

**Agenda**  
**Regular Board Meeting, Board of Directors**  
**Marina Coast Water District**  
11 Reservation Road, Marina, California  
Tuesday, December 13, 2011, 6:45 p.m. PST

*This meeting has been noticed according to the Brown Act rules. The Board of Directors 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. Election of Board President and Vice-President**

*Action: The Board will elect two Directors to serve as President and Vice-President of the Board until December 2012.*

**4. Closed Session**

- A. 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, December 8, 2011 at the District office, Marina and Seaside City Halls, and at the Marina and Seaside Libraries. Information about items on this agenda or persons requesting disability related modifications and/or accommodations can contact the Board Clerk at: 831-883-5910. The next regular meeting of the Board of Directors is scheduled for January 10, 2012.

- B. Pursuant to Government Code Section 54956.95  
Liability Claims  
Claimant: Ausonio Incorporated  
Agency Claimed Against: Marina Coast Water District
  
- C. Pursuant to Government Code Section 54956.9  
Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Subdivision (b)  
One Case

A letter dated June 21, 2011, from the Monterey County Board of Supervisors transmitted a “Summary of Preliminary Findings Regarding Director Stephen Collins’ Business Relationship With RMC Water and Environment and Marina Coast Water District.” The Summary, prepared by Remcho, Johansen & Purcell, LLP, states that certain conduct raises questions about the validity of contracts to which Marina Coast Water District is a party. Based on the statements in the Remcho Summary, and based on reports in the news media, a point has been reached where, in the opinion of the MCWD Board based on the advice of its legal counsel, there is a significant exposure to litigation against MCWD.

- D. Pursuant to Government Code Section 54959.9  
Conference with Legal Counsel – Anticipated Litigation  
Potential Initiation of Litigation (c)  
One Case
  
- E. Pursuant to Government Code Section 54957  
Public Employee Performance Evaluation  
Title: District Counsel

**7:00 p.m. Reconvene Open Session**

**5. 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.*

**6. Pledge of Allegiance**

**7. 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.*

**8. Presentations**

- A. Consider Adoption of Resolution No. 2011-84 in Recognition and Appreciation of Richard Youngblood, Conservation Coordinator, Upon His Retirement from the Marina Coast Water District
  
- B. Consider Adoption of Resolution No. 2011-85 in Recognition of Dale North, System Operator III, for 20 Years of Service to the Marina Coast Water District

**9. 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. 2011-86 to Approve the District Surplus Property Policy
- B. Adopt Resolution No. 2011-87 to Approve the Early Pay-Off of Rabobank Loan #870001432
- C. Adopt Resolution No. 2011-88 to Approve a Memorandum of Understanding between Marina Coast Water District and the Monterey Regional Water Pollution Control Agency for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group
- D. Approve the Proposed Regular Board Meeting Dates for 2012
- E. Approve the Expenditures for the Month of November 2011
- F. Approve the Draft Minutes of the Regular Board Meeting of October 11, 2011
- G. Approve the Draft Minutes of the Regular Board Meeting of November 8, 2011
- H. Approve the Draft Minutes of the Special Board Meeting of November 19, 2011

**10. 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 Directing Staff to Draft a Request for Proposals for District Legal Services

*Action: The Board of Directors will consider providing staff direction to draft a Request for Proposals for District legal services.*

- B. Consider Adoption of Resolution No. 2011-89 to Approve a Professional Services Agreement to Provide Information Technology Support Services to the District

*Action: Following review of the seven proposals that were received in response to the Request for Proposals that was sent out in November, the Board of Directors will select one company to provide Information Technology Support Services to the District.*

- C. Consider Adoption of Resolution No. 2011-90 to Approve a Professional Services Agreement with The EDCCO Group, Inc. to Provide SCADA Integration and Support Services for the Eastern Distribution System Projects

*Action: The Board of Directors will consider approving an agreement with EDCCO for SCADA integration and support services. The District currently uses EDCCO for other SCADA services.*

- D. Consider Adoption of Resolution No. 2011-91 to Approve a Professional Services Agreement with Tramutola, LLC. for Public Outreach Services

*Action: The Board of Directors will consider approving an agreement with Tramutola, LLC to assist the District with public outreach services.*

- E. Consider Adoption of Resolution No. 2011-92 to Approve a Memorandum of Understanding between the Monterey Peninsula Water Management District, the Marina Coast Water District, the City of Seaside, and the Seaside Basin Watermaster Regarding Water Used for Irrigation of Golf Courses

*Action: The Board of Directors will consider approving a Memorandum of Understanding for repayment of the District water provided for aquifer storage and recovery testing by the Monterey Peninsula Water Management District.*

- F. Consider Adoption of Resolution No. 2011-93 to Approve a Professional Services Agreement for Wastewater Engineering Services with Wood Rogers, Inc. Consultants for the Reservation Road Siphon Remediation Project

*Action: The Board of Directors will consider approving an agreement for wastewater engineering services for the Reservation Road Siphon Remediation Project.*

- G. Consider Providing Direction on the Monthly Water Meter Rate Charge for Upsized Meters With Fire Protection Sprinkler Systems

*Action: The Board of Directors will consider providing direction to staff regarding the monthly water meter rate charge for 1" meters with fire protection sprinkler systems.*

**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 | 7. FORA                                   |
| 2. Joint City-District Committee | 8. LAFCO Liaison                          |
| 3. Budget & Personnel Committee  | 9. JPIA Liaison                           |
| 4. Executive Committee           | 10. Special Districts Association Liaison |
| 5. Community Outreach            | 11. CalDesal                              |
| 6. MRWPCA Board Member           | 12. Regional Desalination Reports         |

**12. Director's Comments**

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

*Regular Meeting: Tuesday, January 10, 2012, 6:45 p.m.,  
11 Reservation Road, Marina*

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: December 13, 2011

Submitted By: Carl Niizawa

Presented By: Jim Heitzman

Agenda Title: Consider Adoption of Resolution No. 2011-84 in Recognition and Appreciation of Richard Youngblood, Water Conservation Coordinator, Upon His Retirement from the Marina Coast Water District

Detailed Description: Rich Youngblood joined the District on November 19, 1993 as the Water Conservation Coordinator. During his tenure, Rich developed and managed the District's conservation program utilizing innovative, creative, and effective methods. He advanced regional water conservation efforts through his volunteer efforts on the Water Awareness Committee of the Monterey County and the District's Water Conservation Committee.

Rich originated several conservation programs in the District that help keep the District in its leadership position as one of the most progressive programs in the state. He initiated the District's toilet, washer, and landscape rebate programs, obtaining the original grant funding to start the programs. In 2005, he was responsible for pursuing efforts to add a Water Conservation Specialist position, and he expanded the program to include an aggressive landscape element. In 2009, Rich introduced the Hot Water Recirculation System Rebate Program.

Over his career with the District, Rich has conducted over 2,000 conservation inspections and customer assistance visits.

Rich exercised his public outreach efforts in order to promote the District's mission by staffing the Water Conservation Information Booth every year for local events such as the Marina Air Faire, Festival of the Winds, Marina Garden Tour, Army's Environmental Open House, and Earth Day. He also managed the production of the District's newsletter. Rich has told the District's story to over 2,200 people as the tour guide for the District's desalination plant from the Governor of the State of Baja to the Water Board of the Kiawah Indian Tribe.

A highlight of Rich's conservation efforts was developing the District's in-school conservation education program. This program became one of the most successful in the state. The conservation education program is executed in every elementary school in the District's service area. The program continues to provide water conservation education classes and assemblies reaching more than 2,100 students and over 77 teachers.

It is with great pleasure that the District recognizes Richard Youngblood's eighteen years of service to the Marina Coast Water District. We collectively thank him for his many years of outstanding service, and wish him well in his retirement.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *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: Hospitality & Awards account.

Material Included for Information/Consideration: Resolution No. 2011-84.

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2011-84 in recognition and appreciation of Richard Youngblood, Water Conservation Coordinator, upon his retirement from Marina Coast Water District.

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

December 13, 2011

Resolution No. 2011-84  
Resolution of the Board of Directors  
Marina Coast Water District  
Recognition of Richard Youngblood, Water Conservation Coordinator,  
Upon His Retirement from the Marina Coast Water District

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Richard Youngblood was hired on November 19, 1993 as the Water Conservation Coordinator; and,

WHEREAS, during his tenure, Rich has initiated and participated in multiple successful conservation programs including coordination of the retrofit inspection program, rebate program, and water education program; staffing the Water Conservation Commission; Public Outreach; and, representing the District on the Monterey County Water Awareness Committee; and,

WHEREAS, Rich exercised his public outreach efforts in order to promote the District's mission by staffing the Water Conservation Information Booth every year for local events and developing the District's in-school conservation education program that became one of the most successful in the state.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and recognize Richard Youngblood for eighteen years of outstanding and dedicated service to the District and wish him well in his retirement.

PASSED AND ADOPTED on December 13, 2011, 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-84 adopted December 13, 2011.

---

Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: December 13, 2011

Submitted By: James Derbin

Presented By: Jim Heitzman

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2011-85 in Recognition of Dale North, Systems Operator III, for 20 Years of Service to the Marina Coast Water District

Detailed Description: The Board is requested to recognize System Operator III Dale North's twenty year service anniversary with the District by adopting a resolution approving and awarding a plaque and gift certificate.

Dale North began his employment with the District twenty years ago on December 13, 1991. His initial assignments included operations and maintenance of the wells and booster pumps, the District's wastewater treatment plant and meter reading. Dale has the distinction of having certifications in four areas of MCWD utility operations and maintenance: Wastewater Treatment, Water Distribution, Water Treatment, and Sewer Collections

In October 2001, when the District began serving the former Fort Ord water and wastewater systems, Dale was assigned a lead role working directly with project managers and contractors coordinating shut downs and redevelopment activities. In addition, Dale has been functioning as a field crew lead in coordinating and making preventative and emergency repairs. On September 22, 2005, Dale was promoted to Systems Operator Grade III. On October 21, 2006, Dale passed the CA Department of Public Health Grade III Water Distribution Exam and received the Water Distribution Grade III Certification.

It is with great pleasure that the District recognizes Dale North's twenty years of service to the Marina Coast Water District and wishes him well in his continued service to the District.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Financial Impact:   X   Yes        No

Funding Source/Recap: Hospitality & Awards account.

Material Included for Information/Consideration: Resolution No. 2011-85.

Staff Recommendation: The Board of Directors approve Resolution No. 2011-85 recognizing Dale North for his twenty years of service and award a plaque and gift certificate.

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

---

Board Action

       Resolution No           Motion By           Seconded By       

Ayes           Abstained       

Noes           Absent       

Reagendized           Date           No Action Taken

December 13, 2011

Resolution No. 2011-85  
Resolution of the Board of Directors  
Marina Coast Water District  
Recognizing Mr. Dale North, System Operator III,  
For 20-Years of Service to MCWD

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Dale North joined the District on December 13, 1991; and,

WHEREAS, in 2001, Dale was assigned a lead role working directly with project managers and contractors coordinating shut downs and redevelopment activities; and,

WHEREAS, since 2006, Dale has been functioning as a field crew lead in coordinating and making preventative and emergency repairs; and,

WHEREAS, Dale has the distinction of having certifications in four areas of Marina Coast Water District utility operations; and,

WHEREAS, Dale is a dedicated and loyal employee who is well-respected and admired by his fellow employees and District customers.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby express its gratitude and recognizes Dale North for twenty years of service to the Marina Coast Water District, presents him with a plaque and gift certificate and wishes him continued success with the District.

PASSED AND ADOPTED on December 13, 2011 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 \_\_\_\_\_

---

William Y. Lee, 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. 2011-85 adopted December 13, 2011.

---

Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9

Meeting Date: December 13, 2011

Submitted By: Paula Riso  
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of:

- A) Adopt Resolution No. 2011-86 to Approve the District Surplus Property Policy
- B) Adopt Resolution No. 2011-87 to Approve the Early Pay-Off of Rabobank Loan #870001432
- C) Adopt Resolution No. 2011-88 to Approve a Memorandum of Understanding between Monterey Regional Water Pollution Control Agency and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group
- D) Approve the Proposed Regular Board Meeting Dates for 2012
- E) Approve the Expenditures for the Month of November 2011
- F) Approve the Draft Minutes of the Regular Board Meeting of October 11, 2011
- G) Approve the Draft Minutes of the Regular Board Meeting of November 8, 2011
- H) Approve the Draft Minutes of the Special Board Meeting of November 19, 2011

Environmental Review Compliance: None required.

Prior Committee or Board Action: See individual transmittals.

Board Goals/Objectives: *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: 9-A

Meeting Date: December 13, 2011

Prepared By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Carl Niizawa

Agenda Title: Adopt Resolution No. 2011-86 to Approve the District Surplus Property Policy

Detailed Description: Staff is requesting the Board consider adoption of Resolution No. 2011-86 to approve the District Surplus Property Policy (Policy). Currently, the District's only policy regarding surplus property was adopted by the Board by Resolution No. 2000-13 which strictly addresses the sale of surplus real property. A need has been identified for a more comprehensive policy that addresses the designation of District property and equipment as surplus and the process of disposing of the surplus property.

The main purpose of the proposed Policy is to make certain that any and all equipment or property purchased with public funds are accounted for and disposed of in the most cost effective and profitable way for the District. The policy designates the District's Risk Manager, the Management Services Administrator, as the primary administrator of the policy and describes in detail the methods of disposal to be used for specific types of surplus property.

On December 2, 2011, the Budget and Personnel Committee reviewed the proposed Policy and recommended that the Board approve the Policy.

Environmental Review Compliance: None required.

Prior Committee or Board Action: May 24, 2000, Board adopted Resolution No. 2000-13 to approve the Policy for Sale of Surplus Property; December 2, 2011 Budget & Personnel Committee reviewed the Proposed District Surplus Property Policy for recommendation for Board approval at the December 13, 2011 Board meeting.

Board Goals/Objectives: *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: Resolution No. 2011-86; and, Proposed District Surplus Property Policy

Staff Recommendation: The Board of Directors adopt Resolution No. 2011-86 to approve the District Surplus Property Policy.



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

---

Resolution No \_\_\_\_\_    Motion By \_\_\_\_\_    Board Action    Seconded By \_\_\_\_\_  
Ayes \_\_\_\_\_    Abstained \_\_\_\_\_  
Noes \_\_\_\_\_    Absent \_\_\_\_\_  
Reagendized \_\_\_\_\_    Date \_\_\_\_\_    No Action Taken \_\_\_\_\_

December 13, 2011

Resolution No. 2011-86  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving a District Surplus Property Policy

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the District’s only policy regarding surplus property was adopted by the Board by Resolution No. 2000-13 which strictly addresses the sale of surplus real property; and,

WHEREAS, a need has been identified for a more comprehensive policy that addresses the designation of District property and equipment as surplus and the process of disposing of the surplus property; and,

WHEREAS, the Budget and Personnel Committee has reviewed the District Surplus Property Policy and recommends approval by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2011-86 to approve the District Surplus Property Policy.

PASSED AND ADOPTED on December 13, 2011, 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-86 adopted December 13, 2011.

---

Jim Heitzman, Secretary

**DRAFT**  
**MARINA COAST WATER DISTRICT**  
**SURPLUS PROPERTY POLICY**

**BACKGROUND AND PURPOSE**

The purpose of this policy is to make certain that any and all equipment or property purchased with public funds are accounted for and disposed of in the most cost effective and profitable way for the District. To ensure that employees are acting in the District's best interest in disposing of unneeded District property or equipment, the purchase or acquiring of surplus District property directly or indirectly by employees or members of their immediate families is prohibited.

The Risk Manager is responsible for the transfer and disposition of surplus property/equipment and supplies herein after referred to as surplus property. Departments of the District shall annually review their equipment, material, and inventory, and shall notify the Risk Manager of any surplus property. Once it is determined that property or equipment is no longer needed or useable, the Risk Manager will determine the appropriate disposal method.

**I. UNDER \$5,000**

Items that were under the dollar value of \$5,000 at the time they were purchased should be handled as follows:

- A. Risk Manager will alert other departments of the availability of the equipment. If another department can use the equipment, it will be transferred to the other department. If the equipment cannot be used elsewhere in the District, the Risk Manager will determine the usefulness of the equipment.
- B. The Risk Manager will determine whether the equipment has value and the appropriate disposal method of the equipment (dispose through trash or recycling center, or transfer to the surplus holding area awaiting surplus sale).
- C. Surplus computer equipment should be forwarded to the Information Technology staff for disposal; generally computers are cannibalized for spare parts.
- D. A record of disposed equipment will be maintained by the Risk Manager.
- E. Once surplus property is sold or disposed of, the Risk Manager will inform Accounting department in order to remove the item(s) from the asset list.

**II. \$5,000 AND OVER**

Items that have a dollar value of \$5,000 and over will be handled as follows:

## **DRAFT**

- A. The Risk Manager will determine the appropriate disposal of equipment. If the department has a vendor interested in purchasing the equipment, either through negotiated sale or equipment trade-in, the department needs to alert the Risk Manager of this opportunity.
- B. Equipment (that is not being traded-in or purchased by a vendor), may be transferred to the surplus property holding area and will be disposed of at a later date in the most cost-effective or profitable way to the District as determined by the Risk Manager.
- C. A record of disposed equipment will be maintained by the Risk Manager.
- D. Once surplus property is sold or disposed of, the Risk Manager will inform the Accounting department in order to remove the item(s) from the asset list.

### **III. SURPLUS OF REAL PROPERTY**

Section 31041 of the Water Code authorizes the District to hold, use, lease, or dispose of real property within the District. The surplus of real property will be handled as follows:

- A. The Risk Manager will submit to the Board of Directors a list of property to be declared as surplus. Once the Board declares the real property as surplus, the property must first be offered to other public agencies, cities, etc. If no other agency is interested in the property, the District can dispose of the property.
- B. For surplus real property, the District will notify and negotiate for thirty days the sale or lease transaction with the property owners adjoining the surplus property planned for disposal.
- C. If property owners adjoining the surplus property are not interested in the property, the District will advertise the sale of these properties to the general public. The Sealed Bids process as listed in Section IV of this policy will be used in the sale of real property to general public.
- D. A record of disposed property will be maintained by the Risk Manager.
- E. Once surplus property is sold or disposed of, the Risk Manager will inform the Accounting department in order to remove the item(s) from the asset list.

### **IV. METHODS OF DISPOSAL**

The Risk Manager shall determine which of the following methods of disposition is most appropriate and in the best interest of the District.

## DRAFT

- A. Transfer to Another Department: Surplus property may be transferred between operating departments.
- B. Trade-In: Property declared as surplus may be offered as a trade-in; however, it may not be used to offset the value of the new property. All trade-in offers will be submitted to the Risk Manager for review and approval.
- C. Sales: Surplus property may be offered for sale by the Risk Manager. All surplus property is for sale “as is” and “where is” with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale. Methods of sale to be used are as follows:
  - a. Sealed Bids – Sealed bids may be solicited for the sale of surplus property. Surplus under this manner shall be sold to the highest bidder.
  - b. Negotiated Sale – Surplus property may be sold outright if the Risk Manager determines that one known buyer is available or interested in acquiring the property.
  - c. Selling for Scrap – Surplus property may be sold as scrap if the Risk Manager deems that the value of the raw material exceeds the value of the property as a whole.
  - d. Disposal as Junk – When the cost of locating a buyer exceeds the estimated sale price of the surplus property, the Risk Manager may destroy or dispose of the item as junk. Junk items will be taken to recycling centers whenever possible.

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: December 13, 2011

Prepared By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Carl Niizawa

Agenda Title: Adopt Resolution No. 2011-87 to Approve the Early Pay-Off of Rabobank Loan #870001432

Detailed Description: Staff is requesting the Board consider adoption of Resolution No. 2011-87 to approve the early pay-off of Rabobank Loan #870001432 which the District acquired April 26, 2005 at a fixed rate of 6.495%. It was previously thought that there would be a prepayment penalty assessed if the loan were paid off before it matured, however staff has confirmed that there is no penalty for early pay-off.

This loan was obtained by the District in order to pay the unfunded liability portion of its membership into the California Public Employees Retirement System (CalPERS). At the time the loan was obtained, the District had the option of financing the unfunded liability with CalPERS at rate of 7.75%. In addition, the District was earning 9.00% from its savings account and therefore, acted prudently in borrowing the funds rather than paying off the unfunded liability with District Reserves. Now that the current earning rates are below 1.00%, it is fiscally prudent to pay off the balance of the loan with Reserves. The principal balance of the loan is \$365,093.

The District would stand to save \$37,461 over the remaining life of the loan, of which, \$10,124 of savings would be realized in Fiscal Year 2011/2012. The savings are calculated as follows:

\$43,728	– total interest payments over the remaining life of the loan
<u>-\$6,267</u>	– total potential interest earnings on \$365,093 over the remaining life of the loan
<u>\$37,461</u>	– total net savings

The Budget and Personnel Committee has reviewed the option of early pay-off of this loan and recommends that the Board approve the option.

Environmental Review Compliance: None.

Prior Committee or Board Action: November 23, 2004 Board adopted Resolution No. 2004-64 to approve acquiring a Loan for the Unfunded Liability Payment to the California Public Employees Retirement System (CalPERS); December 2, 2011 Budget & Personnel Committee reviewed the early pay-off of Rabobank Loan #870001432 for recommendation for Board approval at the December 13, 2011 Board meeting.

Board Goals/Objectives: *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: District Reserve funds will be used to fund the early pay-off of Rabobank Loan #870001432.

Material Included for Information/Consideration:    Resolution No. 2011-87

Staff Recommendation: The Board of Directors adopt Resolution No. 2011-87 to approve early pay-off of Rabobank Loan #870001432 in the amount of \$365,093.

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

---

Resolution No \_\_\_\_\_    Motion By \_\_\_\_\_    Board Action    Seconded By \_\_\_\_\_  
Ayes \_\_\_\_\_    Abstained \_\_\_\_\_  
Noes \_\_\_\_\_    Absent \_\_\_\_\_  
Reagendized \_\_\_\_\_    Date \_\_\_\_\_    No Action Taken \_\_\_\_\_



December 13, 2011

Resolution No. 2011-87  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving an Early Pay-Off of  
Rabobank Loan #870001432 in the amount of \$365,093

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, on April 26,2005, the District acquired a loan with Community Bank (now Rabobank) in order to pay the unfunded liability portion of its membership into the California Public Employees Retirement System (CalPERS)at a fixed rate of 6.495%; and,

WHEREAS, it was previously thought that there would be a prepayment penalty assessed if the loan was paid off before it matured but staff has confirmed that there is no penalty for early pay-off; and,

WHEREAS, The District would stand to save \$37,461 over the remaining life of the loan.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2011-87 to approve the early pay-off of Rabobank Loan #870001432 in the amount of \$365,093.

PASSED AND ADOPTED on December 13, 2011, 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-87 adopted December 13, 2011.

---

Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: December 13, 2011

Submitted By: James Derbin

Presented By: James Derbin

Reviewed By: Carl Niizawa

Agenda Title: Adopt Resolution No. 2011-88 to Approve a Memorandum of Understanding between Monterey Regional Water Pollution Control Agency and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group

Detailed Description: The Board of Directors is requested to authorize the General Manager to execute a Memorandum of Understanding (MOU) between Monterey Regional Water Pollution Control Agency (MRWPCA) and Marina Coast Water District (MCWD) for MCWD's cost share for conducting a public education program for the Southern Monterey Bay Dischargers Group of \$1,755.

The MCWD operation and maintenance of the wastewater collection system is regulated under State Water Resources Control Board Statewide General Discharge Requirements Order No. 2006-0003-DWQ. Under this order, wastewater agencies in the state are required to have a Sanitary Sewer Management Plan (SSMP). One of the required elements of an SSMP is that each agency implements a public education outreach program regarding proper disposal of grease and fats.

This required outreach activity can be cost-effectively done on a cost-shared basis by a collective or regional group. One such group, the Southern Monterey Dischargers Group, is composed of most of the wastewater agencies tributary to the MRWPCA along with California American Water, the Pebble Beach Community Services District, and the Carmel Area Wastewater District. MRWPCA initiated and funded a limited outreach program in FY 2003-2004 to assist member agencies in the first year of compliance under a previous permit, California Regional Water Quality Control Board Waste Discharge Order No. R3-2002-0078. The regional group, including MCWD, has funded the program since FY 2004-2005.

In 2008, the Regional Board Order R3-2002-0078 was rescinded and replaced with the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (State Board Order No. 2006-003-DWQ). As the Statewide permit is virtually identical to that of the rescinded permit, the joint outreach program was continued.

Each participating agency has contributed a shared cost based on population of the communities served. MCWD has participated in the Southern Monterey Bay Discharges Group outreach activities every year since FY 2004-2005. Staff recommends that MCWD continue their support of the Public Education Program for the Southern Monterey Bay Dischargers Group.

Board Goals/Objectives: *Strategic Plan, Goal No. 2 – 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:     \_\_\_X\_\_\_Yes    \_\_\_\_\_No

Funding Source/Recap: The amount of \$1,755 approved in the FY 2011/2012 Budget and will be funded from Ord and Marina Sewer Operating Budget.

Material Included for Information/Consideration: Resolution No. 2011-88; and, copy of Memorandum of Understanding between the Monterey Regional Water Pollution Control Agency and Marina Coast Water District for Conducting a Public Education Program for the Southern Monterey Bay Dischargers Group.

Staff Recommendation: The Board of Directors adopt Resolution No. 2011-88 that authorizes the General Manager to execute a Memorandum of Understanding (MOU) between Marina Coast Water District (MCWD) and the Monterey Regional Water Pollution Control Agency (MRWPCA) for MCWD's cost share for conducting a public education program for the Southern Monterey Bay Dischargers Group of \$1,755.

Action Required:     \_\_\_X\_\_\_Resolution    \_\_\_\_\_Motion     \_\_\_\_\_Review  
(Roll call vote is required.)

---

Board Action

\_\_\_\_\_Resolution No \_\_\_\_\_ Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

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

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

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

December 13, 2011

Resolution No. 2011 - 88  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving a Memorandum of Understanding  
between the Monterey Regional Water Pollution Control Agency  
and Marina Coast Water District for Conducting a Public Education Program  
for the Southern Monterey Bay Dischargers Group

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, District operations and maintenance of the wastewater collection system is regulated under State Water Resources Control Board Statewide General Discharge Requirements Order No. 2006-0003-DWQ; and,

WHEREAS, State Water Resources Control Board Statewide General Discharge Requirements Order No. 2006-0003-DWQ requires Marina Coast Water District to maintain a Sewer System Management Plan; and,

WHEREAS, a required element of the Marina Coast Water District Sewer System Management Plan is a public outreach campaign that promotes proper disposal of grease and fats; and,

WHEREAS, the District has participated in this cooperative Southern Monterey Bay Dischargers Group outreach program since FY 04/05; and,

WHEREAS, this State required outreach activity can be most cost-effectively done on a cost-shared basis with the Southern Monterey Bay Dischargers Group members; and,

WHEREAS, the District’s shared cost of this outreach program is \$1,755 for the FY 2011/2012; and,

WHEREAS, staff recommends continuing support of this collective outreach effort.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Marina Coast Water District does hereby Authorize the General Manager to execute a Memorandum of Understanding (MOU) between Marina Coast Water District (MCWD) and the Monterey Regional Water Pollution Control Agency (MRWPCA) for MCWD’s cost share of conducting a Public Education Program for the Southern Monterey Bay Dischargers Group for a total dollar amount of \$1,755.

PASSED AND ADOPTED on December 13, 2011 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-88 adopted December 13, 2011.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: December 13, 2011

Submitted By: Paula Riso

Presented By: Paula Riso

Reviewed By: Carl Niizawa

Agenda Title: Approve the Proposed Regular Board Meeting Dates for 2012

Detailed Description: The Board is requested to approve the proposed regular Board meeting dates for 2012.

**Board Meeting**

2nd Tuesday of Each Month  
6:45 p.m.

January 10, 2012

February 14, 2012

March 13, 2012

April 10, 2012

May 8, 2012

June 12, 2012

July 10, 2012

August 14, 2012

September 11, 2012

October 9, 2012

November 13, 2012

December 11, 2012

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *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: N/A

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors consider approving the proposed regular Board meeting dates for 2012.

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: 9-E

Meeting Date: December 13, 2011

Submitted By: Kelly Cadiente  
Reviewed By: Carl Niizawa

Presented By: Kelly Cadiente

Agenda Title: Approve the Expenditures for the Month of November 2011

Detailed Description: The Board of Directors is requested to approve the attached November 2011 check register for expenditures totaling \$1,846,241.62.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *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 six cost centers; 01-Marina Water, 02-Marina Sewer, 03- Ord Water, 04- Ord Sewer, 05-Recycled Water, 06-Regional Water.

Material Included for Information/Consideration: November 2011 Summary Check Register.

Staff Recommendation: The Board of Directors approve the November 2011 expenditures totaling \$1,846,241.62.

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: 9-F

Meeting Date: December 13, 2011

Submitted By: Paula Riso  
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of October 11, 2011

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of October 11, 2011.

On November 8, 2011, Director Nishi requested staff to provide a portion of the minutes in verbatim form, that portion being the comments of Mr. George Riley during discussion of agenda item 8-A. Following discussion, a motion to table the item until the December Board meeting was passed.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On November 8, 2011, Director Nishi requested staff to provide a portion of the minutes in verbatim form and a resulting vote to table the item until December was passed.

Board Goals/Objectives: *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 October 11, 2011.

Staff Recommendation: The Board of Directors approve the draft minutes of the October 11, 2011 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  
Agenda Transmittal

Agenda Item: 9-G

Meeting Date: December 13, 2011

Submitted By: Paula Riso  
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of November 8, 2011

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of November 8, 2011.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *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 November 8, 2011.

Staff Recommendation: The Board of Directors approve the draft minutes of the November 8, 2011 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 Office  
11 Reservation Road  
Marina, California

Regular Board Meeting  
November 8, 2011  
6:45 p.m.

Draft Minutes

1. Call to Order:

Vice President Burns called the meeting to order at 6:45 p.m. on November 8, 2011.

2. Roll Call:

Board Members Present:

Dan Burns – Vice President  
Howard Gustafson  
Jan Shriner  
Kenneth K. Nishi

Board Members Absent:

Bill Lee – President (excused – out of state on business)

Staff Members Present:

Jim Heitzman, General Manager  
Lloyd Lowrey, Legal Counsel  
Carl Niizawa, Deputy General Manager/District Engineer  
Jean Premutati, Management Services Administrator  
Kelly Cadiante, Director of Administrative Services  
Thomas Barkhurst, Water Quality Chemist  
Brian True, Capital Projects Manager  
Joe Correa, Interim Assistant Operations and Maintenance Superintendent  
Patrick Breen, Capital Projects Manager  
Paul Lord, Water Conservation Specialist  
Rene Magdaleno, Systems Operator I  
Paula Riso, Executive Assistant/Board Clerk

Audience Members:

Brian McCarthy, Marina Resident  
Richard Newhouse, Marina Resident  
Bob Holden, MRWPCA  
Luane Conley, Marina Resident  
Frank Lambert, Marina Resident  
Eric Peterson, Marina Resident

Krystal Schneider, CSUMB Student  
Megan Spoerre, CSUMB Student

The Board entered into closed session at 6:46 p.m., after announcement per Government Code Section 54957.7(a). Mr. Lloyd Lowrey, Legal Counsel, stated that only items 3A, B, C, and D would be discussed and handouts relating to item 3B were available to the public.

3. Closed Session:

- A. 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)
- B. Pursuant to Government Code Section 54956.95  
Liability Claims  
Claimant: Ausonio Incorporated  
Agency Claimed Against: Marina Coast Water District
- C. Pursuant to Government Code Section 54956.9  
Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Subdivision (b)  
One Case  

A letter dated June 21, 2011, from the Monterey County Board of Supervisors transmitted a “Summary of Preliminary Findings Regarding Director Stephen Collins’ Business Relationship With RMC Water and Environment and Marina Coast Water District.” The Summary, prepared by Remcho, Johansen & Purcell, LLP, states that certain conduct raises questions about the validity of contracts to which Marina Coast Water District is a party. Based on the statements in the Remcho Summary, and based on reports in the news media, a point has been reached where, in the opinion of the MCWD Board based on the advice of its legal counsel, there is a significant exposure to litigation against MCWD.
- D. Pursuant to Government Code Section 54959.9  
Conference with Legal Counsel – Anticipated Litigation  
Potential Initiation of Litigation (c)  
One Case
- E. Pursuant to Government Code Section 54957  
Public Employee Performance Evaluation  
Title: District Counsel

The Board ended closed session at 7:04 p.m.

Vice President Burns reconvened the meeting to open session at 7:05 p.m.

4. Possible Action on Closed Session Items:

Mr. Lowrey reported the following:

- 3-A – the Board of Directors conferred with Legal Counsel, no action was taken.
- 3-B – no action was taken.
- 3-C – the Board of Directors conferred with Legal Counsel, no action was taken.
- 3-D – the Board of Directors conferred with Legal Counsel, no action was taken.
- 3-E – not discussed.

5. Pledge of Allegiance

Vice President Burns led everyone present in the pledge of allegiance.

6. Oral Communications:

No comments were made.

7. Presentation:

- A. Consider Adoption of Resolution No. 2011-79 in Recognition of Rene Magdaleno, System Operator I, for 5 Years of Service to the Marina Coast Water District:

Director Gustafson made a motion to adopt Resolution No. 2011-79 recognizing Rene Magdaleno for 5 years of service to the Marina Coast Water District. Director Nishi seconded the motion. The motion was passed.

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

Mr. Jim Heitzman, General Manager, read the narration and presented Mr. Magdaleno with his plaque and gift certificate.

8. Consent Calendar:

Director Nishi requested to pull items C, D, and F from the Consent Calendar.

Director Gustafson made a motion approve Consent Calendar consisting of items:

- I) Consider Re-appointment of Dan Amadeo as Public Member to the Water Conservation Commission
- J) Adopt Resolution No. 2011-80 to Approve and Authorize Acceptance and Consent for Recordation Grant of Waterline Easements for the Watkins Gate Well and Pipeline Project from the County of Monterey
- E) Approve the Draft Minutes of the Special Board Meeting of September 30, 2011

Vice President Burns seconded the motion. The motion was passed.

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

- C) Receive the Quarterly Financial Statements for April 1, 2011 – June 30, 2011:

Director Nishi noted that the expenses were up and the revenue was down and asked that a report be brought back to the Board explaining why that was. He asked if the current course were to continue, what actions would need to be taken. Director Nishi noted that several investment accounts would be maturing soon and asked that the Budget and Personnel Committee receive a report before they are reinvested to make sure the District receives the maximum payback. Director Nishi suggested that the Budget and Personnel Committee also discuss paying off the Rabobank CalPERS loan.

Director Nishi made a motion to approve the Quarterly Financial Statements for April 1, 2011 – June 30, 2011. Director Gustafson seconded the motion. The motion was passed.

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

- D) Approve the Expenditures for the Month of October 2011:

Director Nishi commented that he pulled the item because he wanted to abstain from the vote.

Director Shriner questioned the membership fees paid to FORA. She also questioned the payment to RMC, if it paid services through August, and where could they see the work product for those charges. Ms. Kelly Cadiente, Director of Administrative Services, answered that the payment was for services through August and the Regional Desalination Project monthly reports have the invoices and work by RMC included as part of the report. She noted that the July and August invoices were part of the monthly reports that were included in the August and September board packets.

Agenda Item 8-D (continued):

Director Shriner inquired on the Laserfiche system and asked if the District was still utilizing it. Ms. Cadiente answered that the person who was working closely with the Laserfiche system was no longer with the District but staff was working to hire someone to handle the Information Technology support for the District.

Director Gustafson made a motion to approve the Expenditures for the Month of October 2011. Vice President Burns seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Burns	-	Yes
Director Shriner	-	Yes	President Lee	-	Absent
Director Nishi	-	Abstained			

F) Approve the Draft Minutes of the Regular Board Meeting of October 11, 2011

Director Nishi commented that he would like the comment by Mr. George Riley on page 5 of the minutes to be expanded and reflect more of what he actually said. Director Shriner voiced her appreciation that the minutes captured the highlights rather than verbatim. She stated her concern that Director Nishi would target a particular member of the public and said that the verbatim minutes would not serve the District that well. Director Nishi disagreed and said that when someone makes false statements and the District doesn't correct them, the District would be responsible for allowing the falsehoods to continue. He said that if someone makes a false statement, it is his responsibility as a Director to make sure that it is clarified and asked that the minutes reflect what was said at the meeting. Director Shriner stated that at a recent training, it was discussed that Directors should not confront and debate with public members on their comments. She said if something erroneous was said, it would be up to the General Manager or Legal Counsel to clarify. Vice President Burns commented that the Secretary's minutes and interpretation of the meeting were good enough for him. Director Nishi commented that the public member stated that the District canceled the Community Involvement Forum and it was not correct. He said that the other two agencies canceled the Community Involvement Forum and the District was the only agency who wanted to keep the forum scheduled. Director Nishi stated that he would like to table the item until next meeting so the minutes could be revised.

Vice President Burns asked what the next step was with this item. Mr. Lowrey answered that in the past, items have been tabled without a motion as long as there were no objections. He said that if there are objections, a motion will need to be made.

Director Shriner commented that verbatim minutes are a breach of violation of the Board Procedures Manual and agreed that there should be more discussion regarding this. Vice President Burns commented that it is impossible for anyone to do actual verbatim minutes.



Agenda Item 8-F (continued):

Director Nishi made a motion to table the October 11, 2011 draft minutes. Director Gustafson seconded the motion. The motion was passed.

Director Gustafson	-	Yes	Vice President Burns	-	No
Director Shriner	-	Yes	President Lee	-	Absent
Director Nishi	-	Yes			

9. Action Items:

A. Consider Adoption of Resolution No. 2011-81 to Approve the 2011/2012 District Investment Policy:

Ms. Cadiente introduced this item. Director Shriner thanked Ms. Cadiente for the update and review of the Investment Policy and suggested the District pursue a District of Distinction and Accreditation after reviewing all their policies.

Director Gustafson made a motion to adopt Resolution No. 2011-81 approving the 2011/2012 District Investment Policy. Vice President Burns seconded the motion. The motion was passed.

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

B. Consider Adoption of Resolution No. 2011-82 to Approve an Amendment to the Professional Services Agreement with The Paul Davis Partnership for the Imjin Office Park Building C, Suite B:

Mr. Patrick Breen, Capital Projects Manager, introduced this item. Director Shriner asked if this would allow the District to move into the office space. Mr. Breen answered that it was possible. Director Nishi noted that the Resolution number needed to be corrected from 2010 to 2011. He commented that it would be prudent to get a management company and start marketing the available office space. Director Nishi stated that the office at 11 Reservation Road wasn't costing the District anything as it is already paid for, but the new office building cost the District money and the District should be looking into trying to get the money back. Vice President Burns commented that in the past, the District surplused the Reservation Road office and contemplated moving the office to the Ord property.

Agenda Item 9-B (continued):

Director Gustafson made a motion to adopt Resolution No. 2011-82 to approve an Amendment to the Professional Services Agreement with The Paul Davis Partnership for the Imjin Office Park Building C, Suite B. Director Shriner seconded the motion. The motion was passed

Director Gustafson	-	Yes	Vice President Burns	-	Yes
Director Shriner	-	Yes	President Lee	-	Absent
Director Nishi	-	No			

C. Consideration for Directing Staff to Draft a Request for Proposals for District Legal Services:

Vice President Burns stated that this item was pulled from the agenda.

D. Consider Providing Direction to Staff on Proposed District Reorganization and Job Classifications:

Ms. Jean Premutati, Management Services Administrator, introduced this item explaining that recently there have been several staff members who retired, resigned or left for advancement options. She said that staff would like to look into reorganization of the District departments and job classifications and turning some interim positions to regular full-time positions. Mr. Heitzman clarified that staff was looking for Board consensus to move forward and bring any changes back to the Board for approval. The Board gave their consensus to move forward with reorganization.

E. Consider Adoption of Resolution No. 2011-83 to Amend the Board Procedures Manual:

Mr. Lowrey commented that he was asked what consequences would flow from a Board member not observing Board policy. He stated that as with the Crescent City case, consequences could be censure, removal from committees or preventing the Board member from placing anything on the agenda for a specified amount of time.

Mr. Eric Peterson, speaking as a public member, commented that this action was childish and it was the boys picking on the girl. He commented that it was questionably legal and suggested dropping the revision.

Ms. Luana Conley, Marina resident, voiced her disapproval stating that the proposed penalty was vague, contradictory and punishing. Ms. Conley expressed her support for Director Shriner and the need for transparency.

Mr. Frank Lambert, Marina resident, agreed with the last two speakers in regards to transparency and reminded the Board that they work for the ratepayers.

Agenda Item 9-E (continued):

Mr. Lambert encouraged the Board to work with Director Shriner in her quest for information.

Director Gustafson commented that this amendment wasn't directed at any one individual. He added that the Board handled themselves professionally and the District has all the water they need at some of the lowest rates in the region.

Director Shriner questioned the procedure and commented that there have been breaches in the Policy and gave examples of areas where those breaches occurred. She suggested a progressive discipline depending on the violation and also suggested a procedure to warn someone if they are perceived to be in violation so that an action might be taken prior to a disciplinary action. Director Shriner voiced her concern for the disciplinary action of not being able to place any items on the agenda and asked Mr. Lowrey for the Government Code that supports this kind of disciplinary action.

Director Gustafson commented that this procedure was discussed at the Board Workshop.

Mr. Lowrey stated that this procedure and the Crescent City case were discussed at the Board Workshop and also under District Counsel comments at a recent Board meeting. He added that the disciplinary action was based on the Crescent City case and not the Government Code.

Director Nishi suggested placing a time limit of one year for first offense and two years for a second offense. Mr. Lowrey recommended that the language remain as proposed in Section 43 and leave it to the Board's determination per each circumstance.

Director Nishi suggested deleting Section 34 – Minutes of Board and Board Committee Meetings. Vice President Burns stated that the Board Procedures Manual was approved at the last meeting with all the latest changes. He said that he was the one who asked that the consequences for violation be clearly placed in the Board Procedures Manual so there would not be any questions if something came up later. Mr. Lowrey explained that the specific changes to be considered were the language changes in Section 1 and Section 43. He said any other changes would need to be agendaized for another meeting.

Director Shriner made a motion to table this item until there is more specificity to the Violation of Policies and the procedure of being warned of, decided upon, what steps can be taken prior to an actual censure, and preventing an indefinite time period. Vice President Burns commented that if something did happen, he assumed that a third party would become involved and it would not be left entirely up to the Board. Mr. Heitzman commented that it was up to the Board to decide if the action was so grievous that a third party would be needed to resolve the issue. The motion died for lack of a second.

Agenda Item 9-E (continued):

Director Gustafson made a motion to adopt Resolution No. 2011-83 to amend the Board Procedures Manual. Director Nishi seconded the motion.

Director Shriner made a substitute motion to not include Section 43 in the amendment. The motion died for lack of a second.

The motion to adopt Resolution No. 2011-83 to amend the Board Procedures Manual was passed.

Director Gustafson	-	Yes	Vice President Burns	-	Yes
Director Shriner	-	No	President Lee	-	Absent
Director Nishi	-	Yes			

F. Consider Appointing Alternate Members to the Budget and Personnel and Executive Committees:

Director Gustafson made a motion to appoint Director Nishi as an alternate member to the Budget and Personnel and Executive Committees. Vice President Burns seconded the motion. The motion was passed.

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

10. Staff Report:

A. Receive a Verbal Update on the Formation of the Operations and Maintenance Committee for the Regional Desalination Project:

Mr. Heitzman stated that he had a very productive meeting with the City Managers, Monterey Peninsula Water Management District, and Monterey County regarding formation of an Operations and Maintenance Committee (O&M) for the Regional Desalination Project. He said that it would take a number of staff meetings to determine a process to create a committee, what the roles and responsibilities might be, and if the process moves forward, it will be brought back to the members who want to participate.

Director Shriner asked who attended the meeting. Mr. Heitzman answered that City Managers from the Peninsula, the Monterey Peninsula Water Management District General Manager, and a representative from the Monterey County Water Resources Agency attended the meeting. Director Shriner said that the Carmel Pine Cone reported that several Mayors attended. Mr. Heitzman answered that no Mayors were invited to the meeting, only staff.

Agenda Item 10-A (continued):

Director Shriner asked which cities were represented. Mr. Heitzman responded that the Cities of Carmel, Monterey, Pacific Grove, Sand City, Del Rey Oaks, and Seaside were represented. Director Shriner asked if everyone invited had attended. Mr. Heitzman answered affirmatively. Director Shriner clarified that Mr. McKee from the County attended. Mr. Heitzman answered that Mr. McKee, and Mr. Phillips attended for the County, and Mr. Stoldt attended for the Monterey Peninsula Water Management District. Director Shriner asked what was discussed. Mr. Heitzman replied that they discussed the O&M Committee; what might be a potential O&M, should it be technical, governance, or policy making; what might be some liabilities, what process would be needed to move forward in order to make it a legal group with some authority; and a variety of other questions as this was the first meeting. Director Shriner asked if there was a general sense of consensus for the purpose of the Committee. Mr. Heitzman answered that there was a general sense of consensus that meetings will need to continue and the District appreciated that a majority respected the District for opening this up and recognizing that there should be some participation from the Peninsula.

Director Shriner asked if there were any attorneys present aside from Mr. Phillips. Mr. Heitzman answered that Mr. Phillips was County staff and not an attorney. Director Shriner asked what his title was. Mr. Heitzman answered that Mr. Phillips was the Interim General Manager for the Monterey County Water Resources Agency. Director Shriner asked if there were any attorneys present. Mr. Heitzman answered that Mr. McKee, County Counsel, was present. Director Shriner asked if any meeting minutes would be distributed to the public or if any press release would be sent out to the media. Mr. Heitzman said that if the press called, he would be happy to talk to them as this meeting was not secret, but there were no press releases scheduled. Director Shriner voiced her concern that there were no minutes or public invited to these meetings. Mr. Heitzman answered that possibly in the future there would be minutes and public invited, but right now only staff is meeting to discuss the process and it is not an attempt to be a secret meeting. He added that it is routine for staff, including City Managers, to meet all day long and work without public participation and minutes taken. Mr. Heitzman said that if Director Shriner was directing him to have minutes taken of his entire day, he would look into it.

B. Receive an Update on the Monthly Water Meter Charge for Upsized Meters Due to Fire Protection Sprinkler Systems

Mr. Carl Niizawa, Deputy General Manager/District Engineer, introduced this item explaining that most agencies did not have a large rate difference between their ¾” and 1” meters.

Mr. Brian McCarthy, Marina resident, thanked the Board for the ability to comment on this item. He noted that the District has been aware of this issue for the last several years and he has personally been advocating this issue since November 2010. He encouraged the Board to be leaders and to incentivize sprinkler systems rather than have the opposite effect. Mr. McCarthy requested the Board look at charging the same meter charge for both ¾” and 1” meters.

Agenda Item 10-B (continued):

Mr. McCarthy commented that if the Board should decide not to change the meter charges, or if they decide to charge a special rate that includes a premium, he suggested that the Board simultaneously do the same for the corporate ratepayers to offset the rate for residential customers.

Director Gustafson commented that the Marina City Council was the one who required residential fire sprinklers for new or remodeled homes.

Director Shriner inquired if the capacity charges were connected to the size of the meter installed. Mr. Brian True, Capital Projects Manager, answered that capacity charges are based on the Equivalent Dwelling Units and the use of the structure. Director Shriner asked if there was a way to pass the meter cost to the builder. Mr. True stated that there were a number of ways the District could look at reducing costs, and one would be a Rate Study.

Director Nishi commented that the only need for a meter is to prevent theft of water and the probability of using a lot of water in a residential fire is very slim, so he suggested having a 1" residential meter at a ¾" rate. There was discussion on the set up for lateral pipelines to a residence.

There was consensus that staff return this item to the Board and provide alternative options for consideration. Director Shriner suggested giving a rate decrease to ratepayers until this matter is investigated. Director Gustafson clarified that a rate decrease was not on the agenda and could not be voted on.

C. Receive 3<sup>rd</sup> Quarter 2011 Ord Community Quarterly Water Consumption and Sewer Flow Report

Mr. True introduced this item and noted that the unmetered water use for Ord Community – Army has decreased due to installation of meters.

Director Shriner inquired on the spike in water use in 2007 for the Ord Community – Marina. Mr. True answered that it was due to development projects and dust control.

Director Nishi questioned the water use for the Seaside Golf Course on page 126 of the packet. Mr. True explained that the number for 2010 was only 8 months of usage as the project didn't start until April 2010. Director Nishi questioned the MCWD WSA Estimate on page 128 and asked why no numbers were inserted. Mr. True answered that the MCWD WSA Estimate is only inserted when the District's numbers and the Developers numbers do not match. Director Nishi commented that Seaside Highlands is over their allocation and asked what was going to be done about it.

10. Informational Items:

A. General Manager's Report:

Mr. Heitzman noted that the District Thanksgiving Potluck was going to be held on November 17<sup>th</sup> at noon at the Ord office.

B. District Engineer's Report:

No report.

C. Counsel's Report:

Mr. Lowrey commented that previously he had been asked if a Board member misses a Closed Session, could they be briefed on what transpired. He confirmed that they could be briefed on what they missed per Government Code Section 54963 as long as they are authorized to receive the information.

Mr. Lowrey asked for Board consensus to reconvene to closed session at the end of the meeting because he had additional information to give the Board.

D. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Director Nishi commented that the minutes are included in the packet.

2. Joint City-District Committee:

Director Nishi commented that the minutes are included in the packet.

3. Budget and Personnel Committee:

Vice President Burns commented that the minutes are included in the packet.

4. Executive Committee:

Vice President Burns commented that the minutes are included in the packet.

5. Community Outreach:

Director Gustafson commented that they were still working on getting together the outreach proposals.

6. MRWPCA Board Member:

Director Nishi commented that the meeting was boiler-plate.

7. FORA

Director Nishi said he missed the meeting due to mediation and the alternate was out of town.

8. LAFCO Liaison:

Director Nishi commented that the meeting was boiler-plate

9. JPIA Liaison:

Director Shriner commented that she is getting information on the ACWA Conference, November 28-30 and stated that there were several training opportunities that might be useful to the Board. She said that she had distributed a Districts of Distinction Accreditation packet in which one requirement is six hours of training over the last five years.

10. Special Districts Association Liaison

Director Gustafson commented that Assemblymember Monning was there to discuss the State budget.

11. CalDesal:

Vice President Burns commented that there was a meeting at the end of the month in which he and the General Manager would attend.

12. Regional Desalination Reports:

Vice President Burns commented that the report was in the packet.

11. Director's Comments:

Director Shriner commented that she had a list of website information, recommended by the CSDA, that agencies should be providing on their websites. She encouraged the District to consider the Districts of Distinction Accreditation.

Director Gustafson stated that the District has been recognized nationally for transparency in government accounting and budgeting.



Agenda Item 11 (continued):

Vice President Burns asked if the Strategic Planning was postponed until after the New Year. Mr. Heitzman answered that it was.

The Board returned to closed session at 8:36 p.m.

3. Closed Session:

- B. Pursuant to Government Code Section 54956.95  
Liability Claims  
Claimant: Ausonio Incorporated  
Agency Claimed Against: Marina Coast Water District

The Board reconvened to open session at 8:41 p.m.

4. Possible Action on Closed Session Items:

Mr. Lowrey stated that the Board of Directors conferred with Legal Counsel, instructions were given and no action was taken.

12. Adjournment:

The meeting was adjourned at 8:41 p.m.

APPROVED:

---

Dan Burns, Vice President

ATTEST:

---

Jim Heitzman, General Manager

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-H

Meeting Date: November 8, 2011

Submitted By: Paula Riso  
Reviewed By: Carl Niizawa

Presented By: Paula Riso

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of November 19, 2011

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of November 19, 2011.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *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 November 19, 2011.

Staff Recommendation: The Board of Directors approve the draft minutes of the November 19, 2011 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 Office  
11 Reservation Road  
Marina, California

Special Board Meeting  
November 19, 2011  
9:30 a.m.

Draft Minutes

1. Call to Order:

President Lee called the meeting to order at 9:30 a.m. on November 19, 2011.

2. Roll Call:

Board Members Present:

Bill Lee – President  
Howard Gustafson  
Jan Shriner  
Kenneth K. Nishi

Board Members Absent:

Dan Burns – Vice President

Staff Members Present:

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

Audience Members:

No audience was present.

The Board entered into closed session at 9:30 a.m., after announcement per Government Code Section 54957.7(a).

3. Closed Session:

D. Pursuant to Government Code Section 54956.9  
Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Subdivision (b)  
One Case

A letter dated June 21, 2011, from the Monterey County Board of Supervisors transmitted a “Summary of Preliminary Findings Regarding Director Stephen Collins’ Business Relationship With RMC Water and Environment and Marina Coast Water District.” The Summary, prepared by Remcho, Johansen & Purcell, LLP, states that certain conduct raises questions about the validity of contracts to which Marina Coast Water District is a party. Based on the statements in the Remcho Summary, and based on reports in the news media, a point has been reached where, in the opinion of the MCWD Board based on the advice of its legal counsel, there is a significant exposure to litigation against MCWD.

E. Pursuant to Government Code Section 54956.9(a)  
Conference with Legal Counsel – Existing Litigation

California Public Utilities Commission No. A.04-09-019, In the Matter of the Application of California-American Water Company (U210W) 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.

President Lee reconvened the meeting to open session at 10:33 a.m.

4. Possible Action on Closed Session Items:

Mr. Lowrey reported the following:

3-A – the Board of Directors conferred with Legal Counsel, instructions were given and no action was taken.

3-B – the Board of Directors conferred with Legal Counsel, instructions were given and no action was taken.

5. Director’s Comments:

Director Shriner asked if the document titled, “Filed, Marina Coast Water District’s response to California American Water Company’s petition for clarification and modification of D.10-12-016” was a public document. Mr. Lowrey answered it was. Director Shriner voiced her concern that the Marina Coast Water District has already relied on D.10-12-016 and the approved agreements to its substantial detriment and to the substantial detriment of the public served by Marina Coast Water District.

Agenda Item 5 (continued):

Director Shriner commented that she wondered if the other Directors realize that this has been done in the District's name.

Director Nishi commented that the document Director Shriner was talking about was a public document and went to the Public Utilities Commission. He stated that he couldn't understand what Director Shriner was trying to say.

Director Shriner commented that page 5 of the document states, "MCWD has already relied on D.10-12-016 and the approved agreements to its substantial detriment and to the substantial detriment of the public served by MCWD."

Mr. Lowrey cautioned that Director's comments are not intended to allow for a debate or discussion.

Director Nishi commented that he couldn't understand what Director Shriner was saying and he missed the point she was trying to make.

President Lee said that he missed the point as well.

6. Adjournment:

The meeting was adjourned at 10:38 a.m.

APPROVED:

---

William Y. Lee, President

ATTEST:

---

Jim Heitzman, General Manager

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-A

Meeting Date: December 13, 2011

Submitted By: Jean Premutati  
Reviewed By: Carl Niizawa

Presented By: Carl Niizawa

Agenda Title: Consider Directing Staff to Draft a Request for Proposals for District Legal Services

Detailed Description: At its June 14, 2011 Regular Board meeting, the Board considered directing staff to issue a Request for Proposals (RFP) for District legal services. There was discussion on this issue about sending Board representatives to speak to the firm Noland, Hammerly, Etienne, & Hoss regarding the Board concerns; however, no action was taken.

At its October 11, 2011 meeting, the Board considered this item again. With only four Board members present, there was a 2/2 split vote on taking action on directing staff to issue a RFP.

It has been requested that this matter be brought to the full Board for further discussion and possible action.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board discussed and considered this item on June 14, 2011, and on October 11, 2011.

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

Financial Impact:  Yes  No

Funding Source/Recap: None.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board requested this item to be placed on the agenda.

Action Required:  Resolution  Motion  Review

---

Board Action

\_\_\_\_ Resolution No \_\_\_\_ Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

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

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

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: December 13, 2011

Submitted By: Kelly Cadiente  
Reviewed By: Carl Niizawa

Presented By: Kelly Cadiente

Agenda Title: Adopt Resolution No. 2011-89 to Approve a Professional Services Agreement to Provide Information Technology Support Services to the District

Detailed Description: Staff is requesting the Board consider adoption of Resolution No. 2011-89 to approve a Professional Services Agreement to provide Information Technology (IT) support services to the District. Previously, the Board adopted Resolution No. 2011-76 to approve Outsourcing IT support services of the District. Staff issued a Request for Proposals (RFP) with a proposal due date of November 28, 2011. Seven proposals were received and evaluated by staff. The proposals were evaluated based on the following criteria:

- Experience, qualifications and recommendations
- Economics and value
- Locale of proposer
- Quality of proposal

In addition, the Budget & Personnel Committee has reviewed the proposals and recommended forwarding this item to the Board for consideration of a Professional Services Agreement to provide IT support services to the District.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *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: Funded through FY 2011/2012 Operating Budget of the Central Marina and Ord Community cost centers – cost savings due to the Finance Director vacancy.

Material Included for Information/Consideration: Resolution No. 2011-89; and, Proposals for IT support services.

Staff Recommendation: The Board of Directors adopt Resolution No. 2011-89 to approve professional services agreement to provide IT support services to the District.



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

---

Resolution No \_\_\_\_\_    Motion By \_\_\_\_\_    Board Action    Seconded By \_\_\_\_\_  
Ayes \_\_\_\_\_    Abstained \_\_\_\_\_  
Noes \_\_\_\_\_    Absent \_\_\_\_\_  
Reagendized \_\_\_\_\_    Date \_\_\_\_\_    No Action Taken \_\_\_\_\_

December 13, 2011

Resolution No. 2011-89  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving a Professional Services Agreement with \_\_\_\_\_  
to Provide Information Technology Support Services to the District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, previously the Board adopted Resolution No. 2011-76 to approve Outsourcing IT support services of the District; and,

WHEREAS, staff issued a Request for Proposals (RFP) with a proposal due date of November 28, 2011 and received and reviewed seven proposals; and,

WHEREAS, the Budget & Personnel Committee has reviewed the proposals and recommended that the Board approve a professional services agreement to provide IT support services to the District.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2011-89, to approve a professional services agreement with \_\_\_\_\_ to provide information technology support services of the District.

PASSED AND ADOPTED on December 13, 2011, 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-89 adopted December 13, 2011.

---

Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-C

Meeting Date: December 13, 2011

Submitted By: Sean Knight

Presented By: Carl Niizawa

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2011-90 to Authorize a Professional Services Agreement with the The EDCCO Group, Inc. to Provide SCADA Integration and Support Services Relating to the Eastern Distribution System

Detailed Description: The Board of Directors is requested to authorize a Professional Services Agreement (PSA) with The EDCCO Group, Inc. to provide Supervisory Control and Data Acquisition (SCADA) integration and support services relating to the Eastern Distribution System.

The District is in need of hiring a firm for its internal integration and commissioning support services relating to the construction of the two current Eastern Distribution System wells. The construction contracts for two new wells, Well No. 34 and Watkins Gate Well are on accelerated schedules due to the Proposition 50 Funding requirements. As a result of these current scheduling deadlines, the District needs to contract with its SCADA integrator now in order to facilitate the seamless incorporation of the wells into the District's Water System.

The EDCCO Group, Inc. is uniquely qualified for this work. The EDCCO Group, Inc. is currently the firm MCWD utilizes for SCADA on-call troubleshooting support. This working knowledge of the District's SCADA system is of significant importance for incorporation of these new wells into the existing SCADA System. The EDCCO Group, Inc. has reasonable contract pricing and labor rates consistent with industry norms for such work, has performed well on both scheduled and unscheduled SCADA work, and has assisted staff previously in similar SCADA system integration and upgrades.

The proposed PSA with The EDCCO Group, Inc. will be performed and invoiced on a time and material basis for the not-to-exceed amount of \$48,000.

Environmental Review Compliance: An Initial Study/Mitigated Negative Declaration for the Watkins Gate Well and Pipeline/Eastern Distribution System Project and Mitigated Monitoring and Reporting Program was completed and adopted via Board Resolution No. 2011-31, on May 10, 2011.

Prior Committee or Board Action: The District Board of Directors approved construction contracts for Well No. 34 on November 9, 2010 & October 11, 2011 and Watkins Gate Well on September 13, 2011.

Board Goals/Objectives: *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: Funding for this project (CIP WD-0115) will be from Ord Community Water General Reserves.

Material Included for Information/Consideration: Resolution No. 2011-90.

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2011-90 authorizing a Professional Services Agreement with The EDCCO Group, Inc. to provide SCADA integration and support services relating to the Eastern Distribution System for a not-to-exceed amount of \$48,000.

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

---

Board Action

\_\_\_\_\_ Resolution No     Motion By \_\_\_\_\_     Seconded By \_\_\_\_\_

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

Noes \_\_\_\_\_     Absent \_\_\_\_\_

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

December 13, 2011

Resolution No. 2011 - 90  
Resolution of the Board of Directors  
Marina Coast Water District  
Authorizing a Professional Services Agreement  
for SCADA Integration and Support Services with  
The EDCCO Group, Inc. Relating to the Eastern Distribution System  
for a Not-to-Exceed Amount of \$48,000

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the District is in need of internal integration and commissioning support services relating to the construction of Well No. 34 and Watkins Gate Well; and,

WHEREAS, time is of the essence to meet the accelerated schedule for complete integration of both Well No. 34 and Watkins Gate Well into the District’s Water System; and,

WHEREAS, The EDCCO Group, Inc. has an extensive, existing knowledge of the District’s SCADA system, is qualified to perform the work, has reasonable contract pricing and labor rates consistent with industry norms, and has provided exceptional service to the District for similar services.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager and/or Deputy General Manager / District Engineer to execute a Professional Services Agreement with The EDCCO Group, Inc. for the not-to-exceed amount of \$48,000, and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on December 13, 2011 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-90 adopted December 13, 2011.

---

Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-D

Meeting Date: December 13, 2011

Submitted By: Patrick Breen

Presented By: Carl Niizawa

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2011-91 to Approve a Professional Services Agreement with Tramutola, LLC. For Public Outreach Services

Detailed Description: The Board of Directors is requested to consider adoption of Resolution No. 2011-91 to authorize a Professional Services Agreement with Tramutola, LLC for Public Outreach Services.

At the July 1, 2011 Special Board Meeting the Directors passed Resolution No. 2011-48 that authorized the issuance of a Request for Proposal (RFP) for Professional Services related to Public Outreach Activities.

In September, the Board established an Ad Hoc committee for District Public Outreach for review and recommendations regarding outreach scope, budget, possible selection, and approaches for implementation. The Ad Hoc Committee met with staff and recommended the reissuance of a revised Request for Proposal for Public Outreach.

Responses were received from Thomas Brand Consulting of Pacific Grove and Tramutola LLC of Oakland. Staff reviewed and discussed the two responses with the Ad Hoc committee in November.

Staff and the Ad Hoc Committee considered the relevant experience, past performance, qualifications, situational awareness, and approach of each firm. Based on review of the proposals received, staff and the Ad Hoc Committee recommends Tramutola, LLC as the firm to provide Public Outreach Services.

Environmental Review Compliance: Not required.

Prior Committee or Board Action: On July 1, 2011, the Board of Directors approved Resolution No. 2011-48 that authorized the General Manager and/or Deputy General Manager/District Engineer to issue a Request for Proposal for Professional Services Related to Public Outreach Activities.

Board Goals/Objectives: *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: These services will be funded from District reserves.

Material Included for Information/Consideration: Resolution No. 2011-91.

Staff Recommendation: The Board of Directors consider adopting Resolution No. 2011-91 authorizing the General Manager and/or Deputy General Manager/District Engineer to enter into a Professional Services Agreement with Tramutola, LLC for a not-to-exceed work amount of \$25,000.

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\_\_\_\_\_

December 13, 2011

Resolution No. 2011 - 91  
Resolution of the Board of Directors  
Marina Coast Water District  
Authorizing a Professional Services Agreement with Tramutola, LLC  
for Public Outreach Services Within the Not-to-Exceed Project Work Amount of \$25,000

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the District is in need of services related to public outreach activities to facilitate public communications; and,

WHEREAS, at the July 1, 2011 Special Board Meeting the Directors adopted Resolution No. 2011-48 to Authorize the General Manager and/or Deputy General Manager/District Engineer to issue a Request for Proposal for Professional Services Related to Public Outreach Activities; and,

WHEREAS, in October District staff released a Request for Proposal for Public Outreach Services, and the District received two proposals; and,

WHEREAS, District staff and the Board Ad Hoc Committee reviewed proposals, qualifications, and based upon the information and approaches detailed, found Tramutola be the recommended respondent to assist the District with public outreach services.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager and/or Deputy General Manager/District Engineer to enter into a Professional Services Agreement with Tramutola for Public Outreach Services and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution, for a total dollar amount not-to-exceed \$25,000.

PASSED AND ADOPTED on December 13, 2011 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-91 adopted December 13, 2011.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-E

Meeting Date: December 13, 2011

Submitted By: Carl Niizawa  
Reviewed By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Consider Adoption of Resolution No. 2011-92 to Approve a Memorandum of Understanding between the Monterey Peninsula Water Management District, the Marina Coast Water District, the City of Seaside, and the Seaside Basin Watermaster Regarding Water Used for Irrigation of Golf Courses.

Detailed Description: The Board of Directors is requested to consider Adoption of Resolution No. 2011-92 authorizing the General Manager to enter into a Memorandum of Understanding (MOU) between the Monterey Peninsula Water Management District, the Marina Coast Water District, the City of Seaside, and the Seaside Basin Watermaster Regarding Water Used for Irrigation of Golf Courses.

In November 2008, the Board approved an agreement with Monterey Peninsula Water Management District (MPWMD) and the Monterey County Water Resource Agency (MCWRA) for the District to provide water for testing the injection process of Aquifer Storage and Recovery (ASR) wells at the Santa Rita site in the former Ft Ord. A January 2009 amendment to the agreement specified a requirement for MPWMD to return the water used for this testing.

The proposed MOU would return the borrowed 68.8 acre-feet (AF) of water through a 2010 agreement the District has with the City of Seaside. This agreement provided the City with 2,500 AF of water in exchange for land associated with and adjacent to the District's D Tank site. The MOU would reduce the amount of water owed by the District to Seaside by the 68.8 acre-feet used by MPWMD in the ASR wells. The proposed MOU also contains an agreement by the Seaside Watermaster that water supplied by the District (for the ASR wells) would be used to offset Seaside's 2010 overdraft and associated assessment by Watermaster by 68.8 AF.

The City of Seaside has indicated that this would reduce its obligation owed to the Watermaster by \$191,264.

Environmental Review Compliance: Not required.

Prior Committee or Board Action: On November 14, 2007, the Board of Directors approved Resolution No. 2007-82 to Approve an Agreement with the Monterey Peninsula Water Management District, California American Water and Monterey County Water Resources Agency to Provide Potable Water for the Aquifer Storage and Recovery Test Well Facility Project. On March 30, 2010, the Board of Directors adopted Resolution No. 2010-14 Approving the Execution and Performance of a Land Transfer and Water Service Agreement with the City of Seaside.

Board Goals/Objectives: *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       X  No

Funding Source/Recap: N/A

Material Included for Information/Consideration: Resolution No. 2011-92; and, Memorandum of Understanding (MOU) between Monterey Peninsula Water Management District, Marina Coast Water District, City of Seaside, and the Seaside Basin Watermaster Regarding Water Used for Irrigation of Golf Courses.

Staff Recommendation: The Board of Directors adopt Resolution No. 2011-92 authorizing the General Manager to enter into a Memorandum of Understanding between the Monterey Peninsula Water Management District, the Marina Coast Water District, the City of Seaside, and the Seaside Basin Watermaster Regarding Water Used for Irrigation of Golf Courses.

Action Required:       X  Resolution     \_\_\_\_\_Motion     \_\_\_\_\_Review  
(Roll call vote is required.)

---

Board Action

\_\_\_\_\_Resolution No\_\_\_\_\_     Motion By\_\_\_\_\_     Seconded By\_\_\_\_\_

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

Noes\_\_\_\_\_     Absent\_\_\_\_\_

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

December 13, 2011

Resolution No. 2011 - 92  
Resolution of the Board of Directors  
Marina Coast Water District

Authorizing the General Manager to enter into a Memorandum of Understanding  
between the Monterey Peninsula Water Management District,  
the Marina Coast Water District, the City of Seaside, and the Seaside Basin Watermaster  
Regarding Water Used for Irrigation of Golf Courses

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, at the November 14, 2007 Board Meeting, the Board of Directors adopted Resolution No. 2007-82 to Approve an Agreement with the Monterey Peninsula Water Management District, California American Water and Monterey County Water Resources Agency to Provide Potable Water for the Aquifer Storage and Recovery Test Well Facility Project; and,

WHEREAS, 68.8 acre-feet of water was used for the Aquifer Storage and Recovery Test Well Project; and,

WHEREAS, at the March 30, 2010 Board Meeting, the Board of Directors adopted Resolution No. 2010-14 Approving the Execution and Performance of a Land Transfer and Water Service Agreement with the City of Seaside; and,

WHEREAS, the proposed Memorandum of Understanding between the Monterey Peninsula Water Management District, the Marina Coast Water District, the City of Seaside, and the Seaside Basin Watermaster regarding water used for irrigation of golf courses provides for return of the 68.8 AF of water to the District through the agreement with the City of Seaside.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to enter into a Memorandum of Understanding between the Monterey Peninsula Water Management District, the Marina Coast Water District, the City of Seaside, and the Seaside Basin Watermaster regarding water used for irrigation of golf courses.

PASSED AND ADOPTED on December 13, 2011 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-92 adopted December 13, 2011.

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

**MEMORANDUM OF UNDERSTANDING BETWEEN THE MONTEREY PENINSULA  
WATER MANAGEMENT DISTRICT, THE MARINA COAST WATER DISTRICT,  
THE CITY OF SEASIDE, AND THE SEASIDE BASIN WATERMASTER REGARDING  
WATER USED FOR IRRIGATION OF GOLF COURSES**

This Memorandum of Understanding is entered into between the Monterey Peninsula Water Management District (“MPWMD”), the Marina Coast Water District (“MCWD”), the City of Seaside (“City”) and the Seaside Basin Watermaster (“Watermaster”) (individually “Party,” collectively “Parties”) with respect to the following:

**RECITALS**

1. The amended decision (“Decision”) entered in the lawsuit, *California American Water v. City of Seaside et al.*, Monterey County Superior Court (Case No. M66343) governs the groundwater production within the Seaside Groundwater Basin (“Basin”).

2. Under the Decision the City received an allocation of 540 acre feet (“AF”) of Alternative Production Allocation in relation to the City-owned Blackhorse and Bayonet Golf Courses (“Golf Courses”).

3. The Decision obligated the Watermaster to procure new sources of water for replenishment of the Basin to offset any cumulative over production.

4. The Decision provided that any party that exceeded its allocation of Natural Safe Yield and/or its allocation of Operating Yield was subject to a Replenishment Assessment for each acre foot of over production during each Water Year.

5. In April 2010, the City owed certain sums to the Watermaster for previously accrued Replenishment Assessments.

6. In an agreement between MCWD and the City executed effective April 1, 2010 (the “City-MCWD April 2010 Agreement”) in consideration of the City’s transfer to MCWD of certain land, MCWD agreed to supply water to the City to irrigate the City’s two golf courses located on the former Fort Ord in lieu of the City producing Seaside Basin groundwater to irrigate the golf courses. MCWD agreed to supply 2,500 acre-feet of the water to the City in consideration of land to the City.

7. In April 2010, the City and the Watermaster entered into a Memorandum of Understanding to memorialize the terms of an in lieu replenishment program (“In Lieu Replenishment Program”) entered into by City and MCWD whereby the City and MCWD



agreed that the City would purchase MCWD water to irrigate the City's Golf Courses, in order to reduce or eliminate its production of Seaside Basin groundwater for irrigation.

8. Separately, in March of 2008, the MPWMD, MCWD and the Monterey County Water Resources Agency ("MCWRA") entered into a Coordination Agreement for Aquifer Storage and Recover (ASR) Injection Testing the "Coordination Agreement"). Pursuant to the agreement, MCWD loaned MPWMD water from MCWD's existing Salinas Groundwater Basin wells (i.e., imported water from a separate groundwater basin) to the MPWMD for aquifer storage and recovery testing done by the MPWMD at its Santa Margarita test well site. The total amount loaned for the testing was 68.8 AF, and the testing was done in January of 2009. The water used for testing was not produced from the Seaside Basin, but was produced from another groundwater basin.

9. MPWMD desires to facilitate the return of 68.8 AF of water loaned by MCWD to MPWMD.

10. Physical return of the 68.8 AF of loaned water is difficult because of infrastructure limitations.

11. However, a full and fair "return" of the 68.8 AF of loaned water can be made through credits assigned by Watermaster to the City with respect to the City's In Lieu Replenishment Program. This can occur by Watermaster treating 68.8 AF of groundwater produced by the City's Golf Course wells between October 2009 and April 2010 (before commencement of the In Lieu Replenishment Program) as imported water delivered by MCWD to the City (the 68.8 AF of loaned water is imported water stored in the Basin through the ASR injection), thereby increasing the City's in lieu replenishment credit under the In Lieu Replenishment Program by 68.8 AF and giving credit to MCWD against the 2,500 acre-feet of water to be provided to the City without cost to the City.

12. MCWD is willing to become a party to this Memorandum of Understanding as an accommodation to the City, MPWMD, and the Watermaster.

13. The Parties desire to effectuate this return of loaned water and crediting of in lieu replenishment credits, as set forth herein.

### **AGREEMENT**

The Parties agree as follows:

1. Repayment and Assignment of Loaned Water. MCWD hereby assigns to the City MCWD's right under the Coordination Agreement to have MPWMD return the 68.8 AF of water

loaned to MPWMD by MCWD for ASR injection and storage testing in January of 2009. The Watermaster will treat this assignment as delivery by MCWD to the City of 68.8 AF of water loaned to MPWMD by MCWD for ASR injection and storage testing in January 2009. The Watermaster will treat this assignment as a delivery by MCWD to the City of 68.8 AF of imported water in accordance with the City-MCWD April 2010 for the City's Golf Course irrigation in Water Year 2010 as part of the In Lieu Replenishment Program.

2. Credit to City. This assignment shall increase the monetary credit to the City in an amount attributable to an additional 68.8 AF of in lieu replenishment in Water Year 2010 pursuant the accounting methods set forth in Section 3.2 of the MOU that the City and Watermaster entered into in April 2010.

3. Commensurate Reduction in Basin Pumping by City. The amount of native groundwater pumped by City under its Alternative Production Allocation in the first nine months of Water Year 2010 shall be deemed reduced by 68.8 AF -- from 100.6 AF to 31.8 AF.

4. Satisfaction of Water Loan. Pursuant to the provisions above, the Parties agree that MPWMD's obligation to return the water loaned to it by MCWD is hereby satisfied.

5. Credit to MCWD from City. The City shall credit MCWD 68.8 AF against MCWD's obligation under Section 3.2 of the City-MCWD April 2010 Agreement.

6. Approval of Watermaster Board. The approval of the Seaside Basin Watermaster Board shall be a condition precedent to this Memorandum of Understanding taking effect.

7. No Effect on Existing Water Rights. The Parties agree that no provision of this Memorandum of Understanding shall have any force or effect, directly or indirectly, on water rights of any nature held by a Party. No water right of any kind, including but not limited to prescriptive water rights, nor any claim thereto, shall arise or be created in favor of or against any Party or other person, directly or indirectly, nor shall any water right be lost as a result of this Memorandum of Understanding

8. Defense and Indemnity of MCWD. MPWMD will defend and indemnify MCWD against any and all liability, claims, damages, demands, costs and action arising from the approval, execution and performance of this Memorandum of Understanding.

9. Remedies. This Agreement shall be specifically enforceable; damages are not an adequate remedy for a failure to perform pursuant to its terms and conditions.

10. Arbitration. In the case of any disagreement, difference, or controversy arising between any of the Parties with respect to any matter in relation to or arising out of or under this Memorandum of Understanding, whether as to the construction or operation thereof, or the respective rights and liabilities of the Parties, and all Parties cannot mutually agree as to the resolution thereof, then such disagreement, difference or controversy shall be determined by

arbitration by and under the arbitration rules of JAMS or by such other arbitrator and under such other rules as the Parties may agree, provided that the arbitrator shall be a former judge of the Superior Court or the Court of Appeal. Any arbitration hearing shall be noticed and open to the public. The submission to arbitration in accordance with the requirements of this section of any and all agreements, differences, or controversies that may arise hereunder is made a condition precedent to the institution of any action or appeal at law or in equity with respect to the controversy involved. The award by the arbitrators shall have the same force and effect and may be filed and entered, as a judgment of the Superior Court of the State of California, and shall be subject to appellate review upon the same terms and conditions as law permits for judgments of Superior Courts. A "Prevailing Party" shall be determined in the Arbitration, and the Prevailing Party shall be entitled to reasonable attorneys' fees and costs incurred, and accrued interest on any unpaid balance that may be due. Costs shall include the cost of any expert employed in the preparation or presentation of any evidence. All costs incurred and reasonable attorneys' fees shall be considered costs recoverable in that proceeding and be included in any award.

11. Litigation. In the event any of the Parties to this Memorandum of Understanding brings a judicial or arbitration proceeding to enforce or interpret any provision of its terms, then, and in that event, the Prevailing Party shall be entitled to recover reasonable attorneys' fees and related expenses and costs, including but not limited to court costs, expert witness fees and expenses, and accountant fees and expenses. Costs shall include the cost of any expert employed in the preparation or presentation of any evidence, whether or not any such witness or accountant shall be called to testify. Recovery of these fees and costs shall be as additional costs awarded to the Prevailing Party, and shall not require initiation of a separate legal proceeding.

12. Notices. Notices regarding this Memorandum of Understanding shall be given to the Parties at the following addresses:

**Monterey Peninsula Water  
Management District**  
Attn: General Manager  
P. O. Box 85  
Monterey, CA 93942

**City of Seaside**  
Attn: City Manager  
440 Harcourt Avenue  
Seaside, CA 93955

**Marina Coast Water District**  
Attn: General Manager  
11 Reservation Road  
Marina, CA 93933

**Seaside Basin Watermaster**  
Attn: Chief Executive Officer  
2600 Garden Road - Suite 228  
Monterey, CA 93940

13. Entire Agreement. This document represents the entire Memorandum of Understanding between the Parties, and supersedes any prior written or oral negotiations and representations between the Parties with regard to the matters described herein.

14. Severability. If any provision, or any portion thereof, contained in this Memorandum of Understanding is held unconstitutional, invalid, unenforceable, or contrary to public policy, the remainder of this Memorandum of Understanding, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

15. Mutuality. This Memorandum of Understanding is the product of negotiation and preparation by and among the Parties. All sides have reviewed and have had the opportunity to revise this Memorandum of Understanding. The Parties waive the provisions of Section 1654 of the Civil Code of California and any other rule of construction to the effect that ambiguities are to be resolved against the drafting Party, and the Parties warrant and agree that the language of this Memorandum of Understanding shall neither be construed against or in favor of any Party.

16. Waiver. A Party's failure to insist on the strict performance of any provision of this Memorandum of Understanding or to exercise any right, power, or remedy upon a breach of this Memorandum of Understanding shall not constitute a waiver of any provision of this Memorandum of Understanding. Neither shall such action or inaction limit the Party's right to later enforce any provision or exercise any right to the fullest extent allowed under this Memorandum of Understanding. A waiver of any covenant, term or condition contained in this Memorandum of Understanding shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent, authorization or approval by a Party of any act shall not be deemed to waive or render unnecessary the consent, authorization or approval of any subsequent similar act.

17. Amendment. This Memorandum of Understanding shall be amended or modified only by an instrument in writing duly approved and signed by each party hereto. Any waiver of any terms or conditions must be in writing and signed by the Parties.

18. Effective Date. This Memorandum of Understanding shall take effect on December \_\_\_\_\_, 2011, subject to the qualification described in paragraph 5 of this Memorandum of Understanding.

IN WITNESS WHEREOF the Parties hereto execute this Memorandum of Understanding pursuant to the terms set forth herein.

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT

\_\_\_\_\_  
David J. Stoldt, General Manager

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

MARINA COAST WATER DISTRICT

\_\_\_\_\_  
James Heitzman, General Manager

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

CITY OF SEASIDE

\_\_\_\_\_  
Ray Corpuz, City Manager

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

SEASIDE BASIN WATERMASTER

\_\_\_\_\_  
Dewey Evans, Chief Executive Officer

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-F

Meeting Date: December 13, 2011

Submitted By: Sean Knight

Presented By: Sean Knight

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2011-93 to Approve a Professional Services Agreement for Wastewater Engineering Services with Wood Rogers, Inc. for the Reservation Road Siphon Remediation Project

Detailed Description: The Board of Directors is requested to authorize a Professional Services Agreement (PSA) for Wastewater Engineering Services with Wood Rogers, Inc. to provide preliminary engineering services for the Reservation Road Siphon Remediation Project. These initial services include the evaluation of the existing infrastructure and recommendations of viable solutions for the affected portion of the sewer system.

The District is experiencing escalating operational issues derived from an existing sanitary sewer siphon within Reservation Road near the District Office at 11 Reservation Road. Staff has determined that the solution to this problem would be best done in conjunction with a larger system improvement project consistent with the needs of the system, and that the planned area improvement listed in the District's Sanitary Sewer Master Plan would not adequately address the problem.

In January 2011, District staff issued a Request for Qualifications (RFQ) for various Water and Wastewater Engineering Services. The RFQ was broadly advertised on the District website, free industry subscribed listings, and direct electronic mailers. Of the fifteen firms who responded to the solicitation for water and wastewater engineers and provided qualification packages; nine consultants were deemed to be most qualified for District's Water and Wastewater Engineering tasks. Of these nine previously qualified consultants, four were deemed to be best qualified for the work associated with the Reservation Road Siphon Remediation Project and invited to submit proposals. Two of the four consultants, Schaaf & Wheeler and Wood Rodgers, submitted proposals. Based on staff review of the proposals received, qualifications, work plans, and approaches, Wood Rogers, Inc. is the recommended firm.

Wood Rogers, Inc. has a local office in Salinas with core engineering staff in Sacramento. Wood Rogers, Inc. has stated that no travel expenses for this project will be charged to the District when work is completed by staff located in their Sacramento office. The preliminary engineering services will be performed per Wood Rogers Inc. rate sheet not-to-exceed \$15,000. Based on the results of this first phase of engineering work, a second phase for detailed design plans and specifications will be needed to contract and implement the needed work.

Environmental Review Compliance: The project scope represents a Statutory Exemption per California Public Resource Code Division 13 (CEQA), Section 21080.21 and CEQA Guidelines Section 15282(k). This exemption applies to any project of less than one mile in length within a public street or highway or any other public right of way for the installation of a new pipeline or

the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline. Staff will file a Notice of Exemption on this specified basis prior to starting construction.

Prior Committee or Board Action: Resolution No. 2011-42 the Board adopted the Central Marina Budget for FY 2011/2012 on June 14, 2011.

Board Goals/Objectives: – *Objectives 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: Funding for this project is from the approved FY 2011/2012 Budget as CIP MS-0206 Reservation Road Siphon Maintenance and paid for from the Marina Sewer Reserves.

Material Included for Information/Consideration: Resolution No. 2011-93.

Staff Recommendation: The Board of Directors consider adopting Resolution No. 2011-93 to approve a Professional Services Agreement for Wastewater Engineering Services with Wood Rogers, Inc. for the Reservation Road Siphon Remediation Project performed per Wood Rogers, Inc. rate sheet not-to-exceed \$15,000.

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 \_\_\_\_\_

December 13, 2011

Resolution No. 2011 - 93  
Resolution of the Board of Directors  
Marina Coast Water District

Approving a Professional Services Agreement for Wastewater Engineering Services with  
Wood Rogers, Inc. for the Reservation Road Siphon Remediation Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on December 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the District desires to remediate the current Reservation Road siphon operational issues which will enable the District to provide more efficient and reliable service to its customers; and,

WHEREAS, MCWD staff conducted the professional selection process and determined that Wood Rogers, Inc. to be the most qualified firm to provide Wastewater Engineering Services for the Reservation Road Siphon Remediation Project.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2011-93 to approve a Professional Services Agreement for Wastewater Engineering Services with Wood Rogers, Inc. for the Reservation Road Siphon Remediation Project. The preliminary engineering services will be performed per Wood Rogers Inc. rate sheet not-to-exceed \$15,000.

PASSED AND ADOPTED on December 13, 2011 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 \_\_\_\_\_

\_\_\_\_\_  
William Y. Lee, 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. 2011-93 Adopted December 13, 2011.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-G

Meeting Date: December 13, 2011

Prepared By: Carl Niizawa

Presented By: Carl Niizawa

Reviewed By: Jim Heitzman

Agenda Title: Consider Providing Direction Regarding the Monthly Water Meter Rate Charge for Upsized Meters with Fire Protection Sprinkler Systems

Detailed Description: District staff reports were presented to the Board at its June and November meetings on monthly water meter rates for resident's meters that have been upsized to accommodate the installation of fire sprinkler systems. These reports were prompted by ratepayer complaints in the last few years regarding the difference between the fixed rate of a typical single family residential unit that has a ¾" water meter and that of a 1" water meter service. Staff review found that the magnitude of the District rate difference between standard fixed residential meter rates and fixed residential meter rates for homes equipped with fire sprinklers to be substantially outside the norm in comparison with other water agencies. The Board directed staff to seek means to provide rate relief to those residents with fire protection systems.

While there are multiple ways to accomplish rate relief, the simplest method would be to add a new rate classification for residential homes with fire sprinkler systems and bill those customers for the next lower size water meter rate. The few residents with a 1 ¼" meter would be billed at the 1" rate, and the 1" meter residents would be billed at the ¾" meter rate. This would provide standby fire flow capacity at no cost to residential customers, analogous with the commercial and industrial ratepayers in the District, who pay no monthly fees for their separate fire flow lines.

A new rate schedule for private fire system connections (see attached example) could also be incorporated to also charge standby fees for commercial and industrial ratepayers with unmetered fire connections.

It is significant to note that any rate change or modification in the District would require a new ordinance and public notice. Furthermore, the Ord community rate change would require approval from the FORA Board. Moving forward with a rate change at this time would likely result in an ordinance change 3-4 months before another one would be required for the next fiscal year.

An alternative plan would be to pursue a rate change with the FY 2012-2013 rate schedule. As there is a need for a new rate study for FY 2013-2014, the rate consultant could be brought on now for this purpose but to also include a recommendation for the residential fire sprinkler systems rate classification in FY 2012-13.

Staff seeks Board direction regarding this matter.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board received staff reports on this item in June and November 2011.

Board Goals/Objectives: – *Objectives 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: N/A

Material Included for Information/Consideration: Fire Protection Service Rate Sheet.

Staff Recommendation: The Board of Directors consider providing direction regarding the monthly water meter rate charge for upsized meters with fire protection sprinkler systems.

Action Required:      Resolution      Motion      Review

---

Board Action

Resolution No      Motion By      Seconded By

Ayes      Abstained

Noes      Absent

Reagendized      Date      No Action Taken