

Marina Coast Water District
Agenda Transmittal

Agenda Item: 5-A

Meeting Date: April 5, 2010

Submitted By: Lloyd Lowrey

Presented By: Jim Heitzman

Reviewed By: Jim Heitzman

Agenda Title: Consider Adoption of Resolution No. 2010-20 to Approve a Water Purchase Agreement and Settlement Agreement between Marina Coast Water District, California American Water Company, and Monterey County Water Resources Agency and a related Settlement Agreement for California Public Utilities Commission Proceeding A.04-09-019, "In the Matter of the Application of California-American Water Company (U 210 @) for a Certificate of Public Convenience and Necessity to Construct and Operate its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates."

Recommended Actions: The General Manager recommends that the Directors take the following actions:

1. Review and consider the Final EIR as certified by the CPUC on December 17, 2009, in Decision D.09-12-017 and the Addendum released by the CPUC's consultant on March 24, 2010.
2. Approve and adopt Resolution 2010-20 and attached Findings, including a Statement of Overriding Considerations.
3. Approve and adopt the mitigation measures identified and proposed in the Final EIR and tailored to MCWD's role as a responsible agency as set forth in the Findings and the Mitigation Monitoring and Reporting Plan attached to the Findings.
4. Conditionally approve MCWD's participation in the Regional Desalination Project pursuant to a Water Purchase Agreement between MCWD, MCWRA and CAW, and a Settlement Agreement between MCWD, MCWRA, CAW and various other interested parties to settle California Public Utilities Commission Proceeding A.04-09-019.
5. Authorize the President and the General Manager and Secretary to execute the Water Purchase Agreement and the Settlement Agreement pursuant to this resolution and conditional approval.
6. Direct the General Manager and staff to take all other actions that may be necessary to effectuate and implement this resolution and Conditional Project Approval.

Summary: The recommended action will conditionally approve MCWD's active participation in a Regional Desalination Project, after years of planning, millions of dollars, and thousands of hours of work by MCWD, MCWRA and other local and state agencies, and California American Water Company. The centerpiece of MCWD's participation is the proposed Water Purchase Agreement, summarized in the attached summary prepared by Derrick Hansen.

Prior Committee or Board Action: The Board has previously adopted Resolutions 2009-18 and 2009-19 approving District participation in the Coastal Water Project/Regional Project CPUC proceedings and appropriating funds for District participation.

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

The proposed actions will conditionally obligate MCWD as set forth in the Water Purchase Agreement. An allocation of Private Activity Bonds has been obtained from the California Pollution Control Finance Authority in the amount of \$340 million to fund the entire Project, to allow financing on a tax-exempt basis. MCWD and MCWRA propose to issue bonds through one offering, bifurcated to specifically identify and separate each agency’s liability.

Funding Source/Recap: None.

Material Included for Information/Consideration: Resolution No. 2010-20, Findings, Mitigation Monitoring and Reporting Plan, Summary of Water Purchase Agreement (Derrick Hansen).

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