



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

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DIRECTORS
KENNETH K. NISHI
President

WILLIAM LEE
Vice President

THOMAS P. MOORE
HOWARD GUSTAFSON
DAN BURNS

Agenda

Regular Board Meeting, Board of Directors Marina Coast Water District

11 Reservation Road, Marina, California
Tuesday, May 11, 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 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
- B. 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
- C. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Section 54956.9)
Ag Land Trust v. Marina Coast Water District and Does 1-100, Monterey County Superior Court Case No. M105019 (First Amended Petition for Writ of Mandate and Complaint for Declaratory Relief)

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, May 6, 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 June 8, 2010.

7:00 p.m. Reconvene Open Session

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. 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. Adopt Resolution No. 2010-25 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election Set for November 2, 2010
- B. Receive the Quarterly Financial Statements for January 1, 2010 to March 31, 2010
- C. Approve the Expenditures for the Month of April 2010
- D. Approve the Draft Minutes of the Special Board Meeting of March 30, 2010
- E. Approve the Draft Minutes of the Special Board Meeting of April 5, 2010
- F. Approve the Draft Minutes of the Regular Board Meeting of April 13, 2010

8. 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 District Position and Direct Staff to Prepare a Letter Regarding the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 and Associated State Bond Proposition in November

Action: The Board of Directors will consider directing staff to prepare a letter regarding the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 and Associated State Bond Proposition.

- B. Consider Adoption of Resolution No. 2010-26 to Amend the Professional Services Agreement with Carollo Engineers for Final Design for the Recycled Water Pipeline, Fifth Avenue Pump Station, Blackhorse Reservoir and On-Call Services for the Regional Urban Water Augmentation Project and to Amend the FY 2009/2010 Budget

Action: The Board of Directors will consider amending the Professional Services Agreement with Carollo Engineers for Final Design for the Recycled Water Pipeline, Fifth Avenue Pump Station, Blackhorse Reservoir and On-Call Services for the Regional Urban Water Augmentation Project and to Amend the FY 2009/2010 Budget.

- C. Consider Adoption of Resolution No. 2010-27 to Authorize a Professional Services Agreement with Paul Davis Partnership for the Design of the MCWD Imjin Office Park Building and to Amend the FY 2009/2010 Budget

Action: The Board of Directors will consider authorizing a Professional Services Agreement with Paul Davis Partnership for the Design, Permitting, and LEED Certification of the MCWD's Building I within the Imjin Office Park Development.

- D. Consider First Reading of Ordinance 52 Approving New District Rates, Fees & Charges for Marina Water and Wastewater and Approve Prop. 218 Public Notice and Set Date, Time and Location for Public Hearings for Proposed Changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas

Action: The Board of Directors will consider a First Reading of Ordinance 52 approving new District rates, fees & charges for Marina Water and Wastewater and approve Prop. 218 Public Notice and set date, time and location for Public Hearings for proposed changes in rates, fees, and charges for Marina and Ord Community Service Areas.

9. Staff Reports

Receive Staff Reports on:

- A. 1st Quarter 2010 Ord Community Water Consumption and Sewer Flows Report
- B. Regarding the Disposition of MCWD's Beach Intake Well
- C. Advertisement of Contractor Bid Package for the Demolition of Well 32 Site Structure and Appurtenances

10. Workshop

- A. Ord Community Ad Hoc Recommendation Discussion – Part V

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

A. General Manager's Report

B. District Engineer's Report

C. Counsel's Report

D. Committee and Board Liaison Reports

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

E. Director's Comments

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

*Regular Meeting: Tuesday, June 8, 2010, 6:45 p.m.,
11 Reservation Road, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7

Meeting Date: May 11, 2010

Submitted By: Paula Riso

Reviewed By: Carl Niizawa

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of: A) Adopt Resolution No. 2010-25 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election Set for November 2, 2010; B) Receive the Quarterly Financial Statements for January 1, 2010 to March 31, 2010; C) Approve the Expenditures for the Month of April 2010; D) Approve the Draft Minutes of the Special Board Meeting of March 30, 2010; E) Approve the Draft Minutes of the Special Board Meeting of April 5, 2010; and F) Approve the Draft Minutes of the Regular Board Meeting of April 13, 2010.

Environmental Review Compliance: None required.

Prior Committee or Board Action: See individual transmittals.

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

Financial Impact: _____Yes _____No

Funding Source/Recap: See individual transmittals.

Material Included for Information/Consideration: See individual transmittals.

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

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

Board Action

_____Resolution No _____ Motion By _____ Seconded By _____
Ayes _____ Abstained _____
Noes _____ Absent _____
Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-A

Meeting Date: May 11, 2010

Submitted By: Paula Riso

Reviewed By: Carl Niizawa

Agenda Title: Adopt Resolution No. 2010-25 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election Set for November 2, 2010

Detailed Description: Pursuant to Section 10002 et seq. of the Elections Code, the Governing Body of the District must call the election to be held on November 2, 2010 for the purpose of electing successors to the terms of office which will expire in 2010. The Board must adopt a resolution calling for the election no later than June 30, 2010. The District has staggered terms and therefore must meet this requirement every two years.

Following the statute of previous years, the District will limit the Candidate's Statement to 200 words or less and the candidate is responsible for paying the cost of publishing the Candidate's Statement of Qualifications in the Voter's Information Pamphlet at the time of filing his/her statement.

The terms of Mr. Thomas P. Moore, Mr. Howard Gustafson and Mr. William Lee will expire this November 2010.

Prior Committee or Board Action: None.

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

Financial Impact: Yes No

Funding Source/Recap: The approximate cost is \$33,800, which depends on the number of registered voters in the District's jurisdiction and how many pamphlets are printed and mailed. This cost will be allocated across four cost centers; 01-Marina Water, 02-Marina Sewer, 03-Fort Ord Water, and, 04-Fort Ord Sewer.

Material Included for Information/Consideration: Resolution No. 2010-25; Correspondence from Monterey County Election Department; and, Election Calendar.

Staff Recommendation: The Board of Directors adopt Resolution No. 2010-25 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election set for November 2, 2010. The Board is also asked to limit the Candidate's Statement to 200 words or less and the candidate is responsible for paying the cost of publishing the Candidate's Statement of Qualifications.

May 11, 2010

Resolution No. 2010-25
Resolution of the Board of Directors
Marina Coast Water District

Resolution Ordering An Election, Requesting County Elections to Conduct the Election,
and Requesting Consolidation of the Election Set for November 2, 2010

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

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election; and,

WHEREAS, the resolution of the governing body of the city or district shall specify the services requested; and,

WHEREAS, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and,

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and,

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and,

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision of the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections office, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and,

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and,

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 2, 2010.

NOW THEREFORE BE IT RESOLVED AND ORDERED, that the Board of Directors of the Marina Coast Water District hereby orders an election be called and consolidated with any and all elections also called to be held on November 2, 2010 insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the Marina Coast Water District requests the Board of Supervisors of the County of Monterey to order such consolidation under Elections Code Section 10401 and 10403; and,

BE IT FURTHER RESOLVED AND ORDERED, that said governing body hereby requests the Board of Supervisors to permit the Monterey County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services; and,

BE IT FURTHER RESOLVED AND ORDERED, that the Monterey County Elections Department conduct the election for the following offices on the November 2, 2010 ballot:

<u>District/Ward</u>	<u>Name</u>	<u>Address</u>	<u>Term</u>
<u>Trustee Area</u>			<u>Expires</u>
Marina Coast Water District	Thomas P. Moore	3235 Isla Del Sol Way, Marina	2010
Marina Coast Water District	Howard Gustafson	231-A Cypress Avenue, Marina	2010
Marina Coast Water District	William Lee	3167 Eucalyptus Street, Marina	2010

BE IT FURTHER RESOLVED, the candidates shall submit payment to the Elections Department upon submission of the candidate's statement.

PASSED AND ADOPTED on May 11, 2010, by the Board of Directors of the Marina Coast Water District by the following 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. 2010-25 adopted May 11, 2010.

Jim Heitzman, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-B

Meeting Date: May 11, 2010

Submitted By: Suresh Prasad
Reviewed By: Carl Niizawa

Presented By: Suresh Prasad

Agenda Title: Receive the Quarterly Financial Statements for January 1, 2010 to March 31, 2010

Detailed Description: All figures reported for the quarter are based on accrual basis accounting. The District's consolidated financial statement for the quarter includes revenues of \$2.207 million and expenses of \$1.894 million, resulting in operating reserves of \$0.313 million. The District budget projected an operating reserve of \$0.350 million for the same period. The operating reserve was lower than the budget expectation by \$0.037 million due to reduction in revenues for the current quarter.

Summary of Cost Centers:

Description	Actual Otr	Budget Otr	Actual FYTD	Budget FYTD
Marina Water				
Revenues	786,379	799,725	2,850,028	2,800,175
Expenses	538,296	571,276	1,432,718	1,713,827
Op Reserves	248,083	228,449	1,417,311	1,086,348
Marina Sewer				
Revenues	173,716	183,600	523,414	550,800
Expenses	133,093	128,808	404,189	386,425
Op Reserves	40,623	54,792	119,225	164,375
Ord Community Water				
Revenues	846,202	1,072,375	3,151,710	3,701,925
Expenses	877,306	1,037,622	2,682,688	3,112,867
Op Reserves	(31,104)	34,753	469,022	589,058
Ord Community Sewer				
Revenues	397,235	400,950	1,204,148	1,202,850
Expenses	224,802	267,240	660,719	801,722
Op Reserves	172,433	133,709	543,429	401,129
Regional Water Augmentation				
Revenues	3,069	4,000	10,545	12,000
Expenses	120,206	106,193	302,715	318,578
Op Reserves	(117,137)	(102,193)	(292,170)	(306,578)
Consolidated Cost Centers				
Revenues	2,206,601	2,460,650	7,739,846	8,267,750
Expenses	1,893,703	2,111,140	5,483,029	6,333,418
Op Reserves	312,898	349,510	2,256,817	1,934,332

As of March 31, 2010, the District had \$19.633 million in liquid investments, and \$0.578 million of principal as internal loans to the Ord Community Cost Centers payable to the Marina Cost Centers. The District also had \$4.359 million of bond proceeds for construction purposes and \$3.084 of bond proceeds for debt reserve purposes in the bank. The District owed \$40.610 million in debt for the 2006 revenue certificates of participation bond and \$0.528 for CalPERS loan.

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: N/A

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

Staff Recommendation: The Board receive the Quarterly Financial Statements for January 1, 2010 to March 31, 2010.

Action Required: _____Resolution _____Motion ___X___Review

Board Action

_____Resolution No_____ Motion By_____ Seconded By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-C

Meeting Date: May 11, 2010

Submitted By: Suresh Prasad

Reviewed By: Carl Niizawa

Agenda Title: Approve Expenditures for the Month of April 2010

Detailed Description: The Board of Directors is requested to approve the attached April 2010 check register for expenditures totaling \$1,690,319.48.

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: April 2010 Summary Check Register.

Staff Recommendation: The Board of Directors approve the April 2010 expenditures totaling \$1,690,319.48.

Action Required: ___ Resolution ___ **X** ___ Motion ___ Review

Board Action

___ Resolution No ___ Motion By ___ Seconded By ___

Ayes ___ Abstained ___

Noes ___ Absent ___

Reagendized ___ Date ___ No Action Taken ___

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-D

Meeting Date: May 11, 2010

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of May 30, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of May 30, 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 May 30, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the May 30, 2010 special Board meeting.

Action Required: ___Resolution ___X___Motion ___Review

Board Action

___Resolution No___ Motion By___ Seconded By___

Ayes___ Abstained___

Noes___ Absent___

Reagendized___ Date___ No Action Taken___

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
March 30, 2010
6:30 p.m.

Draft Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:30 p.m. on March 30, 2010.

2. Roll Call:

Board Members Present:

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

Board Members Absent:

Dan Burns

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Paula Riso, Executive Assistant

Audience Members:

Jan Shriner, Marina Resident
Tim O'Halloran, City of Seaside
Ray Corpuz, City of Seaside
Alison Imamura, Denise Duffy & Associates

The Board entered into closed session at 6:30 p.m.

5. Closed Session:

- A. 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 ended closed session at 6:53 p.m.

The Board reconvened to open session at 6:56 p.m.

3. Pledge of Allegiance:

President Nishi asked Vice President Lee to lead everyone present in the Pledge of Allegiance.

4. Oral Communications:

Mr. Jim Heitzman, General Manager, introduced Mr. Ray Corpuz, City Manager, and Mr. Tim O'Halloran, City Engineer from the City of Seaside.

6. Possible Action on Closed Session Item:

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

Mr. Lloyd Lowrey, Legal Counsel, stated that the District's Deputy General Manager/District Engineer, the General Manager, and he have worked with the City of Seaside on this Land Transfer Agreement. There will be an exchange of assets received from FORA by the City of Seaside and the District. It is within the terms of the Base Reuse and Closure (BRAC), US Army and FORA processes. Mr. Lowrey pointed out that the action to be taken is on the basis of documentation that has already been adopted, including the addendum to it.

Ms. Alison Imamura, Denise Duffy & Associates, commented that the Initial Study Negative Declaration Addendum addresses the contents of the Land Transfer and Water Service Agreement and the Seaside Golf Course Irrigation Source Change Report.

Mr. Lowrey suggested a correction to the Resolution in the third RESOLVED from the bottom to read: "that the Board of Directors of the Marina Coast Water District hereby authorize the President and General Manager and Secretary to take the actions..." and, "...and the General Manager to implement the said Agreement."

Agenda Item 6-A (continued):

Ms. Jan Shriner, Marina resident, commented that the documents were not available prior to the meeting. Mr. Lowrey answered that it was because he brought the documents with him to the meeting. Ms. Shriner asked why this couldn't wait until the next regularly scheduled meeting. Mr. Tim O'Halloran, City of Seaside, answered that the City of Seaside is party to adjudication of the Seaside Basin and under a judicial order. This agreement will help meet the judgment and fulfill the order.

Vice President Lee made a motion to Adopt Resolution No. 2010-14 approving an Agreement with the City of Seaside for Land Transfer and allowing Legal Counsel and the General Manager to make non-substantive modifications to the Agreement. Director Moore seconded the motion. The motion was passed.

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

7. Director's Comments:

Director Moore commented that he attended the press conference earlier that morning regarding the Regional Plan. Mr. Heitzman did a good job and it was well run.

Vice President Lee complimented everyone on a job well done and how well the City of Seaside and the District worked together.

President Nishi echoed Vice President Lee's compliment and stated that this is the first step in the City of Seaside and the District working together for a long time to come.

8. Adjournment:

The meeting was adjourned at 7:10 p.m.

APPROVED:

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-E

Meeting Date: May 11, 2010

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of April 5, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of April 5, 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 April 5, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the April 5, 2010 special Board meeting.

Action Required: ___Resolution ___X___Motion ___Review

Board Action

___Resolution No___ Motion By___ Seconded By___

Ayes___ Abstained___

Noes___ Absent___

Reagendized___ Date___ No Action Taken___

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Special Board Meeting
April 5, 2010
6:00 p.m.

Draft Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:00 p.m. on April 5, 2010.

2. Roll Call:

Board Members Present:

Ken Nishi– President
Bill Lee – Vice President
Howard Gustafson
Tom Moore – arrived at 6:01

Board Members Absent:

Dan Burns

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Paula Riso, Executive Assistant

Audience Members:

Alison Imamura, Denise Duffy & Associates
Dan Amadeo, Marina Resident
Molly Erickson, Stamp Law Offices
Peter Talbot, HDR Engineering
David Brown, Marina Resident
Lyndel Melton, RMC Water & Environment
Kevin Tilden, Vice President California American Water Company

3. Pledge of Allegiance:

President Nishi asked Director Gustafson to lead everyone present in the Pledge of Allegiance.

4. Oral Communications:

None.

5. Action Item:

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

Mr. Jim Heitzman, General Manager, introduced this item and stated that Mr. Lyndel Melton, RMC Water & Environment, would be giving a presentation on the Regional Water Plan. Mr. Melton gave a brief presentation and update on the Regional Water Plan.

Director Moore asked at what point would the landfill be able to meet all the power requirements for the desalination plant. Mr. Melton answered that it would be able to meet the requirements right away. Director Moore inquired why the North Marina Project was more expensive than the Regional Water Plan. Mr. Melton answered that it was because slant wells were more expensive to build. Director Moore asked what the current status was for this Agreement with the Department of Ratepayers Advocates (DRA) and Monterey Peninsula Water Management District (MPWMD). Mr. Heitzman answered that the MPWMD had already approved the Regional Water Plan and tonight were in the process of another vote with the outcome unknown. The DRA's mission is to keep the rates as low as possible for the CalAm ratepayers, even if that means having the District's ratepayers pay a higher price.

Mr. Lloyd Lowrey, Legal Counsel, commented that although there has been talk that the Agreements have been negotiated behind closed doors, there are several organizations and agencies that represent the public who have participated in the proceedings. It is a litigation process designed by the California Public Utilities Commission (PUC) to be faster and less expensive than litigation.

President Nishi stated that everyone had to sign confidentiality papers and asked legal counsel what was it for and who required it. Mr. Lowrey answered that the Administrative Law Judge required that anyone participating in and/or received information from the alternative dispute process, including all consultants, staff and members of the Board, were required to sign the confidentiality agreement.

Agenda Item 5-A (continued):

Mr. Lowrey commented that approval of the Agreements are conditional and become final upon approval of the Regional Water Project by the PUC.

Director Moore questioned the Advisory Committee meetings as outlined in Section 6.3 of the Water Purchase Agreement (WPA) and asked if they are open to the public. Mr. Heitzman stated the Advisory Committee was comprised of General Managers and would not be a Brown Act sanctioned public meeting. The Outreach Committee, Water for Monterey County, would be the avenue for public and agencies to work together. Mr. Heitzman commented that the Advisory Committee would be making regular updates to the Outreach Committee.

President Nishi asked Mr. Lowrey to reiterate why confidentiality agreements were signed by everyone. Mr. Lowrey stated that the administrative procedure, that is the settlement process and alternative dispute resolution process, was conducted like settlement in litigation. The Administrative Law Judge required that the parties who participated in that process sign a confidentiality agreement.

Director Moore commented that there was concern that the District may not be overly careful to ensure the spending remains reasonable on this project. Mr. Heitzman stated that the PUC was in charge of the rates to CalAm and they would not support any unnecessary spending. Mr. Lowrey commented that there is a provision in the Agreement that the processes the public agencies have to go through are equivalent to the PUC process to ensure the expenditures are reasonable and prudent. Mr. Heitzman said that there are a lot of checks and balances in the Agreement to ensure investments are prudent and a proper use of funds.

Director Moore asked for clarification on the WPA and the ascertain that in 34 – 40 years if the District doesn't think CalAm needs the desalinated water anymore, the District gets the plant. Mr. Heitzman answered that CalAm had that clause put in the agreement so if they are able to find a cheaper, more reliable water source, they can walk away from the desalination plant.

Director Moore questioned the District's proportional share of debt service. Mr. Melton explained that once the District begins taking and using the desalinated water, they have to pay full price of the water and there is no going back. Once the District reaches its allocation share and begins to take the desalinated water, they have to pay the proportional share of the capitalization of the facility, no matter if they fall below the allocation and no longer need it.

Mr. Dan Amadeo, Marina resident, asked if there would be additional public hearings prior to PUC approval. He also stated that the District demonstrated leadership along with the other agencies and you either need to lead, follow or get out of the way.

Agenda Item 5-A (continued):

Mr. Lowrey stated he had a few technical points he wanted to cover; 1) the Environmental Findings that are in the Resolution were reviewed by Alison Imamura, Denise Duffy & Associates, and Mr. Lowrey himself; 2) Mr. Lowrey handed each member of the Board a copy of the Addendum to the Coastal Water Project (CWP) Environmental Impact Report (EIR); 3) Mr. Lowrey stated that on November 17, 2009, RMC Water & Environment gave a presentation to the Board of Directors on the Final EIR for the CWP. The PUC certified the Final EIR on December 30, 2009. Mr. Lowrey stated that at the February and March 2010 Board meetings, the Final EIR was on display with several references made to them, and CD's were provided to each Board member for review at their own leisure; and 4) Mr. Lowrey stated that page 4 of the Resolution, Section 9.6 should read, "The Directors reviewed and discussed the Final EIR at the meeting on November 17, 2009, and discussed the certified Final EIR in February and March 2010..."

Mr. Lowrey stated that the Addendum he just handed out was prepared by a PUC consultant to address certain errata, misspellings, punctuation, and to provide responsive comments to the six letters that were not responded to in the Final EIR and it doesn't change any of the analysis.

Mr. Lowrey stated the action the Board is taking is conditional, based on the Findings that are set forth in the Resolution, and the Resolution includes the Mitigation Monitoring and Reporting Program that comes out of the Final EIR. The Resolution if approved will approve the Settlement Agreement conditionally, and the Water Purchase Agreement conditionally.

Mr. Heitzman commented that there may be some non-substantive items that may need to be revised and asked that the Board allow the General Manager and/or Legal Counsel to make those changes. One of the changes may be removing the MPWMD from the Advisory Committee if they choose to oppose or not support the project, or, if they choose to support the project, include them in the Advisory Committee. Mr. Lowrey added that there is a comment referencing 4.15 and it should be 4.16.

Mr. Peter Talbot, HDR Engineering, commented that it is pleasant to hear positive comments from members of the public and not complaints. He congratulated everyone for their courage, vision, and hard work on this project. Mr. Talbot added that HDR would love to be part of this great project.

Mr. Kevin Tilden, Vice-President California American Water Company, commented that CalAm is supportive of this agreement and it satisfies Order 95-10, the Cease & Desist Order and improves the health of the Carmel River.

Agenda Item 5-A (continued):

Ms. Molly Erickson, Stamp Law Offices, stated that she was representing the Ag Land Trust and then handed out information to the Board of Directors and to staff. She mentioned that she was attending the meeting for three reasons: 1) the Ag Land Trust filed a lawsuit against the District earlier that day; 2) Ms. Erickson submitted a letter dated April 5, 2010 with attachments A-Z (there were also handouts from the Department of Ratepayer Advocates); and, 3) there are concerns that the meeting agenda violated the Brown Act by not disclosing action was going to be taken on A) approving the Regional Project, B) adopting Findings including the Statement of Overriding Considerations; C) consider the Final EIR and an addendum; and, D) approve and adopt mitigation measures. Ms. Erickson asked that the Board of Directors take time to read through the information provided before taking any action.

President Nishi recessed the meeting from 7:39 until 7:49 p.m. to allow everyone time to read through the information Ms. Erickson provided.

Mr. Lowrey commented that Ms. Erickson asked that copies of letters submitted to the Monterey Peninsula Water Management District earlier that morning be handed to the Board of Directors for review as well.

President Nishi asked Mr. Lowrey to give his opinion of the proposed Brown Act violation. Mr. Lowrey stated that he believed the verbiage on the agenda was adequate and not a Brown Act violation.

Vice President Lee made a motion to adopt Resolution No. 2010-20 approving a Water Purchase Agreement between Marina Coast Water District, California American Water Company, and Monterey County Water Resources Agency and a related Settlement Agreement for California Public Utilities Commission Proceeding A.04-09-019, "In the Matter of the Application of California-American Water Company (U 210 @) for a Certificate of Public Convenience and Necessity to Construct and Operate its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates." and allowing the General Manager and/or Legal Counsel to make non-substantive changes to the documents. Director Gustafson seconded the motion. The motion was passed.

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

6. Director's Comments:

Director Gustafson thanked staff for all their years of hard work on the Project.

Vice President Lee thanked staff and commented that it has been a long time in coming and now the District was one step closer.

President Nishi commented that you have to pay your dues and take a little extra criticism, and sometimes it gets difficult taking all these hits.

7. Adjournment:

The meeting was adjourned at 8:00 p.m.

APPROVED:

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-F

Meeting Date: May 11, 2010

Submitted By: Paula Riso
Reviewed By: Carl Niizawa

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of April 13, 2010

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of April 13, 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 April 13, 2010.

Staff Recommendation: The Board of Directors approve the draft minutes of the April 13, 2010 regular Board meeting.

Action Required: _____ Resolution X Motion _____ Review

Board Action

_____ Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District

District Offices
11 Reservation Road
Marina, California

Regular Board Meeting
April 13, 2010
6:45 p.m.

Draft Minutes

1. Call to Order:

President Nishi called the meeting to order at 6:45 p.m. on April 13, 2010.

2. Roll Call:

Board Members Present:

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

Board Members Absent:

None.

Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Carl Niizawa, Deputy General Manager/District Engineer
Jean Premutati, Management Services Administrator
Evelina Adlawan, Water Quality Manager
Suresh Prasad, Director of Finance
Rich Youngblood, Conservation Coordinator
Brian True, Capital Projects Manager
Gary Rogers, Assistant Engineer
Paula Riso, Executive Assistant

Audience Members:

Denise Duffy, Denise Duffy & Associates
Dan Amadeo, Marina Resident
Michael Tate, El Rancho Mobile Home Park
Marshall Reeves, El Rancho Mobile Home Park
Andy Sterbenz, Schaaf & Wheeler
Michael Minafo, Marina Resident

Gretchen Faus, Park Marina Condos
Jan Shriner, Marina Resident
William Franks, Marina Resident
Sid Williams, Marina Resident
Bill Little, Harris & Associates
Christine Gibson, Park Marina Condos

Mr. Lloyd Lowrey, Legal Counsel, explained that item 3-C is regarding a claim from when the District assumed construction of a building on the former Fort Ord from the Fort Ord Reuse Authority, and another contracting company, Ausonio Construction.

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

3. Closed Session:

- A. Pursuant to Government Code Section 54957
Public Employee Evaluation
Title: General Manager

- B. Pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators (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 Section 54956.9
Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9
1 Case

President Nishi reconvened the meeting to open session at 7:25 p.m.

4. Possible Action on Closed Session Items:

Mr. Lowrey reported that no action was taken on item 3-A and has been deferred to a later time; instructions were given to the negotiator with no action taken on item 3-B; and, there was a conference with Legal Counsel and no action was taken on item 3-C.

5. Pledge of Allegiance:

President Nishi asked Ms. Evelina Adlawan, Water Quality Manager, to lead everyone present in the Pledge of Allegiance.

6. Oral Communications:

None.

7. Presentation:

- 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:

Director Burns made a motion to adopt Resolution No. 2010-15 recognizing public member, Mr. Sid Williams, for his dedicated service to the MCWD as a member on the Water Conservation Commission. Director Gustafson seconded the motion. The motion was passed.

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

Vice President Lee read the narration on the Resolution.

8. Consent Calendar:

Director Moore commented that there was a slight change to the March 16, 2010 minutes and that correction was in front of the Directors.

Vice President Lee made a motion to approve the Consent Calendar consisting of items: 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, with the correction to the March 16, 2010 minutes. Director Moore seconded the motion. The motion was passed.

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

9. Action Items:

- B. Consider Appointment to the Water Conservation Commission:

Mr. Richard Youngblood, Conservation Coordinator, introduced this item.

Director Gustafson made a motion to appoint Mr. Steven Reeves to the Water Conservation Commission. Vice President Lee seconded the motion. With a vote of 4-Ayes, 1-No, 0-Absent, the motion was passed.

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

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

Director Gustafson made a motion to adopt Resolution No. 2010-21 authorizing a Professional Services Agreement with Denise Duffy & Associates for Environmental/Biological Services for the Eastern Distribution System Project. Vice President Lee seconded the motion. The motion was passed.

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

- D. 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:

Mr. Niizawa introduced this item. Director Burns asked if there was going to be in-house training for staff to do the inspection work. Mr. Niizawa answered that staff has performed some inspection work, but staff has not had enough training and experience to handle the inspections and paperwork.

Director Gustafson made a motion to adopt Resolution No. 2010-22 authorizing a Professional Services Agreement with Harris & Associates for Engineering Services Related to Inspection Practices, Inspection Training, and On-Call Inspections. Vice President Lee seconded the motion. The motion was passed.

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

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

Ms. Jean Premutati, Management Services Administrator, introduced this item and noted that the strikeout on page 53 of the Handbook shall remain and not be removed.

Director Moore complimented staff on a job well done with the Handbook. He then noted that the staff report indicated there are changes to some policies that will be implemented upon approval and those will differ from the Memorandum of Understanding (MOU) with the employee groups.

Agenda Item 9-D (continued):

Director Moore commented that by approving this Handbook, it would approve making changes to the MOU and there has not been a meet-and-confer with the Unions. Mr. Heitzman stated that the employee groups have met, discussed, and approved these policy changes. Mr. Lowrey stated that satisfies the meet-and-confer requirement with the groups. Director Moore voiced his concern over handling these policy changes outside of the MOU.

Vice President Lee made a motion to adopt Resolution No. 2010-23 approving the Marina Coast Water District Employee Handbook. Director Gustafson seconded the motion. The motion was passed.

Director Moore	-	No	Vice President Lee	-	Yes
Director Gustafson	-	Yes	President Nishi	-	Yes
Director Burns	-	Yes			

F. Receive and Accept the 2010 Marina Coast Water District Salary Survey:

Ms. Premutati introduced this item and stated that this was completed per the MOU language.

President Nishi stated that the Board received and accepted the 2010 Marina Coast Water District Salary Survey.

G. 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,

Agenda Item 9-F (continued):

- 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.

Director Gustafson made a motion to reconsider Resolution No. 2010-20. Vice President Lee seconded the motion to reconsider.

Mr. Lowrey commented that at the last meeting there was concern expressed that the public did not have adequate opportunity to comment on this item because of the way it was presented on the agenda. He then stated he did not agree with the concern, but wanted to be sensitive to it.

Now that the Board moved to reconsider the action, it suspends but not revokes the action. Mr. Lowrey gave three actions the Board could take after receiving public comment: 1) to vote against reconsideration would reinstate the prior motion made on April 5, 2010; 2) to vote for reconsideration would revoke the prior action and the Board would have to start over again; and, 3) to vote to table the item which would leave it in suspension until it is taken off the table.

Mr. Lowrey then advised the Board to receive all public comments on this item and then table it until a later date to allow review of the new letters the Board received tonight. The action would then remain in suspense but not be revoked.

Mr. Dan Amadeo, Marina resident, asked if this would suspend the movement through the California Public Utilities Commission (PUC) process.

Agenda Item 9-F (continued):

Mr. Lowrey answered that he had not talked to the PUC attorney yet and that it would suspend the action previously taken but he did not believe it would have a material impact.

Ms. Jan Shriner, Marina resident, stated she appreciated the legality of looking into things and the appearance of ethics by taking the time to be responsible.

Director Moore made a motion to table this item. Director Gustafson seconded the motion. Director Burns commented that he would think that tabling this item must interfere with the PUC process somehow. Mr. Lowrey answered that after the last action on April 5, 2010, Agreements were signed conditionally on PUC action. If the Board votes affirmatively for reconsideration, that would revoke the signatures. Mr. Lowrey stated that if he were to find out that the tabled reconsideration would materially hinder the PUC process, he would ask for a special meeting to be held to act on the reconsideration. President Nishi asked what changed from the time when the staff report was written where Legal Counsel suggested reconsidering this item, to tonight where Legal Counsel is asking to table the item. Mr. Lowrey answered that he received some new information that relates to the fact that the lawsuit that was filed on the Armstrong matter, was re-filed as an amended complaint that included the action taken on April 5, 2010. That action was also mentioned in one of the letters received by the Board this evening. Mr. Lowrey stated that he would prefer to have more time to research and review this question before advising the Board on the appropriate course of action. Director Moore commented that if this item needs to be removed from the table and discussed at a special meeting, he urged staff to allow as much time as possible for public review and notice before the special meeting. He noted that it would allow the Board more time to read and digest the letters and information provided at the last minute and maybe next time the information could be received in time to be added to the Board packet.

The motion to table the item was passed.

Director Moore	-	Yes	Vice President Lee	-	No
Director Gustafson	-	Yes	President Nishi	-	Abstained
Director Burns	-	Yes			

10. Staff Reports:

A. The Greater Monterey County Integrated Regional Water Management Plan:

Mr. Niizawa gave a brief explanation of how a Regional Water Management Group was formed and how the Greater Monterey County Integrated Regional Water Management Plan will help with eligibility for Prop. 50 and 84 competitive grants.

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

Mr. Niizawa introduced this item. Director Moore commented asked to have this item on the agenda and perhaps ask staff to write a letter to the Legislature on behalf of the Board. President Nishi asked that this item be placed on the next agenda for action.

11. Discussion:

A. Discuss Master Meter Water Usage Tier Charges:

Mr. Niizawa introduced this item. President Nishi asked what the base meter charge was for. Mr. Niizawa answered that the base rate charges were for fixed costs of the District such as a-readiness-to-serve. President Nishi said the issue was the fairness of having individuals served by a master meter and paying at the highest water use tier almost immediately. He would like to see something done creatively to be fair about this whole issue. Mr. Niizawa commented that staff could look at revising the rates and how the rate revision would impact the District one way or the other. President Nishi commented that he would like to see this item come back with staff looking at this issue from both the customer and District side.

Director Moore asked to see what the financial impact would be to the District depending on different rate structures.

Mr. Lowrey stated that from the legal standpoint, rates charged must be reasonably related to the cost of providing the service.

Mr. Marshall Reeves, El Rancho Mobile Home Park, thanked the Board for their consideration on this item. Mr. Reeves commented that State Law requires them to charge no more for water than what a single residential homeowner pays and with a master meter, the water use charges immediately rise to the highest tier. Since the Mobile Home Park can only charge single residential rates, the owner must subsidize the water bill for the residents. Mr. Reeves commented that if the District decides to go with Table C, he would like to begin immediate negotiations to individually meter and bill the Park with the District taking over care of the individual lines and meters.

Mr. Reeves suggested tabling this matter and appointing an Ad Hoc Committee to consist of the District's Chairman, General Manager and Attorney, and a representative from the Mobile Home Parks, one from Apartments and one from Condominiums. The Committee should take 30-60 days to discuss this item before returning it to the Board to take action on this item.

Mr. Reeves thanked the Board for their time and consideration and also voiced his and his 116 tenants' support of the Regional Plan.

Agenda Item 11-A (continued):

Ms. Christine Gibson, Park Marina Condos, commented that they have 48 condominiums and by the second day of the month, they are already at the top tier water usage charges. They looked into conservation measures and although it helps conserve some water, it doesn't help with hitting the top tier almost immediately. Ms. Gibson stated they also looked into individual meters, but it was cost prohibitive. She stated that they were concerned and want to get their water conservation put into effect. Ms Gibson noted that they would be glad to participate in any discussion regarding this issue.

Mr. Heitzman commented that staff is open to putting an item on the agenda for a feasibility study or an Ad Hoc Committee to look into this issue.

President Nishi inquired if staff has received enough direction. Mr. Heitzman answered affirmatively.

12. Informational Items:

A. General Manager's Report:

Mr. Heitzman commented Judge Minken of the PUC announced that they intend to have public workshops in the Monterey Region sometime at the end of May.

B. District Engineer's Report:

Mr. Niizawa informed the Board of the erosion taking place outside of the Beach office and that a staff report would be given at the next Board meeting.

C. Counsel's Report:

No report.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Vice President Lee commented that the meeting was boiler-plate.

2. Joint City-District Committee:

President Nishi stated they were meeting April 29, 2010.

3. MRWPCA Board Member:

President Nishi commented that the District has been put on the Recycled Water Committee and Mayor Rubio is Chair of the Projects and Planning Committee.

4. LAFCO Liaison:

Director Moore stated that they met on the 29th of March and the next meeting is April 26th.

5. JPIA Liaison:

Director Burns stated that there is an ACWA conference in Monterey in May.

6. FORA:

President Nishi stated that they met last Friday and one issue was the Governance for Habitat Conservation Plan. CSUMB, MPC and UCSC want to have a Joint Powers and he suggested FORA put it on their agenda.

7. Executive Committee:

No meeting was held.

8. Community Outreach:

Director Gustafson commented that full page ads were placed in local media celebrating the 50th Anniversary of the District. He added that he would be bringing the Public Works Almanacs to the sixth and eighth grade classes at Los Arboles Middle School.

9. Special Districts Association Liaison:

Director Gustafson commented that the meeting is next week.

E. Director's Comments:

Director Burns commented that there is a special meeting scheduled for April 19th to discuss the budget and suggested putting the tabled item on the agenda to be discussed. He added that public members wanting to be appointed to Committees should be at the meeting and making a presentation on why they should be appointed. Director Burns asked if the CCR would be in bigger font so everyone could read it. Ms. Adlawan answered that it would be bigger when it is printed. Director Burns complimented Ms. Adlawan on a job well done. Director Burns then complimented Ms. Premutati on her hard work on the Handbook.

Regular Board Meeting
April 13, 2010
Page 11 of 11

Agenda Item 12-E (continued):

Vice President Lee congratulated staff on accomplishing a lot and told them to keep up the good work.

President Nishi commented that serving as an elected official is fun but it is more fun when the public is involved.

13. Adjournment:

The meeting was adjourned at 8:29 p.m.

APPROVED:

Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: May 11, 2010

Submitted By: Gary Rogers

Presented By: Carl Niizawa

Reviewed By: Carl Niizawa

Agenda Title: Consider District Position and Direct Staff to Prepare a Letter Regarding the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 and Associated State Bond Proposition in November

Detailed Description: 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 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.

Upon consideration of the District's position and the Board's request, District staff will prepare and send a letter to California Special Districts Association (CSDA) regarding the District's position about the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 and associated state bond.

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: N/A

Material Included for Information/Consideration: Certain portions of the California Department of Water Resources informational packet dated November 2009.

Staff Recommendation: The Board of Directors direct staff to prepare a letter in support of the Safe, Clean and Reliable Drinking Water Supply Act of 2010 that would authorize the issuance of \$11.14 billion in state general bonds to finance a safe drinking water and water supply reliability program.

Action Requested: _____ Resolution X Motion _____ Review

Board Action

_____ Resolution No. _____ Motion By _____ Seconded By _____

Ayes: _____ Abstained: _____

Noes: _____ Absent: _____

Reagendized: _____ Date: _____ No Action Taken: _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: May 11, 2010

Submitted By: Brian True

Presented By: Carl Niizawa

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-26 to Amend the Professional Services Agreement with Carollo Engineers for Final Design for the Recycled Water Pipeline, Fifth Avenue Pump Station, Blackhorse Reservoir and On-Call Services for the Regional Urban Water Augmentation Project and to Amend the FY 2009/2010 Budget

Detailed Description: The Board of Directors is requested to authorize an amendment to the Professional Services Agreement (Contract) with Carollo Engineers for final design for the recycled water (RW) pipeline, Fifth Avenue Pump Station (FAPS), Blackhorse Reservoir, and on-call services for the Regional Urban Water Augmentation Project (RUWAP) in the amount of \$370,000.

In 2006, the District engaged Carollo Engineers (Carollo) for the design and bid-phase services for the RW facilities within RUWAP through Resolution No. 2006-68. Carollo commenced with the project work but, in 2007, the drawings and specifications for the RW facilities were placed “on-hold” which placed the contract under Resolution No. 2006-68 in the same “on-hold” status. In 2009, work on the RW facilities began again and a new Contract with Carollo Engineers was authorized by Resolution No. 2009-31 that re-started the project and intended to achieve final design and biddable contract documents.

This amendment to the Contract from Resolution No. 2009-31 will allow the completion of the RW facilities within RUWAP. Carollo will continue with the additional design elements and engineering services that are necessary to complete the construction drawings and specifications for the RW pipeline, FAPS, and the Blackhorse Reservoir. The scope includes the incorporation of a hydro-pneumatic tank into the system design, adjustments of alignments within planned easements, SCADA design and coordination, obtaining property and easements, obtaining encroachment and right-of-entry approvals, and the coordination with jurisdictional agencies to achieve the RW facility installation.

Carollo Engineers will also provide miscellaneous on-call engineering services related to the RW facilities on an as-requested basis. Anticipated on-call services include studying winter RW storage feasibility, the potential up-sizing of the Blackhorse Reservoir, providing bidding and construction support services, and providing information to and coordinating with potential recycled water users and RUWAP’s financing effort. Carollo will be authorized to conduct this scope element at a later date only if needed and desired by the District and at the direction of the General Manager or the Deputy General Manager. The amendment scope has three distinct on-call services line items for \$50,000 each. This provides for future as-needed work on the project.

This proposed amendment to the Contract with Carollo will be performed and invoiced on a time and material basis for the not-to-exceed amount of \$344,809.

The monetary resources requested herein is \$370,000 – this amount includes a 7.3 % contingency value beyond the Contract amount. A budget amendment to the Fiscal Year 2009/2010 Capital Improvement Budget is required to provide the proposed project resourcing. Budgeted resources from the currently un-utilized RUWAP Desalination – Detailed Design (GW-0157) within Cost Center 5 would be re-allocated as shown in the following table. The \$370,000 project resourcing will be assigned to the below designated project/budget line item within Cost Center 5.

	Budget	Change	Balance
From: GW-0157 RUWAP Desalination – Detailed Design	\$2,643,416	- \$170,000	\$2,473,416
To: RW-0156 Recycled Trunk Main and Booster, MRWPCA to Normandy (Design)	\$200,000	+ \$170,000	\$370,000

Environmental Review Compliance: None required.

Prior Board Actions: On October 27, 2004, the District Board of Directors certified the Environmental Impact Report for the Regional Urban Water Augmentation Project. At the Joint MCWD-FORA Board meeting on June 10, 2005, the two Boards directed staff to initiate scoping of the Hybrid Alternative of the Water Augmentation Project. On August 9, 2006, the Board adopted Resolution No. 2006-68 that approved a Contract with Carollo Engineers for the design and bid-phase services for the recycled water pipeline, pump station, and storage tank for RUWAP. On May 12, 2009, the Board of Directors adopted Resolution No. 2009-31 approving a Professional Services Agreement with Carollo Engineers for re-starting the project and to achieve final design for the recycled water pipeline, Blackhorse Reservoir, as well as on-call services for the RUWAP.

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: This project will be funded from District Reserves. A budget amendment as described above is proposed to fund the contract amendment with the costs assigned to the appropriate project within Cost Center 5 (New Water Projects). The FORA Board has committed to pay a portion of the District’s debt service undertaken for this particular project when the funds become available from the developers. This will take several years to fully recover as it is based on the speed at which development occurs. The current financing vision on the District’s part is to pay for initial project activities and receive from FORA funds to pay a portion of the District’s debt service as they become available from development at the Ord Community; the District and FORA will continue to negotiate terms of a reimbursement agreement.

Material Included for Information/Consideration: Resolution No. 2010-26.

Staff Recommendation: The Board of Directors adopt Resolution No. 2010-26 amending the Professional Services Agreement with Carollo Engineers for final design for the recycled water pipeline, Fifth Avenue Pump Station (FAPS), Blackhorse Reservoir, and on-call services for the Regional Urban Water Augmentation Project and to amend the 2009/2010 Budget.

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

Board Action

Resolution No Motion By Seconded By

Ayes Abstained

Noes Absent

Reagendized Date No Action Taken

May 11, 2010

Resolution No. 2010-26
Resolution of the Board of Directors
Marina Coast Water District
Amending the Professional Services Agreement with Carollo Engineers
for Final Design for the Recycled Water Pipeline, Fifth Avenue Pump Station,
Blackhorse Reservoir and On-Call Services
for the Regional Urban Water Augmentation Project and to
Amend the FY 2009/2010 Budget

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

WHEREAS, in October 2004 the District Board of Directors certified its *Environmental Impact Report -- Regional Urban Water Augmentation Project* (Water Augmentation Project EIR); and,

WHEREAS, on June 10, 2005, the Boards of Directors for the District and FORA directed staff to begin scoping the Hybrid Alternative as defined in the Water Augmentation Project EIR which generally includes two components: a 1,500 AFY of recycled water project, and a 1,500 AFY desalination project; and,

WHEREAS, the FORA Board of Directors took action to approve a Capital Improvement Program and supporting financial programs to pay for the water augmentation project; and,

WHEREAS, on May 12, 2009, the Board adopted Resolution No. 2009-31 that approved a CONTRACT with Carollo Engineers for the final design of the recycled water pipeline, pump station, and storage tank for RUWAP; and,

WHEREAS, the District desires Carollo Engineers to complete the project work and to prepare the detailed engineering design and biddable contract documents for the recycled water pipeline, pump station, and storage tank and to provide as-requested services; and,

WHEREAS, a FY 2009/2010 Capital Improvements Budget amendment is required to resource this Professional Services Agreement amendment in order to achieve the desired RUWAP recycled water facility objectives.

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

1) Authorize the General Manager and/or Deputy General Manager to execute an amendment to the Professional Services Agreement with Carollo Engineers for final design for the recycled water pipeline, Fifth Avenue Pump Station, Blackhorse Reservoir, and on-call services for the Regional Urban Water Augmentation 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 \$370,000; and,

2) Amend the FY 2009 / 2010 Capital Improvements Budget as follows.

	Budget	Change	Balance
From: GW-0157 RUWAP Desalination – Detailed Design	\$2,643,416	- \$170,000	\$2,473,416
To: RW-0156 Recycled Trunk Main and Booster, MRWPCA to Normandy (Design)	\$200,000	+ \$170,000	\$370,000

PASSED AND ADOPTED on May 11, 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. 2010-26 adopted May 11, 2010.

Jim Heitzman, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: May 11, 2010

Submitted By: Brian True

Presented By: Carl Niizawa

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2010-27 to Authorize a Professional Services Agreement with the Paul Davis Partnership for the Design of the MCWD Imjin Office Park Building and to Amend the FY 2009/2010 Budget

Detailed Description: The Board of Directors is requested to authorize a Professional Services Agreement (Contract) with The Paul Davis Partnership (Davis) for completing the design of MCWD's Imjin Office Park (IOP) building intended for FORA's occupancy. The District's intent is to construct an office building that receives certification at the silver level of Leadership in Energy and Environmental Design (LEED).

The Contract scope includes completing the design revision and preparing construction contract documents, as-needed construction observation tasks, and LEED documentation tasks for the approximately 15,000-SF IOP building. The scope includes obtaining the Building Permit from the City of Marina and assistance through the bidding process. The as-needed construction observation tasks are variable in nature and will be conducted by Davis and its sub-consultants on a time and material basis; the tasks will include topics like Request For Information responses, reviewing changes in materials or the design, LEED topics, and site reviews at various stages of construction. The LEED documentation tasks include the gathering of all the materials needed to prepare and submit the required information to the LEED commissioning agent and the Green Building Council in order to achieve the LEED Silver Certification.

The work within this Contract will be performed and invoiced for a fixed value of \$85,600 plus time and expense costs for construction support and reproduction expenses.

The monetary resources requested herein is \$130,000 – this amount includes \$30,000 in anticipated construction support costs and a 12.5% contingency beyond the anticipated fixed value. A budget amendment to the Fiscal Year 2009/2010 Capital Improvement Budget is required to provide the proposed project resourcing. Budgeted resources from the not currently utilized Corp Yard (Demolition/Construct) (WD-0106) project that appears in all four cost centers would be re-allocated as shown in the following table. The \$130,000 project resourcing will be assigned to all four cost centers by their FY 09/10 cost center percentages, consistent with the representation of WD-0106.

	Budget	Change	Balance
From: WD-0106 Corp Yard (Demolition/Construct)	\$450,000	- \$130,000	\$320,000
To: WD-0201 IOP Building I (FORA)	\$0	+ \$130,000	\$130,000

Environmental Review Compliance: None required.

Prior Committee or Board Action: On May 12, 2009, the Board adopted Resolution No. 2009-34 approving agreements with the Fort Ord Reuse Authority to purchase property and lease back space in the Imjin Office Park. On December 12, 2009, the Board adopted Resolution No. 2009-80 authorizing the General Manager to sign contracts relating to the Imjin Office Park Project.

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: Yes No

Funding Source/Recap: The District initially will utilize District Reserves to fund this proposed project; however, the District may choose to finance this design cost through the same prospective loan that will be obtained to resource the actual construction of the IOP building. The \$130,000 project resourcing will be assigned to all four cost centers by their FY 09/10 cost center percentages.

Material Included for Information/Consideration: Resolution No. 2010-27.

Staff Recommendation: The Board of Directors is requested to authorize a Professional Services Agreement with The Paul Davis Partnership for completing the design of MCWD's Imjin Office Park building intended for FORA's occupancy and to amend the Fiscal Year 2009/2010 Capital Improvement Budget.

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

Board Action

_____ Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

May 11, 2010

Resolution No. 2010-27
Resolution of the Board of Directors
Marina Coast Water District
Authorizing a Professional Services Agreement with
The Paul Davis Partnership for the
Design of the MCWD Imjin Office Park Building and to
Amend the FY 2009/2010 Budget

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

WHEREAS, the District seeks to construct a building in the Imjin Office Park for FORA’s occupancy and that District desires the building to achieve LEED Silver Certification; and,

WHEREAS, The Paul Davis Partnership has largely designed the structure and the District desires for them to complete the task, including completing the design, obtaining clearances to construct, construction observation, and LEED documentation; and,

WHEREAS, The Paul Davis Partnership has prepared a scope and contract to achieve the objective and the District desires to execute a Professional Services Agreement to that effect that shall not require in excess of \$130,000 of contract resourcing.

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

- 1) Authorize the General Manager and/or Deputy General Manager to execute a Professional Services Agreement with The Paul Davis Partnership for completing the design of MCWD’s Imjin Office Park building intended for FORA’s occupancy 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 \$130,000; and
- 2) Amend the FY 2009 / 2010 Capital Improvements Budget as follows.

	Budget	Change	Balance
From: WD-0106 Corp Yard (Demolition/Construct)	\$450,000	- \$130,000	\$320,000
To: WD-0201 IOP Building I (FORA)	\$0	+ \$130,000	\$130,000

PASSED AND ADOPTED on May 11, 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. 2010-27 adopted May 11, 2010.

Jim Heitzman, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-D

Meeting Date: May 11, 2010

Submitted By: Suresh Prasad

Presented By: Suresh Prasad

Prepared By: Carl Niizawa

Agenda Title: Consider First Reading of Ordinance 52 Approving New District Rates, Fees & Charges for Marina Water and Wastewater and Approve Proposition 218 Public Notice and Set Date, Time and Location for Public Hearings for Proposed Changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas

Detailed Description: The Board is requested to conduct the first reading on Ordinance No. 52 as the first step to approving new water and wastewater rates, fees and charges for the Marina service area. The Board is also requested to approve the Notice of Public Hearing (Prop 218 notice) and to set the date, time and location for such public hearing in accordance with the Proposition 218 rate increase process for both the Marina and Ord Community service areas.

On February 14, 2007, the District Board adopted Resolution No. 2007-17, approving a Professional Services Agreement with Bartle Wells Associates (“BWA”) to Prepare a Five-Year Water, Wastewater and Recycled Water Financial Plan and Rate Study. On March 12, 2008, the Board adopted Resolution No. 2008-12 to approve amending the Professional Services Agreement to include an increase in fees to complete the rate study. On May 14, 2008, the Board approved the Five-Year Water and Wastewater Financial Plan and Rate Study. The approved Rate Study called for rate increases for FY 2010/2011 for both service areas.

The FORA Board must approve the increase in the rates for the Ord Community, before they are adopted by the District. This would include the operating rates and capacity charges for water, wastewater and regional water. Staff has previously met with FORA staff to discuss the schedule and anticipated action by the boards.

The process for any rate change for Central Marina and Ord Community includes a public hearing to receive input from the rate payers before any change in rates is adopted. A Proposition 218 hearing is required in order to increase the rates charged for water and wastewater services for both the Central Marina and Ord Community. The Capacity Charge fee increase for both the Central Marina and Ord Community does not require a Proposition 218 notice or hearing.

The amount of the increase in capacity charges exceeds the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance. This means that the District cannot charge the increased capacity fee to any school district, county office of education, community college district, state agency, or the University of California before first negotiating the increases with those entities in accordance with District Code section 6.16.020 and Government Code section 54999.3. Although these sections also apply to California State University at Monterey Bay, the District can charge the increased

amounts to CSUMB as a result of and as limited by a Settlement Agreement and Mutual Release dated June 1, 2006, by which the District and California State University made an agreement regarding the amount of all future capacity charges. Accordingly, the District can charge the increased capacity charges as limited by the Settlement Agreement and Mutual Release immediately to CSUMB but cannot charge the increased capacity charges to any other school district, state agency, county office of education, community college district or the University of California without first negotiating with those entities.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On February 14, 2007, the District Board adopted Resolution No. 2007-17 approving a Professional Services Agreement with Bartle Wells Associates (“BWA”) to prepare a Five-Year Water, Wastewater and Recycled Water Financial Plan and Rate Study. On July 11, 2007, the District Board reviewed the rate study progress report. On March 12, 2008, the Board adopted Resolution No. 2008-12 to approve amending the Professional Services Agreement to include an increase in fees to complete the rate study. On April 30, 2008, the Board met and discussed the rate study at a rate study workshop. On May 14, 2008, the Board approved the Five-Year Water and Wastewater Financial Plan and Rate Study.

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: X Yes No

Funding Source/Recap: All revenue accounts for the District.

Material Included for Information/Consideration: Process for Adopting Proposition 218 Rate Increase (Chart); Notice of Public Hearing (Prop 218 Notice); and Ordinance 52.

Staff Recommendation: The Board of Directors hold a First Reading of Ordinance 52 Approving New District Rates, Fees & Charges for Marina Water and Wastewater and approve Notice of Public Hearing (Prop 218 Notice) and set date, time and location for Public Hearings for proposed changes in Rates, Fees, and Charges for Marina and Ord Community Service Areas. Staff recommends that the Board hold a joint MCWD/FORA Board meeting to satisfy the Prop 218 requirements with respect to the charges for the Ord Community on July 9, 2010 and that the MCWD Board holds the Prop 218 public hearing on July 13, 2010 for Central Marina rates.

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

Board Action

____ Resolution No ____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

PROCESS FOR ADOPTING PROP. 218 RATE INCREASE

STEP	ACTION	WHEN
1.	First reading of the proposed rate increase ordinance by the MCWD Board of Directors. Board sets the second reading date and public hearing date for July 13, 2010.	May 11, 2010
2.	For Prop. 218 compliance, mail notice to the record owner (may include tenants if they pay directly to MCWD) of each parcel upon which the fee or charge is proposed to be imposed. The notice must include: <ol style="list-style-type: none"> a. the amount of the fee on that parcel b. the basis for calculating the fee or charge c. the reason for the fee or charge d. the time, date and location of the protest hearing 	At least 45 days before public protest hearing (By 05/29/2010)
3.	District mails notice of public hearing to interested parties who have filed written request within prior year [At least 14 days before meeting.]	14 days before meeting (By 06/28/2010)
4.	District makes available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which charges are levied and the revenue sources anticipated to provide the service, including General Fund revenues. [At least 10 days before meeting.]	10 days before meeting (By 07/03/2010)
5.	Hold Prop. 218 public hearing on protests. If a majority of owners or tenants of identified parcels present written protests, the district may not impose the increased charges.	Not less than 45 days after notice is mailed (07/13/2010)
6.	Second reading of the proposed rate increase ordinance by the MCWD Board of Directors.	July 13, 2010
7.	Propose to MCWD and FORA Board for adoption of 2010/2011 operating and capital budgets.	July 9, 2010 & July 13, 2010
8.	Water Consumption, Sewer Collection and Monthly Charges effective after both Board (MCWD and FORA) take action on adopting the budgets.	July 13,2010
9.	Water and Sewer Capacity Charges effective 60 days after adoption of Ordinance No. 52 by MCWD Board.	September 13,2010

**NOTICE OF PUBLIC HEARING
ON PROPOSED CHANGES IN RATES, FEES AND CHARGES
FOR MARINA COAST WATER DISTRICT SERVICE AREAS**

Marina and the Ord Service Area

(Proposition 218 Notice)

Public Hearing for Marina Service Area: July 13, 2010, 7:00 p.m., MCWD Office, 11 Reservation Road, Marina, CA

Public Hearing for Ord Service Area: July 9, 2010, 4:30 p.m., FORA Conference Facility/Bridge Center, 201 13th St., Building 2925, Marina, CA

The Marina Coast Water District (MCWD) proposes to update the water and wastewater rates, fees and charges in order to be able to continue to operate, maintain and improve the District's water and wastewater facilities for the areas MCWD serves in Marina and on the former Fort Ord. The area the District serves on the former Ft. Ord is known as the "Ord Service Area." Except as changed by these updates, other existing rates, fees and charges will remain in effect. Changes to rates, fees and charges for the Ord Service Area require approval by both MCWD and the Fort Ord Reuse Authority (FORA).

PROPOSED INCREASE FOR WATER AND WASTEWATER RATES. The District currently charges customers a monthly fee for water based on the amount of the water consumed. The monthly consumption rate is currently an inclining block with three tiers. The District currently charges a flat rate for wastewater services. The District proposes to increase water and wastewater rates as set forth herein.

PROPOSED INCREASE FOR WATER AND WASTEWATER SERVICE FEES.

The District currently charges monthly service fees as a condition of service, based on the cost of labor and materials necessary to provide the services. The District proposes to increase water and wastewater service fees as set forth herein.

REASON FOR THE INCREASES. Since the last rate increase, the costs of energy, labor, raw materials and all other components necessary to provide water and wastewater services and to maintain and repair the facilities used to provide such services have increased. The proposed 7.8% for Marina and 7.8% for former Fort Ord increase is based information presented by engineering and financial advisors to the Boards of Directors of FORA and MCWD demonstrating the need to increase rates, fees and charges to maintain water and wastewater services within the MCWD's existing service areas. The specific information relating to the need for the rate increase as well as the calculation of the amount of the increase is on file at the MCWD's office.

HOW THE RATES, FEES AND CHARGES WERE CALCULATED. A study has been conducted by an independent consulting firm. That study concluded that the proposed rates will provide enough funds for the District to recover the cost of operation & maintenance and administration. All rates, fees and charges are calculated based on the cost to provide services. The water rates are calculated based on the amount of water used. Wastewater rates are calculated based on the amount of wastewater discharged, measured by equivalent dwelling units (one residence equals one dwelling unit).

PROPOSED CHANGE IN WATER AND WASTEWATER RATES.

FOR CENTRAL MARINA CUSTOMERS.

CENTRAL MARINA MONTHLY WATER RATES

EXISTING RATE	PROPOSED RATE
Water Consumption Charge	Water Consumption Charge
	Effective July 13, 2010
\$1.93 per hcf (0-8 hcf)	\$2.08 per hcf (0-8 hcf)
\$2.35 per hcf (9-16 hcf)	\$2.53 per hcf (9-16 hcf)
\$4.29 per hcf (16 + hcf)	\$4.62 per hcf (16 + hcf)

One hcf, or hundred cubic feet, is 748 gallons

CENTRAL MARINA MONTHLY WASTEWATER RATES

EXISTING RATE	PROPOSED RATE
\$7.70 per equivalent dwelling unit	Effective July 13, 2010
	\$8.30 per equivalent dwelling unit

CENTRAL MARINA MONTHLY WATER SERVICE FEES

EXISTING FEE	METER SIZE	PROPOSED FEE (Effective July 13, 2010)
\$15.87	5/8" or 3/4"	\$17.11
\$39.66	1"	\$42.75
\$79.32	1-1/2"	\$85.51
\$126.90	2"	\$136.80
\$237.94	3"	\$256.50
\$396.57	4"	\$427.50
\$793.14	6"	\$855.00
\$1,586.28	8"	\$1,710.01
\$72.73	Temporary Water Service	\$78.40

FOR ORD SERVICE AREA CUSTOMERS.

ORD SERVICE AREA MONTHLY WATER RATES

EXISTING RATE	PROPOSED RATE
<p>Water Consumption Charge</p> <p>\$2.06 per hcf (0-8 hcf) \$2.89 per hcf (9-16 hcf) \$3.73 per hcf (16 + hcf)</p> <p>Monthly Flat Rate Billing</p> <p>\$74.58 per unit without meter</p> <p>Monthly Capital Surcharge Billing (for new connection)</p> <p>\$20.00 per edu per month</p>	<p>Water Consumption Charge Effective July 13, 2010 \$2.22 per hcf (0-8 hcf) \$3.12 per hcf (9-16 hcf) \$4.02 per hcf (16 + hcf)</p> <p>Monthly Flat Rate Billing Effective July 13, 2010 \$80.40 per unit without meter</p> <p>Monthly Capital Surcharge Billing (for new connection) Effective July 13, 2010 \$20.00 per edu per month</p>

One hcf, or hundred cubic feet, is 748 gallons, edu - equivalent dwelling unit

ORD SERVICE AREA MONTHLY WASTEWATER RATES

EXISTING RATE	PROPOSED RATE
<p>\$22.60 per equivalent dwelling unit</p> <p>Monthly Capital Surcharge Billing (for new connection)</p> <p>\$5.00 per edu per month</p>	<p>Effective July 13, 2010 \$24.36 per equivalent dwelling unit</p> <p>Monthly Capital Surcharge Billing (for new connection) Effective July 13, 2010 \$5.00 per edu per month</p>

ORD SERVICE AREA MONTHLY WATER SERVICE FEES

EXISTING FEE	METER SIZE	PROPOSED FEE (Effective July 13, 2010)
\$15.13	5/8" or 3/4"	16.31
\$37.81	1"	40.76
\$75.60	1-1/2"	81.50
\$120.96	2"	130.39
\$226.80	3"	244.49
\$378.00	4"	407.48
\$755.99	6"	814.96
\$1,511.99	8"	1,629.93
\$72.73	Temporary Water Service	\$78.40

PUBLIC HEARING – ORD SERVICE AREA. The MCWD Board and the FORA Board will hold a public meeting at 4:30 p.m. on July 9, 2010 at the FORA Conference Facility/Bridge Center at 201 13th Street, Building 2925, Marina, California. At the hearing, FORA and the MCWD will consider all protests against the proposed increases in rates, fees and charges. If written protests against any proposed change are presented by a majority of owners and tenants who pay their bills directly to MCWD, FORA and MCWD will not impose the change.

PUBLIC HEARING – CENTRAL MARINA SERVICE AREA. The MCWD Board will hold a public meeting at 7:00 p.m. on July 13, 2010 at the MCWD Office at 11 Reservation Road, Marina, California. At the hearing, the MCWD will consider all protests against the proposed increases in rates, fees and charges. If written protests against any proposed change are presented by a majority of owners and tenants who pay their bills directly to MCWD, MCWD will not impose the change.

PROTESTS TO PROPOSED CHARGES. If you are the owner of record of a parcel or parcels served by the MCWD or you are a tenant who makes payment directly to the MCWD for rates, fees and charges for water and wastewater services, you may submit a protest against the proposed rates, fees and charges by filing a **written protest** with the District at or before the time set for the public hearing. If written protests are presented by a majority of owners, including tenants who make direct payment to MCWD, MCWD and FORA will not impose the new rates, fees and charges. A protest must contain a description of the parcel or parcels in which the party signing the protest has an interest, sufficient to identify the parcel(s). If the party signing the protest is not shown on the last equalized assessment roll of Monterey County as the owner of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner of the parcel(s) or is a tenant who makes payments directly to the MCWD for water and wastewater rates, fees and charges (a copy of recent MCWD bill would be sufficient evidence). Only one protest per property will be counted. Protests regarding the proposed charges may be mailed or personally delivered to: **Marina Coast Water District, 11 Reservation Road, Marina, CA 93933-2099, and must be received by the time set for the public hearing.**

If you have any questions about this notice, please call MCWD at (831) 384-6131 during regular business hours.

PROTEST FORM

Name: _____

Address of Parcel (Service Address): _____

Assessor's Parcel Number (if known): _____

Reason for Protest: _____

Signature: _____

Date: _____

MARINA COAST WATER DISTRICT
ORDINANCE NO. 52
AN ORDINANCE AMENDING SECTIONS 6.08.030, 6.08.060, 6.08.090, 6.08.100, 6.12.020,
6.12.040 AND 6.12.050 OF THE DISTRICT CODE
CHANGING RATES, FEES AND CHARGES FOR WATER AND SEWER SERVICES

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

Section 1. Authority. This Ordinance is enacted pursuant to Sections 30000 and following of the California Water Code, and Sections 66013 and 66016 of the California Government Code, and Section 6 of Article XIII D of the California Constitution.

Section 2. Findings.

A. This ordinance is considered for action by the Board of Directors at a regularly scheduled and noticed meeting. The agenda was posted in accordance with County Water District law with opportunity for public review in advance of the meeting and public comment during consideration of the ordinance by the Board. The District has complied with publication, notice and hearing requirements of Section 6 of Article XIII D of the California Constitution and Section 66016 of the California Government Code and Section 31027 of the California Water Code.

B. The District Code establishes, among other things, water consumption charges, minimum monthly charges, monthly sewer charges, various service charges, and water and sewer capacity charges for the District's customers. Based on the recommendations of the District's General Manager and engineering and financial advisors, and the 2008 5-Year Water and Wastewater Financial Plan and Rate Study adopted by the Board of Directors on May 14, 2008, revised charges are necessary to meet operating and capital expenses for sound operation of the District and to enable the District to provide continued water and sewer service within existing service areas.

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

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

E. No written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section 66016. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service.

F. The amount of the increase in capacity charges exceeds the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance. As a result, the District cannot charge the increased capacity fee to any school district, county office of education, community college district, state agency, or the University of California before first negotiating the increases with those entities in accordance with District Code section 6.16.020 and Government Code section 54999.3. Although these sections also apply to California State University at Monterey Bay, the District has complied with its obligation to negotiate with it and can charge the increased amounts to CSUMB as a result of and as limited by a Settlement Agreement and Mutual Release dated June 1, 2006, by which the District and California State University made an agreement regarding the amount of all future capacity charges. Accordingly, the District can charge the increased capacity charges as limited by the Settlement Agreement and Mutual Release immediately to CSUMB. The increased capacity charges to any other school district, state agency, county office of education, community college district or the University of California will be effective only when negotiations are concluded with those entities.

Section 3. Purpose Of Ordinance. The purpose of this Ordinance is to revise charges for water and wastewater services. This Ordinance amends Sections 6.08.030, 6.08.060, 6.08.090, 6.08.100, 6.12.020, 6.12.040 and 6.12.050 of the District Code.

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

“6.08.030 Temporary water service.

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

Gate Valve/Meter deposit	\$650.00
Water consumption deposit	\$1,100.00 minimum
Set or remove hydrant meter	\$ 140.00
Relocate meter per occurrence	\$ 140.00
Meter set, other than on fire hydrant	Actual Cost
Minimum monthly service charge	\$ 78.40
<u>Monthly quantity rate for each HCF (see Section 6.08.100 Water Consumption Rates)</u>	

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

“6.08.060 Monthly minimum water charges.

The monthly minimum charges for water service shall be:

Meter Size	Charges
<u>5/8” or 3/4”</u>	<u>\$17.11</u>
<u>1”</u>	<u>\$42.75</u>
<u>1-1/2”</u>	<u>\$85.51</u>
<u>2”</u>	<u>\$136.80</u>
<u>3”</u>	<u>\$256.50</u>
<u>4”</u>	<u>\$427.50</u>
<u>6”</u>	<u>\$855.00</u>
<u>8”</u>	<u>\$1,710.01”</u>

Section 6. Capacity charges for new or modified potable and recycled water service connections. Section 6.08.090 of the District Code is hereby amended to read in full as follows:

“6.08.090 Capacity charges for new or modified potable and recycled water service connections.

A. The water capacity charge for each equivalent dwelling unit (“EDU,” as defined in Section 1.04.010) shall be as follows:

\$ 5,450.00 per EDU

The capacity charge for water supply for non-residential purposes shall be as follows:

\$16,350.00 per acre-foot

Appendix C shall be the basis for determining capacity charges for water service connections. The general manager shall determine the assigned water rate for those uses not specified in Appendix C. The assigned water rate for any use not specified in Appendix C may be increased within six months after the end of the first full year of any such use, if actual, metered water use for the year is higher than the use determined by the general manager in calculating the capacity charge.”

Section 7. Water Consumption Rates. Section 6.08.100 of the District Code is hereby amended to read in full as follows:

“6.08.100 Water consumption rates.

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

<u>0-8 hcf</u>	<u>\$2.08 per hcf</u>
<u>9-16 hcf</u>	<u>\$2.53 per hcf</u>
<u>16 + hcf</u>	<u>\$4.62 per hcf</u>

Construction Water Depots:

Meter Deposit	\$250.00
Minimum Monthly Charge	\$ 78.40
Monthly Quantity rate for each HCF (see above table for Consumption Rates)”	

Section 8. Sewer capacity charge and capacity charge for new and modified sewer service connection. Section 6.12.020 and 6.12.040 of the District Code is amended to read in full as follows:

“6.12.020 Capacity charge.

A. The collection system capacity charge for residential and equivalent dwelling units (EDU) shall be as follows:

\$3,950.00 per EDU”

“6.12.040 Capacity charge for new and modified sewer service connection.

Table 6.12.040 summarizes the sewer collection system charge.”

**Table 6.12.040
SEWER CAPACITY CHARGES**

Residential Units

Sewer collection system capacity charge \$3,950.00 per EDU.

Same charge per unit for single-family, multiple dwelling, condominium, trailer space, or mobile home.

Nonresidential Units

Sewer collection system capacity charge—based on fixture units as defined in the Uniform Plumbing Code per structure

Fixture units are to be assigned based on ultimate plumbing fixtures per approved building plans, regardless of number of fixtures initially installed.

Each twenty fixture units are equivalent to one equivalent dwelling unit (EDU). For each hotel/motel unit a minimum of one EDU per room will be applied.

The sewer collection system capacity charge is collected at the ratio of one EDU per each twenty fixture units. For example, twenty-four fixture units equals one point two (1.2) EDU's for a capacity fee of \$4,740.00 when the capacity charge per EDU is \$3,950.00.

Each nonresidential connection is a minimum of one EDU.

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

“6.12.050 Wastewater collection rates.

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

Monthly Wastewater Rates \$8.30 per equivalent dwelling unit”

Section 10. Adjustment of Capacity Charges. The capacity charges adopted by Sections 6 and 8 of this ordinance shall be adjusted each year, commencing on July 1, 2011, and continuing thereafter on each succeeding July 1, by an increment based on the change in the Engineering News Record Construction Cost Index for San Francisco over the prior year, using the index published for the first quarter of the calendar year, and rounded to the nearest \$25. The Board may, by resolution adopted before the effective date of any annual adjustment, determine that such adjustment shall not be effective for the next succeeding year, or that the adjustment shall be some other amount as may be set by the Board in compliance with the provisions of applicable law.

Section 11. Requirements for Rates, Fees and Charges. The rates, fees and charges adopted by this ordinance shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed. Revenues derived, respectively, from water and sewer capacity charges shall not be used for any purpose other than for capital facilities to provide, respectively, water and sewer service. If the capacity charges adopted by this ordinance create revenues in excess of actual cost, those revenues shall be used to reduce the capacity charges creating the excess.

Section 12. Effective Date. Sections 6 and 8 of this Ordinance shall take effect 60 days following adoption. All other sections shall take effect upon adoption. The District conducted a public hearing not less than 45 days after the District mailed notice of the proposed increase in rates, fees and charges to the customers directly liable to pay the rates, fees and charges in question (excluding capacity charges). At the public hearing held regarding the rate increases, the District Board considered all protests against the proposed increase in rates, fees and charges (excluding capacity charges). A majority of customers that directly pay bills of the identified service address did not file written protests.

Section 13. Publication and Posting. Within 15 days after adoption, the district shall publish, in a newspaper published in Monterey County and circulated within the district, a summary of this ordinance with the names of those directors voting for and against adoption, and shall post in the district office a certified copy of the full text of this ordinance as adopted along with the names of those directors voting for and against adoption.

Section 14. Notice of Public Hearing. The Secretary is authorized and directed to mail notice of the rates, fees and charges (excluding capacity charges) proposed for adoption by this ordinance to the record owners or other persons directly liable to pay the rate,

fee or charge in question, at the addresses shown on the billing records of the District. The district shall hold a public hearing not less than 45 days and not more than 60 days after mailing the notice, to consider all protests against the proposed rates, fees and charges (excluding capacity charges).

Section 15. Notice of Exemption Notice of Determination. The Secretary is authorized and directed to give due notice of exemption of this ordinance from the provisions of CEQA, pursuant to Title 14 California Code of Regulations section 15062.

Section 16. Existing Charges. Existing rates, fees and charges in effect when this ordinance is adopted shall remain in effect unless specifically changed by this ordinance.

Section 17. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, or superseded by some other provision of law, such provisions shall be severed from and shall not affect the validity of the remaining provisions of this ordinance. The Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any other part thereof be unconstitutional or invalid, or superseded by some other provision of law. The parts of this ordinance which are not unconstitutional, invalid, or superseded shall remain in full force and effect and shall be enforced according to their terms.

Section 18. Interpretation. Words and phrases used in this ordinance shall be read conjunctively with and shall have the same meaning as in prior district ordinances and the district Code, unless specifically changed by this ordinance or unless the context requires some other construction. If there is any inconsistency between this ordinance and prior provisions, this ordinance shall control.

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

Ayes: _____

Nays: _____

Absent: _____

Abstained: _____

By _____
Kenneth K. Nishi, President

ATTEST:

Jim Heitzman, Secretary

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that the foregoing Ordinance was adopted and approved by the Board of Directors at their regular meeting on July 13, 2010.

Jim Heitzman, Secretary

Marina Coast Water District
Staff Report

Agenda Item: 9-A

Meeting Date: May 11, 2010

Prepared By: Suresh Prasad, Rich Youngblood

Reviewed By: Carl Niizawa

Subject: 1st Quarter 2010 Ord Community Water Consumption and Sewer Flows Report

Summary: The Board of Directors is requested to receive the 1st Quarter 2010 Ord Community Water Consumption and Sewer Flows Report. Quarterly water consumption reports have been submitted to the Board since 2006. This staff report also includes Ord Community sewer flows so that sewer capacity can be tracked. This report assists District staff in complying with several objectives from the Board's 2007/2008 Strategic Plan including:

Objective 1D – *Reduce “Unaccounted for Water” each Fiscal Year by 1% from the system average of 14.5% or about 6.7 AFY (FY 07/08 and FY 08/09).* The attached report helps track the number of meters installed at those properties that were previously unmetered and therefore assists with tracking unaccounted for water.

Objective 1E – *Reduce overall water usage each Fiscal Year by 0.5% from current amount of 4,300 AFY or about 21.5 AFY (FY 07/08 and FY 08/09).* The report tracks water use.

Objective 1G – *Annually review Urban Water Management Plan (UWMP) and amend as necessary.* The report assists in tracking water use that will be used in the annual update of the UWMP.

Objective 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 environmental sensitive way.* The sewer flow is measured at the Ord Community flume. The flume went into operation in April 2007. This report will track available sewer capacity that was dedicated by the US Army for use in the development of the Ord Community. The Army had sewer treatment capacity rights of 3.3 million gallons per day (mgd) of which it retained 1.1 mgd with 2.2 mgd for use by the Ord Community.

Below are informational notes for the data reported:

- The rainfall for the 1st Quarter of 2010 (January, February, March), was 10.71 inches, above the historical quarterly average of 9.49 inches. The average evapotranspiration for this period is 6.11 inches compared to the average quarterly figure of 5.90 inches.
- The number of customers in each category is defined as the number of active accounts within that land use jurisdiction.
- “Army Facilities & Businesses - Ord” captures all uses not listed in the other Army categories.

Ord Community Sewer flows as measured at the old Main Garrison Wastewater Treatment Plant for the 1st Quarter of 2010 was 82 million gallons or .91 mgd. This leaves an available balance of 1.92 mgd.

The 2nd Quarter 2010, Ord Community Water Consumption and Sewer Flow Report (April, May, and June) will be presented to the Board in July 2010.

Marina Coast Water District
Staff Report

Agenda Item: 9-B

Meeting Date: May 11, 2010

Prepared By: Brian True
Reviewed By: Carl Niizawa

Subject: Regarding the Disposition of MCWD's Beach Intake Well

The Board is requested to receive this Staff Report and to accept the staff recommendation described below regarding the disposition of MCWD's Beach Intake Well that supplies feed water to the existing 300-AFY desalination facility located at 11 Reservation Road in Marina, CA.

The situation regarding the Beach well can be described by the following:

- 1) The existing Beach Intake Well was constructed as a portion of the 300-AFY desalination facility in the late 1990's on property owned by California Department of Parks and Recreation (State Parks) adjacent to the District's 11 Reservation Road site. The well casing column extends roughly 85-feet below a 7-foot-wide, 11-foot-long, and 7-foot-tall concrete vault.
- 2) A storm in the winter of 2010 eroded the beach surrounding the well and exposed the vault at the top of the well casing column. The top of the vault is roughly 15-feet above the nearly-vertical toe of the bluff which now is located almost immediately below the vault.
- 3) The exposure of the vault on the beach violates the use permit supplied by State Parks.
- 4) Wind erosion and storms have exposed the vault on several occasions in the past, most recently in 2008. The District has responded to these events by importing sand and recovering the vault. Simply covering of the vault at this time is problematic given its current position at the edge of the bluff.
- 5) Another large storm event may erode the bluff further and leave the vault in a precarious position at the beach site.
- 6) The well requires periodic sampling. The District operates the well 4-times-per-year and samples the water quality in order to maintain the California Department of Public Health (DPH) domestic water supply permit that allows the desalination facility to operate as an approved treatment facility.
- 7) The District entered into an Agreement with the local development community to potentially use the 300-AFY of desalinated water that might be generated by MCWD's existing facility. Under that Agreement, the District would rehabilitate the existing desalination facility at the developer's expense and provide 300-AFY of water to the developments. The Agreement remains in-force against the District though the developer's may opt to terminate the Agreement.

District staff evaluated several alternative courses of action to address the disposition of the Beach Intake Well with the assistance of Schaaf & Wheeler. The current state of the eroded

beach bluff surrounding and supporting the vault is such that importing additional sand is unviable. The volume of sand needed to re-cover the vault to the satisfaction of State Parks would exceed 800-cubic-yards and, in all likelihood, would erode away in a short amount of time. Lowering the vault was considered but the alternative was determined to be more costly in the short-term than the staff recommended actions described.

Staff's objectives in considering a course of action was to minimize up-front expenditures, minimize District liability, and maintain flexibility in reaching a decision regarding the re-installation of the well. The recommendation is based on site reviews, reviews of the history of the intake well and its regulatory approvals, an engineering study conducted by Schaaf & Wheeler, and discussions with pertinent local regulatory agencies.

The following actions are recommended:

Begin making arrangements to place the well into the DPH's "stand-by" status, remove the existing vault, and cap the well casing. The need for this action is considered immediate, considering the current location of the vault. Estimated cost is \$50,000.

The stand-by mode provides for a reduction in sampling frequency and the greatest flexibility. With the well in this status, staff's understanding is that it would be desirable for the District to reach a conclusion regarding MCWD's need to maintain the water production permit and the desalination facility within the next 9 years.

For maintenance of the water production permit, the recommended long-term resolution to the Beach Intake Well's disposition is to re-install the well on a new location within MCWD's property surrounding the 11 Reservation Road site. Application would be made to DPH for approval of the re-installation, a design conducted, and then a new intake well could be installed. In all likelihood, the existing desalination facilities functionality will be reviewed by DPH and must be deemed acceptable as a treatment facility within the re-installation application processing. The re-installed well would undertake the process that any new domestic water supply well would require in terms of testing water quality and operation. The existing Beach Intake Well would have to be destroyed. The cost estimate for undertaking this activity is approximately \$420,000, largely depending on the cost to reconnect the pipe network and the existing well's site conditions.

If the decision is made to allow the water production permit to lapse, the next task would be to complete the formal destruction of the previously abandoned beach intake well. The cost to destroy the well is estimated to range between \$50,000 and \$150,000 depending on the well's site conditions.

Marina Coast Water District
Staff Report

Agenda Item: 9-C

Meeting Date: May 11, 2010

Prepared By: Gary Rogers

Reviewed By: Carl Niizawa

Subject: Advertisement of Contractor Bid Package for the Demolition of Well 32 Site Structure and Appurtenances

Summary: Beginning in mid May 2010 for two weeks, District staff will advertise for contractor's to bid for demolition of the Well 32 site structure and appurtenances. The Well 32 site demolition is a part of the Eastern Distribution System capital improvement project that is being partially financed with \$2.3 million by Proposition 50 funding from the State Water Resources Control Board.

The advertisement will be shown for solicitation in the Monterey County Herald circular one time each week for two weeks. The bid package will also be posted at three additional locations:

- 1) on the MCWD website;
- 2) at the plan-dissemination center "Builders' Exchange of the Central Coast, Inc"; and
- 3) the plan-dissemination website DODGE.

To facilitate at least three bid responses, an announcement will also be sent to forty-eight contractors of which two are located within Monterey County; the list of contractors was obtained from the California Department of Industrial Relations website.

Demolition of the building is necessary prior to replacement of Well No. 32 with a new well and well house. According to the hazardous materials assessment performed by S-Tech Consulting, elements of the existing structure have asbestos that will need to be properly disposed by contractors licensed by the State of California to handle asbestos and lead contaminated building materials.

Upon selection of the qualified low bidder as scheduled for July 2010, District staff will seek Board adoption of a resolution for the recommended, qualified low bidder. If accepted by the Board, District staff will award the contract to the qualified lowest bidding contractor. The demolition work is anticipated to commence in August 2010.

On February 10, 2009, the Board passed and adopted Resolution No. 2009-11, for the Initial Study/Mitigated Negative Declaration for the Well 32 Replacement /Eastern Distribution System Project. Pursuant to CEQA, an IS/MND was prepared for the Project. The Board also passed and adopted Resolution 2009-12 approving the Project and authorizing the General Manager to undertake all administrative actions necessary to carry out the Project, but not limited to procuring final design plans and obtaining all necessary governmental permits.