



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: [www.mcwd.org](http://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, April 13, 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 54956.9  
Conference with Legal Counsel – Anticipated Litigation  
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9  
1 Case

#### 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, April 8, 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 May 11, 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.*

## **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 Public Member, Mr. Sid Williams, for his Dedicated Service to the MCWD as a Member on the Water Conservation Commission

**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 Membership in CalDesal - an Advocacy Organization for Desalination
- B. Approve the 2009 Consumer Confidence Report for the Marina Coast Water District Water System
- C. Approve the Purchase of Student Almanacs for the Marina Middle School
- D. Approve the Expenditures for the Month of March 2010
- E. Approve the Draft Minutes of the Regular Board Meeting of March 16, 2010
- F. Approve the Draft Minutes of the Special Board Meeting of March 25, 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 Appointment to the Water Conservation Commission

*Action: The Board of Directors is requested to appoint a member to the vacant position on the Water Conservation Commission.*

- B. Consider Adoption of Resolution No. 2010-21 to Authorize a Professional Services Agreement with Denise Duffy and Associates for Environmental/Biological Services for the Eastern Distribution System Project

*Action: The Board of Directors is requested to authorize a Professional Services Agreement with Denise Duffy and Associates for Environmental/Biological Services for the Easter Distribution System Project.*

- C. Consider Adoption of Resolution No. 2010-22 to Authorize a Professional Services Agreement with Harris & Associates for Engineering Services Related to Inspection Practices, Inspection Training, and On-Call Inspections

*Action: The Board of Directors is requested to authorize a Professional Services Agreement with Harris & Associates for Engineering Services related to inspection practices, inspection training and on-call inspections.*

- D. Consider Adoption of Resolution No. 2010-23 to Approve the Marina Coast Water District Employee Handbook

*Action: The Board of Directors is requested to approve the Marina Coast Water District Employee Handbook.*

- E. Receive and Accept the 2010 Marina Coast Water District Salary Survey

*Action: The Board of Directors is requested to receive and accept the 2010 Marina Coast Water District Salary Survey.*

F. **Reconsider the Vote on Adoption of Resolution No. 2010-20**

The President of the Board will entertain a motion to reconsider the vote on Resolution No. 2010-20.

- Resolution No. 2010-20 contains Findings, with a Statement of Overriding Considerations and adoption of mitigation measures identified and proposed in the Final EIR as certified by the CPUC on December 17, 2009, in Decision D.09-12-017, 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, and based thereon.
- Resolution No. 2010-20 conditionally approves MCWD's participation in the Regional Desalination Project pursuant to
  - a Water Purchase Agreement between Marina Coast Water District, California American Water Company, and Monterey County Water Resources Agency,
  - a related Settlement Agreement between MCWD, MCWRA, CAW and various other interested parties to settle California Public Utilities Commission Proceeding A.04-09-019, "In the Matter of the Application of California-American Water Company (U 210 W) 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."
- Resolution No. 2010-20 authorizes the President and the General Manager and Secretary to execute the Water Purchase Agreement and the Settlement Agreement pursuant to the resolution and conditional approval.

- Resolution No. 2010-20 directs the General Manager and staff to take all other actions that may be necessary to effectuate and implement the resolution and conditional project approval.

In considering a Motion to Reconsider, the Board will review and consider the Final EIR and the Addendum released by the CPUC's consultant on March 24, 2010, and will entertain and consider comments from the public together with such other information as may be presented at the meeting.

## 10. Staff Reports

Receive Staff Reports on:

- A. The Greater Monterey County Integrated Regional Water Management Plan
- B. Safe, Clean and Reliable Drinking Water Supply Act of 2010

## 11. Discussion

- A. 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
  - 2. Joint City-District Committee
  - 3. MRWPCA Board Member
  - 4. LAFCO Liaison
  - 5. JPIA Liaison
  - 6. FORA
  - 7. Executive Committee
  - 8. Community Outreach
  - 9. Special Districts Association Liaison
- E. Director's Comments

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

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 7-A

Meeting Date: April 13, 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.)

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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

April 13, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 13, 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 April 13, 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 April 13, 2010.

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Jim Heitzman, Secretary



Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8

Meeting Date: April 13, 2010

Submitted By: Paula Riso

Presented By: Paula Riso

Reviewed By: Carl Niizawa

Agenda Title: Consent Calendar

A. Detailed Description: Consent calendar consisting of: A) Approve Membership in CalDesal – an Advocacy Organization for Desalination; B) Approve the 2009 Consumer Confidence Report for the Marina Coast Water District Water System; C) Approve the Purchase of Student Almanacs for the Marina Middle School; D) Approve the Expenditures for the Month of March 2010; E) Approve the Draft Minutes of the Regular Board Meeting of March 16, 2010; and, F) Approve the Draft Minutes of the Special Board Meeting of March 25, 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.)

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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: April 13, 2010

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Approve Membership in CalDesal – an Advocacy Organization for Desalination

Detailed Description: The Board of Directors is requested to approve membership in CalDesal. CalDesal is an advocacy organization for desalination in California. By joining CalDesal, members benefit from: focused legislative and regulatory advocacy; grassroots organizing; insider news and information; and, an opportunity to become part of the solution. CalDesal's narrow focus allows for the most targeted, credible and persistent support for this important technology. The cost of membership is \$5,000 annually.

The origin of CalDesal is the Association of California Water Agencies (ACWA) desalination subcommittee of which Paul Shoenberger and Paul Helliker from Marin Municipal Water District are co-chairs. The incorporation papers have been submitted to form CalDesal as a 510 (c)(6) corporation, which allows them to act as a mutual support group and to engage in lobbying activities.

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: Membership Accounts in both water cost centers (01 and 03).

Material Included for Information/Consideration: CalDesal flyer.

Staff Recommendation: The Board of Directors approve membership in CalDesal.

Action Required:      Resolution      Motion      Review

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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: April 13, 2010

Submitted By: Evelina Adlawan

Presented By: Evelina Adlawan

Reviewed By: Carl Niizawa

Agenda Title: Approve the 2009 Consumer Confidence Report for the Marina Coast Water District Water System

Detailed Description: The Safe Drinking Water Act requires water utilities to provide accurate and timely information to consumers about the quality of their drinking water. The US Environmental Protection Agency and the California Department of Public Health (CDPH) adopted regulations known as a Consumer Confidence Report (CCR), to be distributed to water utility customers by July 1<sup>st</sup> each year. Since 1989, the District has provided CCR's (formerly called annual water quality report) to District customers.

The 2009 CCR summarizes the results of detected contaminants in District's supply wells and distribution systems conducted in calendar year 2009, or for some constituents, the most recent sampling year. The District's water system did not have any violation in 2009 and is in compliance with State and Federal drinking water regulations.

New for the 2009 CCR are the following:

- Federal Unregulated Contaminants Monitoring Rule 2 (UCMR2) - Ten organic chemicals from District supply wells post chlorination sample points were tested. UCMR2 chemicals were not detected.
- Federal Ground Water Rule (GWR) – The CDPH implemented the GWR on December 1, 2009. The purpose of the GWR is to reduce the risk of illness caused by microbial contamination in public groundwater systems. Total and fecal coliforms were not detected in 520 routine distribution system samples collected in Central Marina and the Ord Community.
- Lead - A reminder about exposure to elevated levels of lead that may cause health problems. Lead was not detected in 30 “first-draw” indoor-tap water samples in 2007.

A list of contaminants tested for but not detected will be posted in the District's website at [www.mcwd.org/2009ccr-ND.html](http://www.mcwd.org/2009ccr-ND.html)

The 2009 CCR will be mailed together with each customer's water bill starting in May 2010. A separate mailing will be conducted for residents in the Ord military housing. Copies will be distributed to Alliance Residential, businesses, apartment managers, and school administrators for further distribution to customers who do not receive a water bill directly from the District. Staff will coordinate with the US Army-BRAC and CSUMB's News and Public Information Officer to establish the website links for access by the military and university communities. The CCR will be available at the District's website at [www.mcwd.org](http://www.mcwd.org).

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.*

Prior Committee or Board Action: The Water Conservation Commission reviewed and recommended for approval, the draft 2009 CCR at its April 1, 2010 meeting.

Financial Impact:      Yes                      No

Funding Source Recap: Printing Expense, Laboratory Budget, Marina Water Fund and Ord Water Fund.

Material Included for Information/Consideration: Draft 2009 Consumer Confidence Report

Staff Recommendation: The Board of Directors approve the 2009 Consumer Confidence Report for the Marina Coast Water District Water System.

Action Requested:  Resolution    Motion            Review

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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: April 13, 2010

Submitted By: Paula Riso

Presented By: Howard Gustafson

Reviewed By: Carl Niizawa

Agenda Title: Approve the Purchase of Student Almanacs for the Marina Middle School

Detailed Description: The Board of Directors is requested to approve the purchase of sixty *Exploring the World of Public Works Student Almanac* for distribution in the sixth and eighth grade classes at Los Arboles Middle School in the City of Marina.

Each of the seven chapters in this colorful, comprehensive almanac concentrate on a different aspect of public works, ranging from a general overview of the field to a focused discussion of traffic and transportation to an exploration of public works careers. Timelines, job descriptions, and introductory information on public works help orient students. These books are a great resource for individual students.

The price of the books, tax and shipping and handling are at a not-to-exceed cost of \$500.

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: Expenditures are allocated across the four cost centers; 01-Marina Water, 02-Marina Sewer, 03- Ord Water, 04- Ord Sewer.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors approve the purchase of student almanacs for the Marina middle school.

Action Required:     Resolution     Motion     Review

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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-D

Meeting Date: April 13, 2010

Submitted By: Suresh Prasad

Presented By: Suresh Prasad

Reviewed By: Carl Niizawa

Agenda Title: Approve Expenditures for the Month of March 2010

Detailed Description: The Board of Directors is requested to approve the attached March 2010 check register for expenditures totaling \$856,323.95.

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: March 2010 Summary Check Register.

Staff Recommendation: The Board of Directors approve the March 2010 expenditures totaling \$856,323.95.

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

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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-E

Meeting Date: April 13, 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 March 16, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of March 16, 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 16, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the March 16, 2010 regular Board meeting.

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

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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  
March 16, 2010  
6:45 p.m.

**Draft Minutes**

1. Call to Order:

President Nishi called the meeting to order at 6:45 p.m. on March 16, 2010.

2. Roll Call:

Board Members Present:

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

Board Members Absent:

Tom Moore

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  
Rich Youngblood, Conservation Coordinator  
Brian True, Capital Projects Manager  
Paula Riso, Executive Assistant

Audience Members:

Bob Holden, MRWPCA  
Jan Shriner, Marina Resident  
Molly Erickson, Stamp Law Firm  
Andy Sterbenz, Schaaf & Wheeler  
Richard Newhouse, Marina Resident  
Denise Duffy, DDA & Associates  
Lianne Humble, DDA & Associates  
Tim O'Halloran, City of Seaside

Michael Carson, MPC  
Chris Gibson, Marina Resident  
Gretchen Faus, Marina Resident  
Greg Furey, Marina Resident

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

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

President Nishi reconvened the meeting to open session at 7:16 p.m.

4. Possible Action on Closed Session Items:

Mr. Lloyd Lowrey, Legal Counsel, stated that with regards to Agenda Item 3-A – the Board of Directors will postpone this item until the next meeting or if the full Board shows up later this evening; 3-B – the Board of Directors gave directions to the negotiating team and no action was taken; and, 3-C – the Board of Directors gave directions to the negotiating team and no action was taken.

5. Pledge of Allegiance:

President Nishi asked Vice President Lee to lead everyone present in the pledge of allegiance.

6. Oral Communications:

Ms. Jan Shriner, Marina resident, commented on her right to address the Board, the time of the meeting, the General Manager's salary and the City of Marina's agreement with Marina Heights.

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:

Mr. Richard Youngblood, Conservation Coordinator, announced that Mr. Williams was not available to attend this meeting. President Nishi postponed this item until the April Board meeting.

- B. Receive a Presentation on the Regional Water Project:

Mr. Jim Heitzman, General Manager, gave a brief presentation on the Regional Water Project.

Mr. Richard Newhouse, Marina resident, inquired on the agreements with the other agencies.

8. Consent Calendar:

Director Burns made a motion to approve the Consent Calendar consisting of items; 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. Vice President Lee seconded the motion. The motion was passed.

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

9. Action Items:

- 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:

Mr. Carl Niizawa, Deputy General Manager/District Engineer, introduced this item.

Agenda Item 9-A (continued):

Director Burns made a motion to adopt Resolution No. 2010-16 approving a Reimbursement Resolution to the State Water Resources Control Board for the Recycled Water Facility Component of the Regional Urban Water Augmentation Project. Director Gustafson seconded the motion. The motion was passed.

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

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

Mr. Brian True, Capital Projects Manager, introduced this item and Mr. Mike Carson with Monterey Peninsula College.

Director Burns made a motion to adopt Resolution No. 2010-17 approving an Agreement with Monterey Peninsula College (MPC) to construct potable water infrastructure. Director Gustafson seconded the motion. The motion was passed.

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

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:

Mr. Lowrey introduced this item. He stated it represents the culmination of the 1996 Annexation Agreement and the option for the District to purchase a portion of the Armstrong Ranch. The purchase option expires at midnight on June 30, 2010.

Mr. Lowrey stated that the actions the Board would be taking are:

- 1) Approving the Addendum to the Final Environmental Impact Report (FEIR);
- 2) Adopting the California Environmental Quality Act (CEQA) Findings; and,
- 3) Approving the exercise of options on the terms in the Agreement as amended.

Agenda Item 9-C (continued):

Ms. Molly Erickson, Michael Stamp Law Offices, stated that she represented the Land Ag Trust and they object to the transfer. Ms. Erickson submitted a thirty page letter dated March 16, 2010 with Exhibits A – BB, and a twenty-two page letter dated December 16, 2009 for the record. She urged the Board of Directors to read the letters before making a motion. Ms. Erickson asked that the presentation given by Mr. Heitzman be made a record of this item.

President Nishi recessed the meeting at 8:10 p.m. to allow the Directors time to read the documents Ms. Erickson presented.

President Nishi reconvened the meeting at 8:30 p.m.

Mr. Lowrey commented that everyone had a chance to review the letters and he wanted to address some of the issues then have Ms. Alison Imamura, Denise Duffy & Associates, briefly address the Board of Directors on the Environmental aspects of this Resolution.

Mr. Lowrey stated that on page sixty-nine of the Board packet, it explains the action the Board of Directors are being asked to take. The action is to “acquire and accept” the Site in accordance with the 1996 Agreement. Mr. Lowrey clarified that this action was not to approve the project. He added that Resolution also resolves 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.

Mr. Lowrey said on page seventy of the Board packet, under CEQA compliance, Land Acquisition, the factors that apply for CEQA analysis are set forth there. The Supreme Court said this level of analysis is not required for Land Acquisition, normally. Mr. Lowrey stated that according to the case, *River Watch*, if the Board of Directors takes action which could facilitate some other project, they need to have a higher level of scrutiny, which is what the District is doing here this evening. The findings that are laid out show what projects may go on sometime in the future. Mr. Lowrey said it also shows that the District is considering and is aware of potential environmental impacts from projects that aren’t even approved yet but could be approved sometime in the future. The Board of Directors are making the appropriate findings for an Addendum and doing so properly as a responsible agency of the Public Utilities Commission, being lead agency for the certification of the Environmental Impact Report.

Agenda Item 9-C (continued):

Ms. Denise Duffy, Denise Duffy & Associates, stated that the Addendum does comply with CEQA, per Section 15164 of the CEQA guidelines. A lead or responsible agency, shall prepare an Addendum to a previously certified EIR, if some minor changes or additions are necessary. Marina Coast Water District is not the lead agency, but only a responsible agency. Ms. Duffy stated that the letter submitted by Ms. Erickson stated the lead agency should be the Marina Coast Water District. In only three cases has CEQA required the responsible agency to be the lead agency, and it does not apply in this case. Ms. Duffy commented that contained within the Addendum of the document, the whole action is identified and analysis of what could occur with the site.

Mr. Lowrey said that Ms. Erickson earlier requested to include the presentation given earlier as part of this record. He advised that it would not be appropriate as the Board of Directors is not considering that item or the adoption of it. They are to consider the acquisition under this item, and the record for this item is contained in the pages of the document and the information received by the Board of Directors. That is the record that should be considered under this item.

Vice President Lee made a motion to 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. Director Gustafson seconded the motion. The motion was passed.

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

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

Ms. Premutati introduced this item. Director Burns commented that the budget includes \$50,000 for an accounting position and asked if that budget would go away with the hire of a Director of Administrative Services. Ms. Premutati answered that it would. Director Burns asked if the salary fits within the proposed rate increase of 7.8%. Mr. Heitzman answered that it would.

Ms. Shriner commented that since 2007, while other agencies have experienced budget cuts and furloughs, the District has doubled the salary of the General Manager, increased other salaries, hired a Deputy General Manager, and now wants to hire a Director of Administrative Services of approximately \$100,000. Some might be alarmed at this kind of increase to executive salaries.

Agenda Item 9-D (continued):

Vice President Lee made a motion to adopt Resolution No. 2010-19 approving the hire of a Director of Administrative Services. Director Gustafson seconded the motion. The motion was passed.

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

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

Mr. Suresh Prasad, Director of Finance, introduced this item. He suggested scheduling a budget workshop to go over the budget in detail. The Board of Directors selected March 24<sup>th</sup> or 31<sup>st</sup> depending on which date works best for Director Moore, to begin at 6:00 p.m.

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

Ms. Premutati introduced this item. President Nishi voiced his concern that two of the three facilitators, CSA and Hardenstein did not give previous work experience or references and didn't say if they had done work with Public Agencies before. President Nishi stated the third facilitator, The Ingram Group, had a higher price which could be because Ms. Ingram had done Strategic Planning with the District before and it required a lot of time and effort on her part. President Nishi said that the Board is comprised of different members who have a better rapport with each other than the last time Ms. Ingram facilitated. Director Burns asked if a facilitator was needed to find what the actual goals are, or, is a facilitator needed to team-build with the Directors. Could the Board of Directors do some of this on their own? President Nishi said that Ms. Ingram had more hours included in her proposal than the other facilitators which resulted in the higher proposal. He added that he would like to have Ms. Ingram facilitate, but would like staff to talk with her about adjusting the proposal to a more reasonable cost. Mr. Heitzman commented that the cost would depend on the Board of Directors and how much time they take talking with the facilitator.

Director Gustafson made a motion to have staff talk to Ms. Candace Ingram regarding revising her proposal and selecting her to facilitate the 2010 Strategic Planning Session. Vice President Lee seconded the motion. With a vote of 4-Ayes, 0-Noes, 1-Absent, the motion was passed.



10. Staff Reports:

A. Receive Update on Landscape Incentive Program:

Mr. Rich Youngblood, Conservation Coordinator, introduced this item and clarified that contractors, as referred to in the staff report, is incorrect. It should be noted that the term should have been someone “other than the owners”.

11. Discussion:

A. Discuss Rates, Fees and Capacity Charges:

Mr. Heitzman introduced this item. He stated that staff wanted to prepare the Board of Directors that the time is coming up to start discussing rates, fees and capacity charges, up to and including a possible rate increase.

B. Discuss Master Meter Water Usage Tier Charges:

Mr. Heitzman commented that staff has been asked to postpone this item until next meeting. As an update, Mr. Heitzman said the concern is that mobile home and condominium owners, because of a master meter, end up paying at the second or third tier no matter how conservative they are. This item will be returned to the next meeting for further information and discussion.

Ms. Gretchen Faus, Park Marina Condos, stated that they wish to maximize their water conservation as well as minimize their costs.

Mr. Heitzman commented that there are grants that could be available to help install individual meters at these locations. Staff has been encouraged to think outside of the box and see what can be done for these types of homes.

12. Informational Items:

A. General Manager’s Report:

Mr. Heitzman commented that he has been attending the dispute resolution process at the CPUC in San Francisco. He is very happy to report that the dispute resolution process has been concluded.

B. District Engineer’s Report:

Mr. Niizawa commented he had nothing to report.

C. Counsel's Report:

Mr. Lowery stated he had nothing to report.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee commented that the Water Conservation Commission is keeping abreast of things.

2. Joint City-District Committee:

President Nishi stated the next meeting is scheduled for April 29, 2010.

3. MRWPCA Board Member:

President Nishi commented that the meeting was boiler-plate.

4. LAFCO Liaison:

Director Moore stated that he had nothing to report.

5. JPIA Liaison:

No comments.

6. FORA:

President Nishi stated the meeting was boiler-plate.

7. Executive Committee:

No meeting was held.

8. Community Outreach:

Director Gustafson commented there the District just celebrated its 50 year anniversary and there would be an article regarding it in the local papers.

9. Special Districts Association Liaison:

Director Gustafson commented that the next meeting is April 22, 2010.

E. Director's Comments:

Director Burns commented that Ms. Shriner's comment that the General Manager's salary doubled since 2007 was incorrect. By his math, the General Manager either got a 16 or 24% increase. He added that by hiring the Deputy General Manager/District Engineer, the District combined two positions into one and saved money. Director Burns suggested that instead of being so critical of his salary, Ms. Shriner should applaud Mr. Heitzman for bringing such a magnanimous project to the residents of Marina at basically no cost.

Director Gustafson commented that the District is lucky to have our staff and a premiere project providing hundreds of jobs.

President Nishi apologized for the meeting running so late. He added that regarding the newsletter approved in the consent calendar, he wanted to have a comment corrected about drilling three deep wells. President Nishi invited everyone to enjoy a piece of anniversary cake.

13. Correspondence:

No comments.

14. Adjournment:

The meeting was adjourned at 9:11 p.m.

APPROVED:

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Kenneth K. Nishi, President

ATTEST:

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Jim Heitzman, General Manager

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-F

Meeting Date: April 13, 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 25, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of March 25, 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 25, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the March 25, 2010 special Board meeting.

Action Required: \_\_\_\_\_ Resolution      X   Motion    \_\_\_\_\_ Review

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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 25, 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 25, 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  
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 (Subdivision (a) of Government Code Section 54956.9)

Conference with Legal Counsel -- Existing Litigation

Name of case: 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."

D. 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

The Board reconvened to open session at 8:00 p.m.

6. Possible Action on Closed Session Item:

Mr. Lloyd Lowrey, Legal Counsel, stated that no action was taken in closed session and instruction was given to Legal Counsel and the negotiators. The Board set additional special meeting dates of March 30, 2010 at 6:30 p.m. to discuss closed session item B, Seaside Agreement; and, Monday, April 5, 2010 to discuss closed session item A, Water Purchase Agreement and Settlement. The next regularly scheduled Board meeting is April 13, 2010.

7. Director's Comments:

President Nishi thanked the Board for attending all these special meetings especially since there is a lot going on.

8. Adjournment:

The meeting was adjourned at 8:02 p.m.

APPROVED:

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Kenneth K. Nishi, President

ATTEST:

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Jim Heitzman, General Manager

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: April 13, 2010

Submitted By: Rich Youngblood

Presented By: Rich Youngblood

Reviewed By: Carl Niizawa

Agenda Title: Consider Appointment to the Water Conservation Commission

Detailed Description: The Water Conservation Commission is authorized nine positions, eight are presently filled. The one vacant position is for a public member. Mr. Jim Felton, Mr. Steven Reeves, and, Mr. Michael Minafo, all residents of Marina, have each submitted an application for appointment. The public positions are appointed for a term of two years.

Board of Directors Member (1): Bill Lee, Dan Burns (alternate)

City of Marina Council Member (1): Jim Ford

Public Members (5):  
Dan Amadeo  
Bob Drake  
Nathan Chaney  
Richard Newhouse  
Vacant (1)

Army Member (1): Dennis Oaks

CSUMB Member (1) Bob Brown

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Water Conservation Commission reviewed Mr. Felton's application at the April 1, 2010 meeting and recommended Board approval. Mr. Reeves and Mr. Minafo's applications were received after the Water Conservation Commission meeting.

Board Goals/Objectives: *2007 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: None.

Material Included for Information/Consideration: Applications for appointment to the Water Conservation Commission by Jim Felton, Steven Reeves, and Michael Minafo.





Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: April 13, 2010

Submitted By: Carl Niizawa  
Reviewed By: Jim Heitzman

Presented By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-21 for a Professional Services Agreement with Denise Duffy and Associates for Environmental/Biological Services for the Eastern Distribution System Project

Detailed Description: The Board of Directors is requested to approve selection of a professional consultant for the Eastern Distribution System Project (EDS Project) and to authorize the General Manager and/or the Deputy General Manager/District Engineer to sign a professional services agreement with Denise Duffy and Associates for Environmental/Biological Services during the Construction Phase of the EDS Project.

MCWD Procedure No. A-1 requires that State and/or Federal Grant Project regulation requirements be followed for procurement of any consultants for which grant funding is sought. The EDS Project is partially funded with a Proposition 50 State Water Resources Control Board (SWRCB) grant; the MCWD is a sub-grantee to the Monterey County Water Resources Agency (MCWRA) for the Proposition 50 funds. Staff complied with selection procedures to ensure compliance with this requirement.

For selecting a professional consultant to provide the environmental/biological services, staff followed the key steps summarized below:

1 – Prepared six rating criteria for evaluating the proposals based on receiving a maximum of 300 points from a three person rating panel. The rating criteria included:

- Consultant location relative to Monterey County;
- Previous experience with public agencies;
- Previous relevant experience on water supply projects;
- Experience and knowledge of coastal marine terra ecology;
- Proposal quality and content; and
- Experience with regulatory agencies

2 - Mailed out thirty two Requests for Proposals/Requests for Qualifications (RFP/RFQ) with a fourteen day submittal timeframe to addresses staff obtained from the Association of Environmental Professionals Advertisers List, the Google Lists of Environmental, Ecological, and Biological Consultants for Northern California, and known consultants that provide biological/environmental services in the Marina area.

3 - Posted the RFP/RFQ on the MCWD Website and E-Bidboard.

4 - Received two proposals, one from Denise Duffy and Associates (DDA) and one from EMC Planning Group (EMC). Also received six Statements of Qualifications, including DDA and EMC.

5 – Evaluated the two proposals using a three person panel applying the rating criteria.

The results of the evaluation are that DDA received 275 points out of the 300 possible points and EMC received 250 points. While both consultants were qualified, DDA is the most qualified firm based on DDA's proposal being the most consistent with the RFP, having the most directly related experience, clearly identifying appropriate deliverables, and performing all the field work using DDA staff rather than sub-contracting the critical field work to another company.

In addition to being the most qualified, DDA's proposed cost was \$9,969 which is almost less than half the cost of the EMC proposal.

Environmental Review Compliance: None required.

Prior Committee or Board Action:

- Resolution No. 2003-16, the Board approved MCWD Project Procedures Manual Procedure No. A-1 Consultant Procurement Policy and Procedure.
- Resolution No. 2006-81, the Board authorized a Professional Services Agreement with Denise Duffy and Associates to prepare CEQA documentation services for Well No. 33 and Phase One of the Eastern Distribution System (EDS) Project.
- Resolution No. 2007-44, the Board authorized a Professional Services Agreement with Martin Feeney hydrogeologic services for Well 32 replacement.
- Resolution No. 2009-11, the Board adopted the Well No. 32 Replacement/EDS Project Initial Study/Mitigated Negative Declaration CEQA document.
- Resolution No. 2009-12, the Board approved the Project.
- Resolution 2010-07, the Board authorized signature of a license agreement with the County of Monterey and UCP-East Garrison, LLC for use of the North Drainage Basin.
- Resolution 2010-08, the Board authorized signature of a license agreement with University of California for construction mobilization area.

Board Goals/Objectives: *2007/2008 Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.*

Financial Impact:   X   Yes             No

Funding Source/Recap: The cost of \$11,000 for obtaining the agreements will be assigned to the design and construction tasks for the project that appears in the approved FY 2009/2010 Budget as CIP Nos. OW-116 and OW-0170 with a value of \$500,000 and \$1,287,000, respectively.



Resolution No. 2010-21  
Resolution of the Board of Directors  
Marina Coast Water District  
Authorize a Professional Services Agreement with Denise Duffy and Associates for  
Environmental/Biological Services of the Eastern Distribution System Project

April 13, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 13, 2010, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the proposed Well 32 Replacement/Eastern Distribution System Project (hereafter, the “Project”) contains components that are part of the MCWD CIP and identified within the 2006 Master Plan; and,

WHEREAS, the Project has the following objectives: (1) improve the system’s capacity and distribution facilities by adding redundancy and increasing peak day capacity to meet the projected future, long-term water supply demands of the MCWD’s Central Marina and Ord Community service areas; (2) decrease use of existing coastal MCWD-owned wells in an attempt to improve existing sea water intrusion conditions in the shallow coastal aquifer; (3) comply with current California Department of Public Health (DPH) and Monterey County Environmental Health Department regulations for potable water distribution systems; and (4) comply with California and Monterey County Water Resources Agency requirements for abandonment and deconstruction of existing wells and construction of new wells; and,

WHEREAS, the Salinas Valley Integrated Water Management Plan was approved on March 20, 2007 to receive Proposition 50 funds from the State Water Resources Control Board and is expected to reimburse a portion of the District costs for replacement wells from the pressure zone; and,

WHEREAS, in Resolution No. 2009-12, this Board approved the Well 32 Replacement/Eastern Distribution System Project, and this Board determined to carry out the Project as described in Chapter 2 of the Draft IS/MND, authorized and directed the General Manager to undertake all administrative actions necessary to carry out the Project including but not limited to procuring final design plans and obtaining all necessary governmental permits, and that the carrying out of the Project is subject to all current, applicable agreements and memorandums of understanding by and among interested parties, regarding design, ownership, construction, financing and operation of the Project; and,

WHEREAS, the District routinely requires procurement of professional services to develop technical reports, studies, plans and specifications, or provide technical assistance and expertise; and,

WHEREAS, the District requires service to our customers and all engineering and environmental work products to meet the highest standards of professional excellence; and,

WHEREAS, in Resolution No. 2003-16, this Board adopted the MCWD Project Procedures Manual Procedure No. A-1, which is the policy that provides the process to be followed by the District when selecting consultants; and,

WHEREAS, MCWD staff conducted the professional selection process in accordance with the MCWD Project Procedures Manual Procedure No. A-1 and determined Denise Duffy and Associates to be most qualified firm to conduct the Mitigation Monitoring and Reporting Program biological services for the Construction Phase of the Well No. 32 Replacement as part of the Eastern Distribution System Project.

NOW, THEREFORE, BE IT RESOLVED THAT, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager and/or Deputy General Manager to execute a Professional Services Agreement with Denise Duffy and Associates to provide environmental/biological services as professional consultants for the Eastern Distribution System Project and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution, the total dollar amount not-to-exceed \$11,000.

PASSED AND ADOPTED on April 13, 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. 2010-21, adopted April 13, 2010.

\_\_\_\_\_  
Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: April 13, 2010

Submitted By: Brian True

Presented By: Brian True

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-22 to Authorize a Professional Services Agreement with Harris & Associates for Engineering Services Related to Inspection Practices, Inspection Training, and On-Call Inspections

Detailed Description: The Board of Directors is requested to authorize a Professional Services Agreement with Harris & Associates for engineering services related to inspection practices and training.

The Professional Services Agreement (PSA) with Harris & Associates is more specifically described as providing on-call project management support with a focus on evaluating the inspection practices of the District, training in-house inspection personnel, and providing inspection services as requested. Specific project deliverables include an on-site review of inspection documentation and the District's Inspection Manual, an Inspection Evaluation Report, and an 8-hour inspection training event conducted over multiple days.

The work within this PSA will be performed and invoiced on a time and expense basis, for the not-to-exceed amount of \$50,000. Of that amount, 170-hours of labor equivalent to roughly \$30,000 is planned scope (i.e. tasks that yield a specific deliverable) while the remaining \$20,000 stands in reserve for on-call inspection tasks in anticipation of increased District inspection needs during the active construction season (Spring, Summer, and Fall of 2010). Since the contract is on a time and expense basis, there is an opportunity to not use all the available Harris labor resources with no negative repercussions to the District.

Harris & Associates is uniquely qualified to provide services of this nature to MCWD because of their long association with local jurisdictions (e.g. City of Marina) in similar capacities. Their familiarity with local jurisdiction's building processes will provide exceptional insight regarding the integration of MCWD building practices within the local jurisdiction's processes. Harris & Associates' charge rates are comparable to other engineering firms providing services to the District and are competitive based on general industry-wide standards. Also, Harris & Associates maintains an office within Marina, with several assigned project personnel present locally.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007/2008 Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of*



Resolution No. 2010-22  
Resolution of the Board of Directors  
Marina Coast Water District  
Authorizing a Professional Services Agreement with Harris & Associates for  
Engineering Services for Related to Inspection Practices,  
Inspection Training, and On-Call Inspections

April 13, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 13, 2010, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the District seeks to provide and improve the water and sewer service within Central Marina and the Ord Community by conducting construction inspection services to District customers and this is consistent with the Goals and objectives stated in the District’s 2007/2008 Strategic Plan; and,

WHEREAS, the District Board adopted the FY 2009/2010 Budget for the Engineering Department that includes a \$120,000 line-item for Engineering Consultants, of which \$65,916 remains unencumbered as of April 7, 2010; and,

WHEREAS, Harris & Associates has a long association with local jurisdictions in similar capacities, their familiarity with local jurisdiction’s building processes will facilitate the integration of MCWD building practices within the local jurisdiction’s processes, their charge rates are comparable to other engineering firms providing services to the District and are competitive based on general industry-wide standards, and Harris & Associates maintains a local office.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager and/or Deputy General Manager to execute a Professional Services Agreement with Harris & Associates for engineering services related to inspection practices, inspection training, and on-call inspections and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution, the total dollar amount not-to-exceed \$50,000.

PASSED AND ADOPTED on April 13, 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 \_\_\_\_\_



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Kenneth K. Nishi, President

ATTEST:

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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. 2010-22 adopted April 13, 2010.

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Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: April 13, 2010

Submitted By: Jean Premutati

Presented By: Jean Premutati

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-23 to Approve the Marina Coast Water District Employee Handbook

Detailed Description: The Board of Directors received the draft Marina Coast Water District Employee Handbook for review on February 9, 2010. Comments and suggestions from the Board and District Legal Council have been received and incorporated into the redlined final draft.

The Handbook, if approved, is now legally up-to-date and intended to be a user-friendly source of general information about the District, compensation, benefits, policies, and state and federal laws. The Handbook does not replace the current MOU's in place with the Employees Association or the General Teamsters Union, Local 890; however, if approved, there are several new or enhanced policies that become effective and will be implemented. These are:

1. Section 5.1 – Performance Improvement Plans (PIP)
2. Section 8.5 – Certification Incentive Bonus
3. Section 8.6 – Certification Pay
4. Section 11.1-Family Medical Leave Act (FMLA/California Family Rights Act (CFRA)
5. Section 11.12- Domestic Violence and Sexual Assault Leave
6. Section 11.13 - Victims of Crime Leave
7. Section 11.16 - Volunteer Firefighter and Peace Officer Leave
8. Section 11.18 - Terminal Leave
9. Section 14 – Employee Service Awards
10. Section 17 - Request for Reasonable Accommodation – Interactive Process
11. Section 19.0 – Social Events
12. Section 19.1 – Lactation Accommodation
13. Section 19.2 - Anti-Fraud
14. Section 19.3 – Falsification of Records

District staff is committed to more frequent reviews of the Handbook and ensure amendments and revisions will occur in a timely manner.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007 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 Resource/Recap: All cost centers.

Material Included for Information/Consideration: Resolution No. 2010-23 and a Copy of the Final Draft Employee Handbook (provided separately).

Staff Recommendation: Adopt Resolution No. 2010-23 to Approve the Marina Coast Water District Employee Handbook.

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

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Board Action

\_\_\_\_\_ Resolution No \_\_\_\_\_ Motion By \_\_\_\_\_ Secoded By \_\_\_\_\_

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

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

Reagendized \_\_\_\_\_ Date \_\_\_\_\_ No Action Taken \_\_\_\_\_

Resolution No. 2010-23  
Resolution of the Board of Directors  
Marina Coast Water District  
Approve the Marina Coast Water District Employee Handbook

April 13, 2010

RESOLVED by the Board of Directors (“Board”), of the Marina Coast Water District (“District”), at the regular meeting duly called and held on April 13, 2010, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the Employee Handbook is designed to be a user-friendly source of general information especially useful to new hires and current staff about the District, compensation, benefits, policies, and state and federal laws; and,

WHEREAS, the Employee Handbook is not a replacement for the 2009/2010 MOU with the Marina Coast Water District Employees Association (MCWDEA) or the General Teamsters Union, Local 890, nor is the Handbook in conflict with the terms of the MOU’s; and,

WHEREAS the Employee Handbook contains new and enhanced policies that would be implemented if the Board approves the Handbook. These new policies are:

1. Section 5.1 – Performance Improvement Plans (PIP).
2. Section 8.5 – Certification Incentive Bonus.
3. Section 8.6 – Certification Pay.
4. Section 11.1-Family Medical Leave Act (FMLA/California Family Rights Act (CFRA)
5. Section 11.12- Domestic Violence and Sexual Assault Leave.
6. Section 11.13 - Victims of Crime Leave.
7. Section 11.16 - Volunteer Firefighter and Peace Officer Leave.
8. Section 11.18 - Terminal Leave.
9. Section 14 – Employee Service Awards
10. Section 17 - Request for Reasonable Accommodation – Interactive Process.
11. Section 19.0 – Social Events
12. Section 19.1 – Lactation Accommodation
13. Section 19.2 - Anti-Fraud
14. Section 19.3 – Falsification of Records

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the Employee Handbook and the new policies.

PASSED AND ADOPTED on April 13, 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. 2010-23 adopted April 13, 2010.

\_\_\_\_\_  
Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-E

Meeting Date: April 13, 2010

Submitted By: Jean Premutati

Presented By: Jean Premutati

Reviewed By: Carl Niizawa

Agenda Title: Receive and Accept the 2010 Marina Coast Water District Draft Salary Survey

Detailed Description: In 2003, a total compensation and classification study was completed. As a result, job classes and descriptions were updated and a compensation plan was executed which properly reflected the duties and responsibilities of the District's services at the time. Since then, modifications were made to the organizational chart that impact reporting relationships, new technology, programs, and workloads have been implemented, and there are newly created or revised job classifications in effect. These factors establish a foundation for evaluation of the overall compensation plan for compatibility in the labor market and ensure the District's competitiveness in regards to future succession planning, development, and recruitment and retention.

The current Memorandums of Understanding (MOU's) between the Marina Coast Water District Employees Association (MCWDEA) and the General Teamsters Union, Local 890, specify that District staff will conduct, by March 1, 2010, a survey of classifications and salaries to ensure employees are recognized for the level and scope of work performed and to take into account expanded duties, newly acquired skills, and increased certification and licensing requirements.

The 2010 Marina Coast Water District (MCWD) Salary Survey was conducted over the course of the past several months and is submitted for your receipt and acceptance in Final Draft form as information only. Data for the survey was considered from the 2010 Association of California Water Agencies (ACWA) Salary Survey and available external labor market information of similar public sector water/wastewater entities based on organizational type and structure and scope of services provided. A total of fourteen (14) entities were surveyed and include twenty-two (22) classifications. Like comparisons were not always available, and, in some instances, job titles are not an exact match, but have been included due to similar education and prior experience requirements, critical knowledge, skills and abilities to perform the work, the scope and complexity of the work, as well as supervisory or managerial responsibilities, and licenses or certifications required to perform the work.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2007 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 Resource/Recap: N/A

Material Included for Information/Consideration: Draft 2010 MCWD Salary Survey.

Staff Recommendation: The Board of Directors receive and accept the 2010 MCWD Draft Salary Survey.

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

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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: 9-F

Meeting Date: April 13, 2010

Submitted By: Lloyd Lowrey  
Reviewed By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title:

Reconsider the Vote on Adoption of Resolution No. 2010-20

The President of the Board will entertain a motion to reconsider the vote on Resolution No. 2010-20.

- Resolution No. 2010-20 contains Findings, with a Statement of Overriding Considerations and adoption of mitigation measures identified and proposed in the Final EIR as certified by the CPUC on December 17, 2009, in Decision D.09-12-017, 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, and based thereon.
- Resolution No. 2010-20 conditionally approves MCWD's participation in the Regional Desalination Project pursuant to
  - a Water Purchase Agreement between Marina Coast Water District, California American Water Company, and Monterey County Water Resources Agency,
  - a related Settlement Agreement between MCWD, MCWRA, CAW and various other interested parties to settle California Public Utilities Commission Proceeding A.04-09-019, "In the Matter of the Application of California-American Water Company (U 210 W) 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."
- Resolution No. 2010-20 authorizes the President and the General Manager and Secretary to execute the Water Purchase Agreement and the Settlement Agreement pursuant to the resolution and conditional approval.
- Resolution No. 2010-20 directs the General Manager and staff to take all other actions that may be necessary to effectuate and implement the resolution and conditional project approval.

In considering a Motion to Reconsider, the Board will review and consider the Final EIR and the Addendum released by the CPUC's consultant on March 24, 2010, and will entertain and consider comments from the public together with such other information as may be presented at the meeting.

Recommended Actions: District Counsel recommends that the Directors take the following actions:



1. Move the reconsideration of Resolution No. 2010-20, as follows: “I move to reconsider the vote on Resolution No. 2010-20. I voted for the resolution.”
2. Review Resolution No. 2010-20 and attached Findings, including a Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Plan attached to the Findings.
3. 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.
4. Receive public comment and such other information as may be presented for the reconsideration of Resolution No. 2010-20.
5. Discuss the motion for reconsideration and the substance of Resolution No. 2010-20.
6. Vote on whether to reconsider Resolution No. 2010-20.

Detailed Description: The Board adopted Resolution No. 2010-20 at the Board’s special meeting held on April 5, 2010. At the meeting, the Board received a letter submitted on behalf of the Ag Land Trust that claimed the Agenda for the April 5, meeting violated by Brown Act by failing to adequately state the actions that would be taken under Agenda Item 5-A by adopting Resolution No. 2010-20. District Counsel disagreed and continues to disagree with the claim. Nevertheless, District Counsel recommends a Motion for Reconsideration to avoid a dispute over the Brown Act issue and to provide an additional opportunity for interested persons to present their views to the MCWD Board on the substance of Resolution No. 2010-20.

A motion to reconsider suspends all action that depends on the result of the vote proposed to be reconsidered, until the Board takes up the motion. Under Section 38 of the Board’s Procedure Manual adopted in 2007, a motion for reconsideration may be made at the meeting following the meeting at which the Board adopted the item being reconsidered, if it is timely placed on the agenda. Therefore, a motion for reconsideration is proper at the April 13 meeting and Resolution No. 2010-20 will be suspended during the Board’s consideration of the motion.

If the motion to Reconsider is voted on and lost, the vote which it proposed to reconsider, and any action authorized by the resolution being considered, comes into full force, effective from the time the first vote was taken. (Robert’s Rules of Order Newly Revised, 9<sup>th</sup> Ed., 1990, p.316). If the motion to Reconsider is adopted, the question of whether to adopt Resolution No. 2010-20 will be before the Board again in the exact position it occupied the moment before it was voted on originally.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board adopted Resolution No. 2010-20 on April 5, 2010, and has previously adopted Resolution Nos. 2009-18 and 2009-19 approving District participation in the Coastal Water Project/Regional Project CPUC proceedings and appropriating funds for District participation. The Board authorized a Reimbursement Agreement with California American Water Company on February 24, 2010, by Resolution No. 2010-12.

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

Resolution No. 2010-20 conditionally obligates and benefits MCWD as set forth in the Water Purchase Agreement and the Settlement Agreement.

Funding Source/Recap: 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. Revenue will come from grants and the charges for water produced by the Regional Desalination Project.

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

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

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Board Action

Resolution No  Motion By  Seconded By

Ayes  Abstained

Noes  Absent

Reagendized  Date  No Action Taken

Resolution No. 2010-20  
Resolution of the Board of Directors  
Marina Coast Water District  
Adopting Findings and Mitigation Monitoring and Reporting Plan, and  
Conditionally Approving Regional Desalination Project

April 5, 2010

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“MCWD”), at a special meeting duly called and held on April 5, 2010, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the Directors find as follows:

AUTHORITY

1. 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.

PURPOSE

2. By conditionally approving MCWD’s participation in a Regional Desalination Project through a Water Purchase Agreement by and among MCWD, the Monterey County Water Resources Agency (“MCWRA”) and California American Water Company (“CAW”), and a Settlement Agreement between MCWD, MCWRA, CAW and various other interested parties in California Public Utilities Commission (“CPUC”) Proceeding A.04-09-019, the Directors intend to augment urban water supplies for the region, including MCWD’s service area, through a fiscally and environmental responsible project.

BACKGROUND

3. MCWD. MCWD provides water service within a service area that includes the City of Marina, lands in the vicinity of the City of Marina, and the former Fort Ord.

3.1 MCWD acts on behalf of persons served within the MCWD service area to furnish water for beneficial use, to protect the groundwater underlying MCWD, and to conserve the water supply for future as well as present use.

3.2 MCWD has a history and a policy of cooperating with other regional agencies to augment and protect water supplies and to address regional environmental issues.

4. MCWRA. MCWRA’s jurisdictional boundaries are coextensive with the external boundaries of the County of Monterey, and within those boundaries, MCWRA is responsible under the Monterey County Water Resources Agency Act, among other things, to increase, and prevent the waste or diminution of the water supply, including the control of groundwater

extractions as required to prevent or deter the loss of usable groundwater through intrusion of seawater and the replacement of groundwater so controlled through the development and distribution of a substitute surface supply, and to prohibit groundwater exportation from the Salinas Basin.

5. CAW. California American Water Company is a regulated public utility providing water service in California under the jurisdiction of the CPUC. CAW provides water service in various areas within California, including a service area on the Monterey Peninsula adjacent to MCWD service area and within the jurisdiction of MCWRA.

6. Application 04-09-019. On September 20, 2004, CAW filed Application No. 04-09-019 seeking approval of the Coastal Water Project (as defined in Application 04-09-019) from the California Public Utilities Commission (“CPUC”). Application No. 04-09-019 was amended on July 14, 2005, and the application remains pending before the CPUC.

6.1 Application A.04-09-019 requests the issuance of a Certificate of Public Convenience and Necessity (“CPCN”) to construct and operate a desalination project, the “Coastal Water Project,” to provide water for CAW’s service area on the Monterey Peninsula.

6.2 MCWD, MCWRA and CAW are active parties in the CPUC proceedings for Application No. 04-09-019. The CPUC proceedings are hereinafter referred to as “A. 04-09-019”.

7. Water Purchase Agreement. The proposed Water Purchase Agreement by and among MCWD, MCWRA and CAW concerns the regional desalination water supply project element of “Phase I of the Regional Project” as described in the CPUC’s Final EIR for the Coastal Water Project, described in section 8 of these findings. This project is referred to in the Water Purchase Agreement and hereafter in this resolution as the “Regional Desalination Project.”

7.1 The Water Purchase Agreement, to which CAW, MCWD, and MCWRA would be parties, sets forth terms under which the Regional Desalination Project could be implemented.

7.2 Under the Water Purchase Agreement, MCWRA would construct, own, and operate a series of wells that would extract brackish water and a portion of the pipeline and appurtenant facilities (collectively, “Intake Facilities”) that would convey the brackish water to a desalination plant and related facilities that would be owned and operated by MCWD (collectively, “MCWD Facilities”).

7.3 The MCWD Facilities would include a pipeline and connection to discharge brine from the desalination plant to connect to the regional outfall facilities owned and operated by the Monterey Regional Water Pollution Control Agency (“MRWPCA”), pursuant to an “Outfall Agreement” dated January 20, 2010, between MCWD and MRWPCA.

7.4 The Water Purchase Agreement would be attached to a settlement agreement for A.04-09-019.

8. Settlement Agreement. On November 5, 2009, the CPUC ordered that its A.04-09-019 proceedings be held in temporary abeyance so that the parties could devote their resources to settlement discussions.

8.1 Certain parties to the CPUC proceedings, including CAW, MCWD, and MCWRA (collectively, the “Settling Parties”), have prepared a “Settlement Agreement” which provides for settlement of the CPUC proceeding pursuant to the terms of the Water Purchase Agreement.

8.2 In order for the Regional Desalination Project to proceed pursuant to the Water Purchase Agreement, the CPUC must approve a settlement on such terms and issue CAW a CPCN to construct and operate the CAW facilities that are part of the Regional Desalination Project.

8.3 Pursuant to Article 12 of the CPUC’s Rules of Practice and Procedure, the Settling Parties must present the Settlement Agreement, the Water Purchase Agreement, and any other related agreements to the CPUC for approval by means of a Motion to Approve Settlement.

8.4 Upon motion by the Settling Parties, the CPUC can approve the proposed settlement, disapprove the proposed settlement, or disapprove the proposed settlement with suggested revisions.

8.5 If the CPUC disapproves the proposed settlement with suggested revisions, the Settling Parties would have the opportunity to accept the CPUC’s suggested revisions, at which point the CPUC would either approve the revised version of the proposed settlement, or disapprove the revised proposed settlement and reinitiate its A.04-09-019 proceedings.

8.6 If the CPUC approves the proposed settlement or approves a revised version of the proposed settlement, the CPUC will issue a decision approving the settlement and issuing the CPCN to CAW.

8.7 The CPUC’s decision approving settlement and issuing the CPCN would constitute the lead agency’s approval of the Regional Desalination Project under CEQA.

8.8 MCWD intends to jointly file a motion with the Settling Parties for the CPUC to approve the Settlement Agreement, Water Purchase Agreement, and any other related agreements.

8.9 In order to request CPUC approval of the Settlement Agreement, MCWD intends to execute the Settlement Agreement and Water Purchase Agreement, in conjunction with MCWRA and CAW, contingent on final approval of the CPUC (“Conditional Project Approval”).

8.10 If the CPUC approves the settlement proposal, MCWD intends that the contingency will be satisfied, the condition to final approval will be removed, MCWD’s action will become final, and the Water Purchase Agreement and Settlement Agreement will become effective upon approval by the CPUC.

8.11 If the CPUC disapproves the settlement proposal with revisions, MCWD intends to evaluate the proposed revisions and, if acceptable, jointly file a second motion with the Settling Parties for approval of the revised settlement proposal, following reconsideration and review of the Final EIR and re-adoption of findings and mitigation measures (“Second Conditional Project Approval”).

8.12 If the CPUC approves the settlement proposal with revisions, MCWD intends to reaffirm its Second Conditional Project Approval following reconsideration and review of the Final EIR and re-adoption of findings and mitigation measures.

### CEQA COMPLIANCE

9. In Decision D.03-09-022, the CPUC designated itself as the lead agency for environmental review of the Coastal Water Project under CEQA.

9.1 On January 30, 2009, the CPUC, acting as Lead Agency under CEQA in A.04-09-019, issued a Draft Environmental Impact Report (“DEIR,” State Clearinghouse No. 200610104) analyzing the potential environmental impacts of a project designated the “Coastal Water Project” and alternatives to it. The CPUC duly received and analyzed extensive public comment on the DEIR. MCWD, MCWRA, and CAW provided comments on the DEIR.

9.2 On December 17, 2009, in Decision No. 09-12-017 which was issued in Application 04-09-019, the CPUC, as Lead Agency, duly certified a Final Environmental Impact Report which includes a description and analyzes the environmental impacts of an alternative project variously referred to in that Final Environmental Impact Report as the "Regional Alternative" and the "Regional Project" and "Phase I of the Regional Project." The principal element of that alternative project is a regional desalination water supply project, with other smaller elements.

9.3 On March 24, 2010, an addendum to the Final EIR (“Addendum”) was released, which responds to comment letters that had been inadvertently omitted from the Final EIR and includes an errata to the Final EIR. The term “Final EIR” as used in this resolution includes the addendum.

9.4 The Final EIR designates MCWD as a responsible agency under CEQA.

9.5 Pursuant to CEQA Guidelines Sections 15096, 15162, 15164 and 15063 and in consultation with other affected agencies and entities, MCWD, as a responsible agency for approval of the Regional Desalination Project, has reviewed and considered the Final EIR before taking action on the Water Purchase Agreement and the Settlement Agreement.

9.6 The Directors reviewed and discussed the Final EIR at a meeting on November 17, 2009, and discussed the certified Final EIR at meetings in February (excepting the Addendum) and March 2010, and during their meeting on April 5, 2010, and provided the opportunity for the public to give comments on the Final EIR during the April 5 meeting.

9.7 The Directors have reviewed and considered the Final EIR and Addendum in their entirety and the entire record of proceedings before MCWD, as defined in the Findings

attached hereto as Attachment A, and find that the Final EIR and Addendum are adequate for the purpose of approving MCWD's approval and implementation of the Regional Desalination Project pursuant to the Water Purchase Agreement and Settlement Agreement, and MCWD hereby relies upon the contents of those documents and the CEQA process for its CEQA compliance.

9.8 MCWD intends to conduct all future activities under the Water Purchase Agreement and the Settlement Agreement in accordance with the Final EIR; or, alternatively, and if needed to comply with CEQA, MCWD would amend, supplement or otherwise conduct new environmental review prior to directly or indirectly committing to undertake any specific project or action involving a physical change to the environment related to the implementation of the Regional Desalination Project pursuant to the Water Purchase Agreement and the Settlement Agreement.

9.9 The Directors have determined that the Regional Desalination Project will result in the following benefits: (1) diversify and create a reliable drought-proof water supply; (2) protect the Seaside basin for long-term reliability; (3) address CAW's obligations to find alternative water sources to reduce diversions from the Carmel River; (4) protect listed species in the riparian and aquatic habitat below San Clemente Dam; (5) protect the local economy from the effects of an uncertain water supply; and (6) minimize water rate increases by creating a diversified water supply portfolio.

9.10 At the direction of the Directors, MCWD has made written findings for each significant effect associated with the MCWD Facilities and prepared a Statement of Overriding Considerations, which explains that the benefits of the Project outweigh any significant and unavoidable impacts on the environment and has prepared a Mitigation Monitoring and Reporting Plan ("MMRP"), which includes all mitigation measures designed to substantially lessen or eliminate the adverse impact on the environment associated with construction and operation of the MCWD Facilities, as well as a plan for reporting obligations and procedures by parties responsible for implementation of the mitigation measures. A copy of the Findings and Statement of Overriding Considerations is attached to this resolution as **Attachment A**. A copy of the MMRP is attached to the Findings.

9.11 The Directors intend to approve the Findings and Statement of Overriding Considerations and the MMRP.

#### ACTION

10. By this resolution, the Directors make and adopt appropriate Findings, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Plan and 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, "In the Matter of the Application of California-American Water Company (U 210 W) 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."

GENERAL MANAGER'S RECOMMENDATION

11. MCWD's General Manager recommends that the Directors conditionally approve MCWD's participation in the Regional Desalination Project by conditionally approving the Water Purchase Agreement and Settlement Agreement for execution in the form presented to the Board in open session on April 5, 2010.

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

1. The Directors hereby 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 the Addendum that was released on March 24, 2010.
2. The Directors hereby approve and adopt the Findings attached hereto as **Attachment A**, which are incorporated herein, pursuant to CEQA Guidelines §§ 15091 and 15096(h).
3. The Directors hereby approve and adopt the Mitigation Monitoring and Reporting Plan identified in the Findings and attached to the Findings, pursuant to CEQA Guidelines § 15096(g).
4. The Directors hereby conditionally approve MCWD's participation in the Regional Desalination Project pursuant to the Water Purchase Agreement and the Settlement Agreement, contingent on final approval by the CPUC.
5. The Directors hereby 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 substantially in the form presented to the Board at the April 5, 2010, meeting, and 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.

PASSED AND ADOPTED on April 5, 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 \_\_\_\_\_



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Kenneth K. Nishi, President

ATTEST:

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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. 2010-20 adopted April 5, 2010.

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Jim Heitzman, Secretary

**ATTACHMENTS**

**A. CEQA FINDINGS  
AND  
MITIGATION MONITORING AND REPORTING PLAN**

Marina Coast Water District  
Staff Report

Agenda Item: 10-A

Meeting Date: April 13, 2010

Prepared By: Gary Rogers

Reviewed By: Carl Niizawa

Subject: Greater Monterey County Integrated Regional Water Management Plan

Summary: Eligibility for California Proposition 50 and 84 competitive grants requires that funded projects be formally listed as part area Regional Water Management Plan derived from a Regional Water Management group. Recently, a new Regional Water Management group formed for most of Monterey County and the group is in the process for development of its Regional Water Management Plan. MCWD is a member of this group and District staff is working to insure that the Regional Project and the RUWAP recycled water project are included in this plan.

In February 2008, members of the Central Coast Integrated Regional Water Management region agreed that the Salinas Valley Integrated Regional Water Management Functionally Equivalent Plan (SVFEP) should be expanded to include areas of Monterey that had not been represented in the SVFEP. As a result of this meeting, a Monterey County IRWM Planning Committee was formed in December 2008. The planning committee then formed a “Regional Water Management Group” (RWMG) to lead the effort in developing a new IRWMP which will supersede the SVFEP. This plan is called the “Greater Monterey County Integrated Regional Water Management Plan” (GM-IRWMP).

The GM-IRWMP will be a comprehensive planning document to encourage regional strategies for management of water resources. This plan will be instrumental in obtaining Proposition 84 Funding for selected projects. The District will formally request for inclusion of the “Water for Monterey County Regional Water Supply Project” (RUWAP and Desalination Projects) into the GM-IRWMP when projects are solicited by the RWMG. Currently, the RWMG is waiting for further update of the Proposition 84 Guidelines and project solicitation dates from the California Department of Water Resources.

A District representative has been attending monthly RWMG meetings and actively involved in the committee process since April 2009. The meetings and coordination have been primarily funded by the Big Sur Land Trust so no direct funding has been required from the District for its participation in the efforts. The “cost” to the District has been primarily for MCWD staff participation and some supportive services rendered by the engineering consultant RMC. A Memorandum of Understanding (MOU) has been endorsed by nearly all of the eighteen member agencies of the RWMG and is anticipated to be endorsed by the remainder of the agencies in the near future. The names of these entities, MOU, By-Laws and other valuable information can be obtained from the IRWMP website via the link - <http://ccwg.mlml.calstate.edu/irwmp>.

Currently, the RWMG is finalizing the “Goals and Objectives” of the IRWMP. Additionally, the group is developing a preliminary Project Ranking System. Both of these items are available for public review on the above-mentioned website. Presently, the target date of completing and adopting the GM-IRWMP is June 2010 but this may subject to change.

Marina Coast Water District  
Staff Report

Agenda Item: 10-B

Meeting Date: April 13, 2010

Prepared By: Gary Rogers

Presented By: Jim Heitzman

Reviewed By: Carl Niizawa

Subject: Safe, Clean and Reliable Drinking Water Supply Act of 2010

Summary: The Safe, Clean and Reliable Drinking Water Supply Act of 2010 will be presented as a general obligation bond proposal (proposition) before California voters on the November 2, 2010 state-wide ballot. If passed, this proposition will implement an \$11.14 billion general obligation bond that would provide funding for the state's water infrastructure and for projects and programs to address ecosystem and water supply issues. The bond will be comprised of seven funding categories including drought relief, water supply reliability, Delta sustainability, statewide water system operational improvement, conservation and watershed protection, groundwater protection and water quality, and water recycling and conservation.

The Central Coast Region (Monterey, San Luis Obispo, Santa Barbara and portions of Santa Cruz, Kern, San Benito, San Mateo, Santa Clara and Ventura Counties) would be eligible to receive \$58 million for Water Supply Reliability programs and projects. This region would also be qualified for a share of an additional \$350 million for local and regional conveyance projects.

The Central Coast Region would be eligible for a share of \$1 billion in funding, grants and loans for projects involving groundwater protection and water quality. Additionally, a portion of \$1.25 billion would be potentially available for water recycling and conservation that includes desalination (advanced technologies) and groundwater recharge.

If passed by California voters, this proposition will potentially provide material benefit to the MCWD for a variety capital improvement projects including the proposed RUWAP and Regional Desalination Project. Given this possible benefit, District staff recommends the support of the Safe, Clean and Reliable Drinking Water Supply Act of 2010 and subsequent state bond proposition.

If deemed appropriate by the Board, the Board may opt to direct District staff to present a board resolution that either supports, not support or takes no position regarding the above matter.

Material Included for Information: Certain portions of the California Department of Water Resources informational packet.

Marina Coast Water District  
Discussion Item

Agenda Item: 11-A

Meeting Date: April 13, 2010

Prepared By: Suresh Prasad

Reviewed By: Carl Niizawa

Subject: 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.

There are approximately 120 master meter accounts, where one water meter serves multiple dwelling units, in the District. Master meters primarily serve condominiums, apartment buildings and mobile home parks. Approximately 3,718 dwelling units are served by master meters.

The District meters and bills its customers in units of hundred cubic feet (hcf), which is equivalent to 748 gallons.

District staff has received correspondence from El Rancho Mobile Home Park suggesting the District review its rate for multi-family customers served by master meters. The El Rancho customer is suggesting that we multiply our tiered rate structure by the number of units served, which is felt by this customer to be more equitable with other users with individual meters. In this case, the development has 108 units, their first tier will be 0 hcf to (108 \* 8 =864) hcf, second tier will be 865 hcf to (108\*16=1728) hcf and the third tier will be everything over 1729 hcf. The customer did not include the 4 inch monthly meter fee in their calculation. The billing calculation using the methodology proposed by the customer with the appropriate meter charge is shown below in Table A.

**TABLE A**

Based on 800 hcf		
Units served: 108		
0-864 hcf	\$ 1.93	\$ 1,544.00
865-1728 hcf	2.35	-
1729 + hcf	4.29	-
4 inch Meter		396.57
<b>Total</b>	<b>\$</b>	<b>1,940.57</b>
Avg/Unit	\$	17.97

**TABLE B**

Based on 800 hcf		
Units served: 108		
0-8 hcf	\$ 1.93	\$ 15.44
9-16 hcf	2.35	18.80
16 + hcf	4.29	3,363.36
4 inch Meter		396.57
<b>Total</b>	<b>\$</b>	<b>3,794.17</b>
Avg/Unit	\$	35.13

**TABLE C**

Based on 800 hcf		
Units served: 108		
0-864 hcf	\$ 1.93	\$ 1,544.00
865-1728 hcf	2.35	-
1729 + hcf	4.29	-
3/4 inch Meter	15.87	1,713.96
<b>Total</b>	<b>\$</b>	<b>3,257.96</b>
Avg/Unit	\$	30.17

Table B shows using the same use quantity is the El Rancho Mobile Home Park bill calculated at the existing rates.

Table C shows that if one were to bill the master meter customer in a manner equivalent to a single family home, the tiered rate structure will be multiplied by the number of units served by the development plus the baseline ¾ inch monthly meter fee for each units served by the development.

At the facility noted above, if the water consumption reduced, the customer will actually pay more with the “equivalent” rate structure than with the existing rate structure because as the user consumption lessens, the base meter charge becomes a larger factor in the overall cost. For example, if the average water consumption falls to 500 hcf, the master meter rate user pays on average \$1.60 less per month using the existing rate structure than with a new “equivalent” rate structure.

**Current Rates**

Based on 500 hcf		
Units served: 108		
0-8 hcf	\$ 1.93	\$ 15.44
9-16 hcf	2.35	18.80
16 + hcf	4.29	2,076.36
4 inch Meter		396.57
<b>Total</b>	<b>\$</b>	<b>2,507.17</b>
<b>Avg/Unit</b>	<b>\$</b>	<b>23.21</b>

**Equivalent to Single Family Home**

Based on 500 hcf		
Units served: 108		
0-8 hcf	\$ 1.93	\$ 965.00
9-16 hcf	2.35	-
16 + hcf	4.29	-
3/4 inch Meter	15.87	1,713.96
<b>Total</b>	<b>\$</b>	<b>2,678.96</b>
<b>Avg/Unit</b>	<b>\$</b>	<b>24.81</b>

Given that many of the water users behind the District’s master meters are smaller users, it is possible that there are users who would be negatively impacted by a change to the “equivalent” rate structure.

Adjusting the rates for master meter accounts may also have an impact on the District’s overall revenues and may require rate increase for all customers to mitigate this impact. Any rate adjustments would also be subject to legal review.