternatively, and if needed to comply with CEQA, the District would amend, supplement or otherwise conduct new environmental review subsequent to approval of a project and adoption of findings by the CPUC and prior to directly or indirectly committing to undertake any specific project or action involving a physical change to the environment related to the Acquisition of the Site, including but not limited to a project or action involving any element of Phase I of the MRWSP Alternative or the North Marina Alternative; and,

WHEREAS, the District's General Manager, as the District's designated negotiator, recommends that the Board approve the Acquisition for execution in the form presented to the Board in open session on March 16, 2010.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District adopt the foregoing findings; and,

BE IT FURTHER RESOLVED, that the Board of Directors of the Marina Coast Water District certify, pursuant to CEQA Guidelines §§ 15050(b) and 15096(f), that they have reviewed and considered the Final EIR as certified by the CPUC on December 17, 2009 in Decision D.09-12-017; and,

BE IT FURTHER RESOLVED, that the Board of Directors of the Marina Coast Water District approve and adopt the Armstrong Ranch Property Acquisition Addendum to the CPUC EIR; and,

BE IF FURTHER RESOLVED, that the Board of Directors of the Marina Coast Water District hereby approve the Acquisition and authorize the General Manager and Secretary and the President to take the actions and execute the documents necessary or appropriate to exercise the District's right to acquire the Site in accordance with the 1996 Agreement, as supplemented and amended, and this Resolution, and to accept the Site; and,

BE IT FURTHER RESOLVED, that the General Manager is authorized and directed to prepare and file an appropriate Notice of Determination for approval of the Acquisition; and,

BE IT FURTHER RESOLVED, that the District's use of the Site after acquisition is conditioned upon CEQA compliance and that the District by determining to acquire and acquiring the Site does not foreclose analysis of any alternative or any mitigation measure in considering uses of the Site.

PASSED AND ADOPTED on March 16, 2010, 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 _____

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

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. 2010-18 adopted March 16, 2010.

Jim Heitzman, Secretary

ATTACHMENTS

- A. CPUC EIR Executive Summary (Pages ES-1 through ES-54)
- B. Armstrong Ranch Property Acquisition – Addendum to the CPUC EIR, including Initial Study Checklist
- C. Letter dated 2-23-10 from Mike Novo, Director of the Monterey County Planning Dept.

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: March 16, 2010

Submitted By: Jean Premutati

Presented By: Jean Premutati

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-19 to Approve the Hire of a Director of Administrative Services

Detailed Description: In August, 2009, the MCWD Board of Directors approved the temporary hire of a Part-Time Customer Service Assistant. The objective was to provide administrative support and assistance to the department while another staff member was cross-trained in Accounting. The cross-training fell short of the District's expectations to free up staff time and complete the more arduous tasks of capturing the costs and financial analysis associated with the RUWAP and Regional Project, conducting research for grants, completing grant applications, and establishing a standardized purchasing and contract administration program. These functions are critical in order to satisfy current and future District obligations.

With the award of the Comprehensive Annual Financial Report (CAFR) and the requirements to maintain a higher level of external credit rating, finance and accounting processes within MCWD have intensified. Additionally, the implementation of the RUWAP and Regional Project will require considerable fiscal reporting and financial accountabilities of the District. There will be extensive staff time devoted to the research of grant monies and stimulus funds, loans, and, if necessary, the issuance of revenue bonds. To satisfy the obligatory processes and documentation vital in procurement of the funding for these projects, and to meet the District's forthcoming fiduciary responsibilities, staff is recommending the hire of a Director of Administrative Services.

There exists a present need for the ability to provide highly complex accounting analysis to the Board of Directors, General Manager, and Deputy General Manager/District Engineer and the ratepayers, as well as independent decision-making responsibility. This newly created position will be expected to manage the administrative services of the District to include accounting, finance, customer service, information technology, procurement, and contract administration.

Staff recommends filling the Director of Administrative Services on a regular, full-time basis with benefits at Range 38 of the MCWD salary schedule (\$92,936-\$118,613 annually) approved by Resolution No. 2009-28. Based on the upcoming MOU approved salary survey, job classes or title changes may be recommended.

As the District is committed to continuously improving its customer service and benefit to the ratepayers, we anticipate this will improve MCWD services both internally and externally.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan Mission – Providing high quality water, wastewater and recycled water services to the District’s expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: Yes No

Funding Source/Recap: All Administration Salary line item accounts.

Material Included for Information/Consideration: Resolution No. 2010-19; and, Director of Administrative Services Job Description.

Staff Recommendation: The Board of Directors consider adopting Resolution No. 2010-19 to approve the hire of a regular, full-time, Director of Administrative Services.

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

Board Action

Resolution No Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Resolution No. 2010-19
Resolution of the Board of Directors
Marina Coast Water District
Approving Hire of a Regular, Full-Time Director of Administrative Services

March 16, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 16, 2010 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Financial reporting processes and requirements have substantially increased with the award of the Comprehensive Annual Financial Report (CAFR) and the District’s participation in the Regional Urban Water Augmentation Project (RUWAP) and Regional Project; and,

WHEREAS, the District will be required to devote staff time to research funding for the RUWAP and Regional Project through grants monies, loans, stimulus funds, and, if necessary, the issuance of revenue bonds; and,

WHEREAS, the District has a need for the ability to provide highly complex accounting analysis to the Board of Directors, the General Manager, the Deputy General Manager/District Engineer and the ratepayers, as well as independent decision-making responsibility on behalf of the projects; and,

WHEREAS, staff recommends the hire of a Director of Administrative Services to meet future fiduciary responsibilities and oversee the accounting, finance, customer service, information technology, procurement and contract administration duties of the District.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the hire of a Director of Administrative Services at Range 38 of the MCWD salary schedule approved by Resolution No. 2009-28.

PASSED AND ADOPTED on March 16, 2010, 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 _____

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, 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. 2010-19 adopted March 16, 2010.

Jim Heitzman, Secretary

DIRECTOR OF ADMINISTRATIVE SERVICES

DEFINITION

Under general direction, plans, organizes, directs and coordinates the District's financial activities to include highly complex professional accounting duties in the analysis, preparation and maintenance of financial records and reports, development, implementation and revision of accounting systems, procedures and internal controls, and coordination of the outside audit process; oversees accounting, information technology services, utility billing, customer service, procurement, contracts, and budget preparation, oversees the human resources function; serves as Chief Financial Officer for the District; provides professional assistance to District management staff in areas of expertise, and performs related work as required.

SUPERVISION RECEIVED AND EXERCISED

Administrative direction is given by the General Manager. Direct supervision is provided to Finance Director, Accounting, and Customer Service staff.

CLASS CHARACTERISTICS

This single-position department head class oversees, and directs activities of the Finance, Accounting, and Customer Service Department, including all budget functions. The work involves both the oversight of functions and activities and performs diverse and specialized accounting work that is complex and involves significant accountability and decision-making responsibility. This classification is responsible for supervising accounting, customer service and information technology staff and managing areas such as, enterprise fund accounting, grant research, fixed asset accounting, utility billing, purchasing and procurement and other related activities for all District funds. Within this framework, the incumbent of this classification is accountable for planning, meeting operational goals and objectives and conducting special studies and projects. This position also provides oversight to the human resources function.

EXAMPLES OF DUTIES (Illustrative Only)

- Plans and coordinates preparation of the District budget and monitor revenues and expenditures throughout the year, including budget guidelines and projections; attends budget meetings, prepares supporting documentation such as spreadsheets and graphs.
- Performs a variety of complex financial duties in support of accounting and financial reporting; oversees the establishment and administration of the financial control systems.
- Invests District funds and manages investment activities; analyzes, researches and studies investment opportunities by keeping current on the development of legislation affecting the District's financial status and functions.
- Provides technical advice to the Board of Directors, General Manager and District staff in financial and accounting matters; makes presentations regarding agenda items and resolutions.
- Forecasts future financial trends and economic impacts that may affect District operations.
- Manages the preparation of a variety of required monthly, periodic and annual financial and statistical reports and accounting summaries.

- Coordinates financial reporting and auditing activity with external auditors and other agencies; researches, compiles and analyzes data; prepares reports as required, including the preparation of audit schedules and confirmations; responds to inquiries from auditors and provides information as needed.
- Provides professional, technical accounting and budget advice to District staff; coordinates activities with other departments; assists in special projects as assigned, including preparing financial reports and other information required by District staff and external agencies.
- Oversees development and maintenance of the automated financial management system.
- Prepares schedules of direct and indirect cost allocations for cost centers.
- Oversees the selection of staff; provides for training and development; reviews and approves performance appraisals and recommendations for disciplinary actions, wage and salary actions, promotions, and related employment actions.
- Reviews the impact of annexations, new developments, sales taxes, impact fees, capital improvement, regulations and technology changes
- Administers the District's programs related to the issuance of grants and loans.
- Prepares and directs the preparation of a variety of correspondence, reports, procedures and other written materials.
- Maintains and directs the maintenance of working and official departmental files.

QUALIFICATIONS

Knowledge of:

- Principles and practices of public agency finance and budget development, including investments, auditing and reporting functions in conjunction with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB).
- Administrative principles and practices, including goal setting, program development, implementation and evaluation and supervision of staff, either directly or through subordinate levels of supervision.
- Principles and practices of public funds investment, cash management, banking operations and systems, analysis of complex financial statements and reports, and research and statistical evaluation of data.
- Methods and principles of management, including mentoring, counseling, work planning, evaluating, training, and corrective action.
- Applicable Federal, State and local laws, codes and regulations.
- Computer applications related to the work, including word processing, spreadsheet, database management and specific financial applications.
- Techniques for effectively representing the District in contacts with governmental agencies, various business, professional, regulatory and legislative organizations.
- Techniques for providing a high level of customer service to the public, representatives of other agencies, and District staff, in person and over the telephone.

Skill in:

- Managing, overseeing, and personally participating in a comprehensive public agency financial management program.
- Overseeing the planning, development and implementation of a District-wide financial plan.

- Maintaining an effective investment portfolio within the guidelines established by the District.
- Gathering and analyzing data, drawing conclusions, project consequences, formulate strategies, and make recommendations.
- Exercise sound judgment in handling large sums of money and maintain cash flow procedures and reporting systems.
- Interpret, apply, and explain legislation, rules, regulations, policies, and procedures, including the District's investment policy and cash handling policy.
- Maintaining accurate financial records and preparing accurate statistical reports for informational, auditing and operational use.
- Administering programs and the work of professional, technical and office support staff directly and through subordinate levels of supervision.
- Providing for the selection, training, professional development, motivation and work evaluation of staff.
- Meeting schedules and deadlines.
- Developing and implementing goals, objectives, policies, procedures, work standards and internal controls for the department.
- Interpreting, applying and explaining complex laws, codes, regulations and ordinances.
- Effectively representing the department and the District in meetings with governmental agencies, contractors, vendors, and various businesses, professional, regulatory and legislative organizations.
- Using tact, initiative, prudence and independent judgment within general policy and legal guidelines.
- Establishing and maintaining effective working relationships with those contacted in the course of the work.

Education:

Equivalent to a Bachelor's degree from an accredited college or university with major coursework in economics, finance, business management, public administration or closely related field. Master's degree in Public Administration or Business Administration from an accredited college or university preferred.

Experience:

Seven (7) years of increasingly responsible experience in accounting and finance to include purchasing, investments, cash management, internal audit control, and debt issuance with at least five (5) years at the management/supervisory level. Experience in a public agency setting is highly desirable.

License:

Must possess a valid California class C driver's license and have a satisfactory driving record.

Physical Demands:

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen and hearing and speech to communicate in person and over the telephone.

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-E

Meeting Date: March 16, 2010

Submitted By: Suresh Prasad

Presented By: Suresh Prasad

Reviewed By: Jim Heitzman

Agenda Title: Receive Draft Budget for FY 2010-2011 and Review Budget Schedule

Detailed Description: The Board is requested to receive the draft budget for FY 2010-2011 and to schedule a budget workshop date in March/April.

Each year, the District follows a budget development process that results in Board approval of the annual budget by June 30. This year, staff proposes that the Board consider adopting the FY 2010-2011 Budget at its regular monthly meeting on June 8, 2010. The effective date of this budget will be July 1, 2010.

The draft budget will also be distributed and discussed with the FORA Water/Wastewater Oversight Committee. The WWOC will then recommend the draft budget to the FORA Admin Committee, which will recommend the draft budget to the FORA Board. The FORA Board would normally be expected to adopt the budget sometime in May 2010. The next WWOC Committee meeting is scheduled for March 17, 2010.

The Draft FY 2010-2011 Budget includes five separate cost centers in two distinct service areas (Marina and Ord Community); and, operating and capital budgets in support of the District's two service areas and five cost centers. District overhead is apportioned to the cost centers according to a pre-determined formula (based on revenue generation percentages). The allocation rate for this fiscal year has changed based on previous year (FY 2008-2009) expenditure figures. This draft budget includes a rate increase of 7.8% for all four cost centers. A Prop 218 process will be required for any rate increases.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Goal No. 4 – To manage the District's finances in the most effective and fiscally responsible manner.*

Financial Impact: Yes No

Funding Source/Recap: None

Material Included for Information/Consideration: FY 2010–2011 Budget Schedule; Draft FY 2010-2011 Budget Document (provided separately).

Staff Recommendation: The Board of Directors receive the draft Budget for FY 2010 – 2011, review Budget schedule, and schedule a Budget Workshop.

Action Required: _____Resolution _____Motion ___X___Review

Board Action

Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
 FY 2010/2011 Budget Calendar
 (includes Marina & Ord Community)

DATE	STATUS	RP	MCWD	WWOC	FORA	DESCRIPTION
02/08/2010		DF	X			DF to issue 07/08 YTD Qtr 2 expenditure report to Dept Heads. This provides guidance for new year expenses. DF provides format for the budget. Individual meetings with Dept Heads via telephone to discuss the Qtr 2 numbers and the budget format.
02/15/2010		DH	X			Dept Heads turn in draft budget and D&J's to DF in approved format.
02/17/2010		DF/GM	X			DF and GM review budgets for all departments.
02/18/2010 02/19/2010		DF/DH/ GM	X			Individual Dept Heads to meet with GM and DF to review their section of the budgets. (as necessary)
02/22/2010		DH	X			Dept Heads turn in budgets to DF with recommended changes from previous individual meetings.
03/16/2010		DF/GM	X			Draft Budget and Budget Schedule presented to MCWD Board. PUBLIC MEETING
03/17/2010		DF/GM		X		Ord Community Draft Budget presented to WWOC.
TBD		DF/DH	X			Budget Workshop Meeting (Dept Heads/Board). PUBLIC MEETING
TBD		DF/GM		X		Ord Community Draft Budget presented to WWOC.
TBD		DF/GM			X	FORA Board adopts District Budget. PUBLIC MEETING
TBD		DF/DH	X			Budget Workshop Meeting – Follow up (Dept Heads/Board) [If needed]. PUBLIC MEETING
06/08/2010		DF/GM	X			MCWD Board adopts District Budget. PUBLIC MEETING

GM=General Manager; DF=Director of Finance; DH=Department Heads

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-F

Meeting Date: March 16, 2010

Submitted By: Jean Premutati

Presented By: Jean Premutati

Reviewed By: Carl Niizawa

Agenda Title: Consider Selection of a Facilitator for the District's 2010 Strategic Planning Session

Detailed Description: Staff was tasked with organizing and coordinating a strategic planning session for the Board of Directors. The previous Board planning session was held in 2006. The 2010 Strategic Planning Session will be held as a public meeting on April 3, 2010 at the Holiday Inn Express on Reservation Road from 9:00 am until finished.

The focus of this strategic planning session is to develop long-term goals and objectives for staff and the Board to achieve and measure as well as revising the current Mission Statement and Vision of the Marina Coast Water District. With the advent of the District's involvement in new water projects, it is essential to modify and, improve where necessary, the direction and purpose of MCWD and provides a means for benchmarking its progress.

Staff has contacted four (4) outside consultants specializing in executive planning and has received three (3) proposals for facilitation of a one-day session.

Attached for your review are the proposals received from Consulting Services International, LLC, Hardenstein Consulting, and The Ingram Group. Each proposal contains an outline of the scope of work, project approach, estimated timeline, and cost.

Environmental Review Compliance: None.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan Mission – Providing high quality water, wastewater and recycled water services to the District's expanding communities through management, conservation and development of future resources at reasonable costs.*

Financial Impact: Yes No

Funding Source/Recap: Consultant Services line item across all four cost centers.

Material Included for Information/Consideration: Proposals from Consulting Services International, LLC; Hardenstein Consulting, LLC; and The Ingram Group.

Staff Recommendation: The Board of Directors select a facilitator for the 2010 Strategic Planning Session.

Action Required: _____Resolution X Motion _____Review

Board Action

Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Staff Report

Agenda Item: 10-A

Meeting Date: March 16, 2010

Prepared By: Rich Youngblood

Reviewed By: Carl Niizawa

Subject: Receive Update on Landscape Incentive Program

Summary: The Board of Directors is requested to receive a report on the number of Landscape Incentive projects that have utilized contractors in their completion. As February 24, 2010, thirty-one projects have been completed. Twenty-seven of these projects utilized contractors. Three projects used existing maintenance gardeners and one was done by a homeowner.

Many of our customers investigate the option of doing all the landscape work themselves and then decide against it. While the customer may do a portion of the work, most look to others to do the heavy lifting. Customers often solicit referrals from friends, family or neighbors. Customers may also have contact with someone in the landscape business that they trust and feel comfortable with.

Staff does not give referrals. Staff does provide customers the California Landscape Contractors Association web site address (CLCA.org) that contains quite a bit of information on how to select a contractor, contracts, bids and bonding. In addition the site includes helpful information on State of California licensing requirements. The site discusses landscape needs, budgets, bids and bonds. The web site also gives customers information on the Contractors State License Board.

Marina Coast Water District
Staff Report

Agenda Item: 11-A

Meeting Date: March 16, 2010

Prepared By: Suresh Prasad

Reviewed By: Carl Niizawa

Subject: Discuss Rates, Fees and Capacity Charges

Summary: The Board of Directors is requested to discuss a proposed increase in rates, fees and charges for both the Marina and Ord service areas.

In May 2008, the Board received a 5-year rate study completed by Bartle Wells Associates. The rate study recommended rate increases for all 5 years. Any rate increase will have to go through a Prop 218 process.

On July 11, 2008, the District Board adopted Prop 218 Rate Increase for FY 2008/2009, and FY 2009/2010. At that time, the Board decided not to take any action for the remaining 3 years.

The FORA Board must approve the Ord Community's rates, fees and charges before they are adopted by the District. This would include the operating rates and capacity charges for water, wastewater and regional water.

The District must follow a Prop 218 process as part of any operating rate increase for both the Central Marina and Ord Community. The Prop 218 process requires sending notice to all customers in the District concerning a proposed rate increase and holding a Public Hearing for any interested customers to voice their opinion and/or protest the increase.

Capacity Charge fee increase does not require a Proposition 218 hearing.

The current proposed budget for FY 2010/2011 includes a 7.8% rate increase as recommended in the rate study.

Marina Coast Water District
Staff Report

Agenda Item: 11-B

Meeting Date: March 16, 2010

Prepared By: Suresh Prasad

Reviewed By: Carl Niizawa

Subject: Discuss Master Meter Water Usage Tier Charges

Summary: The Board of Directors is requested to consider and discuss the following issue concerning the billing of customers served by master meter accounts.

The District has approximately 120 master meter accounts, which serves approximately 3,718 units, where one meter serves multiple units. Examples include condominiums, apartment buildings and mobile home parks. Due to usage as explained below, these accounts are billed at the highest tier. These accounts represent a consumption of 278,490 hcf averaged over three years, which in turn accounts for approximately \$1.2 million of annual district revenue.

On average, individual usage per account is approximately 75 hcf per year (278,490 / 3718) or 6.25 hcf per month. This is about half the usage for a regular residential consumption, which is 13 hcf per month. In addition, master meter customer accounts also get break in meter charge. For example, a customer with 48 units is served by a 4" meter and pays \$396.57 in meter charge per month. If the accounts were individually metered, they would be paying \$761.76 in meter charge, based on a ¾ meter size (\$15.87 x 48).

The three tier billing structure is designed to promote conservation by charging higher rates proportional to use:

	Marina	Ord Community
1-8 hcf	\$1.93/hcf	\$2.06/hcf
9-16	2.35	2.89
17+	4.29	3.73

The billing tier structure assumes individually metered accounts. Master meter accounts register only the amount used by the entire complex, which results in any usage over 17 units to be calculated at the top tier.

The Board is asked to discuss master meter water usage charges.

Alternatives include:

- 1 Installing meters in all units. (The cost would be \$1,500 per account, an expensive option if costs are borne by the property owner)
- 2 Offer an incentive plan to install meters in all units (district shares cost of meter installation with owner, as agreed to by the Board).

- 3 Charge a lower, flat rate for customers served by a master meter proportional to overall use.
4. Bill at the tier 2 (9-16 hcf rate).

Alternatives 3 and 4 will ultimately have an impact on District revenues.