



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

TEL: (831) 384-6131 FAX: (831) 883-5995

DIRECTORS

DAN BURNS
President

HOWARD GUSTAFSON
Vice President

KENNETH K. NISHI
JAN SHRINER
WILLIAM Y. LEE

Agenda

Regular Board Meeting, Board of Directors Marina Coast Water District

11 Reservation Road, Marina, California

Tuesday, March 13, 2012, 6:30 p.m. PST

(Please note the earlier start time)

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. Closed Session

- A. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Section 54956.9)

1) 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, March 8, 2012 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 April 10, 2012.

2) In the Matter of the Application of California-American Water Company (U 210 W) for a Certificate of Public Convenience and Necessity to Construct and Operate its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates, California Public Utilities Commission No. A.04-09-019

- B. Pursuant to Government Code Section 54956.9
Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Subdivision (b)
One Case
- C. Pursuant to Government Code Section 54959.9
Conference with Legal Counsel – Anticipated Litigation
Potential Initiation of Litigation (c)
One Case
- D. Pursuant to Government Code Section 54957
Public Employee Performance Evaluation
Title: General Manager

7:00 p.m. Reconvene Open Session

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

5. Pledge of Allegiance

6. Oral Communications *Anyone wishing to address the Board on matters not appearing on the Agenda may do so at this time. Please limit your comment to three minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

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

- A. Approve the Draft Spring 2012 Water Report Newsletter
- B. Adopt Resolution No. 2012-15 to Revise Sections 3.10 and 11.9 of the Employee Handbook
- C. Approve the Expenditures for the Month of February 2012
- D. Approve the Draft Minutes of the Regular Board Meeting of January 10, 2012
- E. Approve the Draft Minutes of the Regular Board Meeting of February 14, 2012

F. Approve the Draft Minutes of the Special Board Meeting of February 24, 2012

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

A. Consider Adoption of Resolution No. 2012-16 to Approve the District Technology Plan Appendix for Fiscal Years 2011-2012 and 2012-2013

Action: The Technology Plan has been updated for 2011-2012 and 2012-2013. The Board of Directors is requested to consider approving the 2011-2012 and 2012-2013 District Technology Plan appendix.

B. Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2011

Action: The Board of Directors is requested to accept the Comprehensive Annual Financial Report and independent auditor's report for the fiscal year ended June 30, 2011.

C. Receive Draft Budget for FY 2012-2013 and Schedule a Budget Workshop

Action: The Board of Directors is requested to receive the draft budget for FY 2012-2013, schedule a budget workshop, and provide direction to staff regarding completion of the budget.

9. Staff Reports

A. Receive a Staff Report Regarding the MCWD Ord Office Landscaping Project

B. Receive a Staff Report on the Water Conservation Commissions' Outreach to the Army and California State University Monterey Bay Regarding Vacant Commissioner Positions

C. Receive an Update on the Marina Teen Center

10. 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. Counsel's Report

C. Committee and Board Liaison Reports

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

11. Director's Comments

12. Correspondence

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

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

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7

Meeting Date: March 13, 2012

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of:

- A) Approve the Draft Spring 2012 Water Report Newsletter
- B) Adopt Resolution No. 2012-15 to Revise Sections 3.10 and 11.9 of the Employee Handbook
- C) Approve the Expenditures for the Month of February 2012
- D) Approve the Draft Minutes of the Regular Board Meeting of January 10, 2012
- E) Approve the Draft Minutes of the Regular Board Meeting of February 14, 2012
- F) Approve the Draft Minutes of the Special Board Meeting of February 24, 2012

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: See individual transmittals.

Funding Source/Recap: See individual transmittals.

Material Included for Information/Consideration: See individual transmittals.

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

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

Board Action

_____ Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-A

Meeting Date: March 13, 2012

Submitted By: Carl Niizawa

Presented By: Carl Niizawa

Reviewed By: Jim Heitzman

Agenda Title: Approve the Draft Spring 2012 Water Report Newsletter

Detailed Description: The Board of Directors is requested to approve the Draft Spring 2012 Water Report Newsletter.

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: Printing account - \$2,200.

Material Included for Information/Consideration: Draft Spring 2012 Water Report Newsletter.

Staff Recommendation: The Board of Directors approve the draft Spring 2012 Water Report Newsletter.

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: 7-B

Meeting Date: March 13, 2012

Submitted By: Jean Premutati

Presented By: Jean Premutati

Reviewed By: Carl Niizawa

Agenda Title: Adopt Resolution No. 2012-15 to Revise Sections 3.10 and 11.9 of the Employee Handbook

Detailed Description: Periodically, the District's employment and personnel policies should be evaluated for practicality and legal compliance. After review of the current E-Mail, Telephones and Electronic Communications, Ethics, Usage and Security Policy No. 3.10; the District's employment attorney has advised that the Employee Handbook include direction to staff regarding social networking practices and etiquette when using applications such as Facebook and Twitter.

Additionally, staff recommends adding language to the Bereavement Leave Policy No. 11.9 for consistency with the Marina Coast Water District Employees Association and Teamsters Local Unit 890 Memorandums of Understanding.

Updating these policies in the employee handbook will also amend the District's policy manual.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On March 2, 2012, the Budget and Personnel Committee reviewed this item.

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

Financial Impact: Yes No

Funding Source/Recap: N/A.

Material Included for Information/Consideration: Resolution No. 2012-15; Handbook Revision Chronology; Section 3.10 E-Mail, Telephones and Electronic Communications, Ethics, Usage and Security; and, 11.9 Bereavement Leave.

Staff Recommendation: The Board of Directors adopt Resolution 2012-15 to Update and Revise the Marina Coast Water District Employee Handbook.

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 _____

March 13, 2012

Resolution No. 2012-15
Resolution of the Board of Directors
Marina Coast Water District
Revising Sections 3.10 and 11.9 of the Employee Handbook

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 13, 2012, at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, staff is committed to revising the employee handbook as employment laws and programs change; and;

WHEREAS, a legal recommendation was made to include direction to staff regarding social networking practices and etiquette when using applications such as Facebook and Twitter in Policy No. 3.10 - E-Mail, Telephones and Electronic Communications, Ethics, Usage and Security; and,

WHEREAS, staff has determined, after reviewing the existing handbook that Section 11.9 – Bereavement Leave, contains language inconsistent with that of the current Marina Coast Water District Employees Association and the Teamsters Local Unit 890 Memorandums of Understanding; as such, a revision to the handbook is needed in order to maintain consistency with both documents.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2012-15 to update and revise Sections No 3.10 and 11.9 of the employee handbook.

PASSED AND ADOPTED on March 13, 2012, 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 _____

Dan Burns, 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. 2012-15 adopted March 13, 2012.

Jim Heitzman, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-C

Meeting Date: March 13, 2012

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Jim Heitzman

Agenda Title: Approve the Expenditures for the Month of February 2012

Detailed Description: The Board of Directors is requested to approve the attached February 2012 check register for expenditures totaling \$790,101.91.

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: February 2012 Summary Check Register.

Staff Recommendation: The Board of Directors approve the February 2012 expenditures totaling \$790,101.91.

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

Board Action

___ Resolution No ___ Motion By ___ Seconded By ___

Ayes ___ Abstained ___

Noes ___ Absent ___

Reagendized ___ Date ___ No Action Taken ___

Marina Coast Water District
Agenda Transmittal

Agenda Item: 7-D

Meeting Date: March 13, 2012

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of January 10, 2012

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of January 10, 2012.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On February 14, 2012, the Board asked for clarification on one section of the minutes and that they be brought back for consideration.

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 January 10, 2012.

Staff Recommendation: The Board of Directors approve the draft minutes of the January 10, 2012 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: 7-E

Meeting Date: March 13, 2012

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of February 14, 2012

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of February 14, 2012.

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 February 14, 2012.

Staff Recommendation: The Board of Directors approve the draft minutes of the February 14, 2012 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: 7-F

Meeting Date: March 13, 2012

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Approve the Draft Minutes of the Special Board Meeting of February 24, 2012

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of February 24, 2012.

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 February 24, 2012.

Staff Recommendation: The Board of Directors approve the draft minutes of the February 24, 2012 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
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: March 13, 2012

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2012-16 to Approve the District Technology Plan Appendix for Fiscal Years 2011-2012 and 2012-2013

Detailed Description: The Board of Directors is requested to review and approve the 2012 appendix of the District Technology Plan (DTP).

According to the DTP adopted August, 23, 2000 by Resolution No. 2000-23, the DTP should be reviewed annually, not only for budgetary considerations, but also to facilitate updates reflecting technological advancements from previous reviews.

The DTP is a detailed and comprehensive plan, which identifies anticipated upgrades and maintenance of District technology. Attached is the 2012 appendix to the original DTP. Based on a needs assessment performed by the District's information technology support service provider, this appendix outlines the recommended technology tasks for FYs 2011-2012 and 2012-2013 as well as funding requirements for FY 2012-2013.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Budget and Personnel Committee reviewed the Draft 2012 DTP Appendix at the March 2, 2012 committee meeting and recommended it to be brought before the Board for approval.

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 No

Funding Source/Recap: Funding for the FY 2011-2012 was approved within the FY 2011-2012 District Budget. Funding for the FY 2012-2013 portion of the DTP will come from the technology upgrades line item for all costs centers in the proposed FY 2012-2013 District Budget.

Material Included for Information/Consideration: Resolution No. 2012-16; and, Draft 2012 Technology Plan Appendix for FYs 2011-2012 and 2012-2013.

Staff Recommendation: Consider Adoption of Resolution No. 2012-16 to approve the District 2012 Technology Plan Appendix for FYs 2011-2012 and 2012-2013.

Action Required: X Resolution Motion Review

Board Action

 Resolution No Motion By Seconded By

Ayes Abstained

Noes Absent

Reagendized Date No Action Taken

March 13, 2012

Resolution No. 2012-16
Resolution of the Board of Directors
Marina Coast Water District
Approving the 2012 District Technology Plan Appendix
For Fiscal Years 2011-2012 and 2012-2013

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 13, 2012 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the Board adopted the original District Technology Plan (DTP) on August 23, 2000 which included the anticipation of annual appendices; and,

WHEREAS, the DTP should be reviewed annually, not only for budgetary considerations, but also to facilitate updates reflecting technological advancements from previous reviews; and,

WHEREAS, the 2012 Technology Plan Appendix for FYs 2011-2012 and 2012-2013 includes a \$50,000 approved budget for FY 2011-2012 and recommends a budget of \$60,500 for FY 2012-2013.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to implement the 2012 District Technology Plan Appendix for FY 2011-2012 (Exhibit A).

PASSED AND ADOPTED on March 13, 2012, 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 _____

Dan Burns, 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. 2012-16 adopted March 13, 2012.

Jim Heitzman, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: March 13, 2012

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Carl Niizawa

Agenda Title: Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2011

Detailed Description: The Board is requested to review and accept the Comprehensive Annual Financial Report (CAFR) and the Independent Auditor's Report for the fiscal year ended June 30, 2011. This is the fourth consecutive year that staff has prepared a CAFR report for the District.

On July 14, 2009, the District approved a three-year Audit Contract with R.J. Ricciardi, Inc., Certified Public Accountants, as the District's external auditors. The auditors provided an Independent Auditor's Report (included in the CAFR report) stating that the financial statements present fairly, in all material respects, the financial position of the District. During the audit, R.J. Ricciardi, Inc., tested and found no material weaknesses related to the District's internal control structure. The audit resulted in "no findings"; therefore, a management letter will not be issued.

The CAFR is an extensive report summarizing the financial activities of the District that occurred from July 1, 2010 through June 30, 2011. The CAFR is divided into three sections: Introductory, Financial and Statistical Sections.

The introductory section contains a Letter of Transmittal, awards and achievements, organizational chart and directory of officials. The letter of transmittal includes a brief overview of the District, its policies and how the District controls its finances.

The financial section contains the Management's Discussion and Analysis report. This analysis illustrates the basic financial operations of the District in a more detailed manner than is found in the Letter of Transmittal. Also included in this section are the Independent Auditor's Report and the Basic Financial Statements and Notes to the Financial Statements.

The final section of the report is a compilation of statistical schedules for the last ten years that depict various trends and general information of the District.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2010. This is the third consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current

CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

R.J. Ricciardi, Inc. staff will be available at the Board meeting to answer any questions.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On July 14, 2009, the Board approved a three-year Audit Contract with R.J. Ricciardi, Inc.

Board Goals/Objectives: *Strategic Plan, Objective 4B - Meet generally accepted accounting principles.*

Financial Impact: Yes No

Funding Source/Recap: None.

Material Included for Information/Consideration: The Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011 (provided separately).

Staff Recommendation: Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the fiscal year ended June 30, 2011.

Action Required: Resolution Motion Review

Board Action

Resolution No Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: March 13, 2012

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Carl Niizawa

Agenda Title: Receive Draft Budget for FY 2012-2013 and Schedule a Budget Workshop

Detailed Description: The Board is requested to receive the draft budget for FY 2012-2013, review the budget calendar and schedule a budget workshop in March/April 2012.

Each year, the District follows a budget development process that results in Board approval of the annual budget by June 30. This year, staff proposes that the Board consider adopting the FY 2012-2013 Budget at its regular monthly meeting on June 12, 2012. The effective date of this budget will be July 1, 2012.

The Ord Community sections of the draft budget will also be distributed and discussed with the FORA Water/Wastewater Oversight Committee (WWOC). The WWOC will then recommend the draft budget to the FORA Board. The FORA Board would be expected to adopt the budget sometime in June 2012. The next WWOC Committee meeting is scheduled for March 14, 2012.

The Draft FY 2012-2013 Budget includes six separate cost centers in two distinct service areas (Marina and Ord Community); and, operating and capital budgets in support of the District's two service areas and six cost centers. District overhead and administrative costs are apportioned to the cost centers according to a pre-determined formula (based on expense generation percentages). The allocation rate for this fiscal year has changed based on previous year (FY 2010-2011) expenditure figures.

This draft budget includes a rate increase of 5.0% for all four cost centers which differs from the 7.8% rate increase proposed in the 2008 Bartle Wells Five Year Water & Wastewater Financial Plan and Rate Study. The Board recommended a 4.9% rate increase for FY 2011-2012 and a 5% rate increase for FY 2012-2013 during the FY 2011-2012 budget process. If the Board decides to move forward with the proposed rate increase, no Prop 218 process will be required to implement the increase as the District performed a two year Prop 218 notification last fiscal year that included a 5% rate increase for FY 2012-2013.

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: None

Material Included for Information/Consideration: Draft FY 2012-2013 Budget Document (provided separately).

Staff Recommendation: The Board of Directors receive the draft Budget for FY 2012 – 2013, review Budget schedule, and schedule a Budget Workshop.

Action Required: _____Resolution ___X___Motion ___X___Review

Board Action

Resolution No _____ Motion By _____ Seconded By _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Reagendized _____ Date _____ No Action Taken _____

Marina Coast Water District
Staff Report

Agenda Item: 9-A

Meeting Date: March 13, 2012

Prepared By: Carl Niizawa
Reviewed By: Jim Heitzman

Presented By: Carl Niizawa

Subject: Receive a Staff Report Regarding the MCWD Ord Office Landscaping Project

Summary: The Board of Directors is requested to receive this Staff Report regarding the installation of landscape at the MCWD Ord Office located at 2840 4th Avenue in Marina, CA.

MCWD Board has noted that the landscape surrounding the front entrance to MCWD's Ord Office has been unfinished for a long period of time and has inquired about its completion progress. District staff has responded using in-house resources for design and pending construction of Ord Office Landscaping Project.

The objectives of the Landscaping Project are to finish the landscape, provide a demonstration garden accessible to the public showing the use of drought resistant and native plants, and demonstrate other best practices in developing landscapes that involve irrigation design, installation techniques, and low-impact development concepts such as the on-site capture and infiltration of rainfall runoff.

Drafts of design elements have received public input from the Water Conservation Commission.

Once the design is complete and accepted by the District Engineer for compliance with the District standards, the intent is to submit the design package to the City of Marina (Planning Department) to undertake their permitting process for large landscapes. Unless otherwise directed, the submittal date to the City is planned to be April 10, 2012. The duration of the permitting within the City process is expected to be about 60-days with a prospective targeted Design Review Board Meeting on May 16, 2012.

Marina Coast Water District
Staff Report

Agenda Item: 9-B

Meeting Date: March 13, 2012

Prepared By: Carl Niizawa
Reviewed By: Jim Heitzman

Presented By: Carl Niizawa

Subject: Receive a Staff Report on the Water Conservation Commissions' Outreach to the Army and California State University, Monterey Bay Regarding Vacant Commissioner Positions

Summary: This Staff Report is on the efforts made to reach out to the Army and California State University, Monterey Bay (CSUMB) regarding their vacant Water Conservation Commissioner (WCC) positions per a request made at the February Board of Directors meeting. No representatives of CSUMB or the Army have attended Fall 2011 or Winter 2012 WCC meetings and the matter has been a subject of discussion at the March WCC meeting.

Outreach efforts to the Army and CSUMB are listed below.

CSUMB

In August 2011, CSUMB staff notified MCWD that the CSUMB representative previously attending the WCC was no longer working with CSUMB and would no longer attend. The District followed-up with a letter to CSUMB acknowledging the new circumstance and encouraging CSUMB to appoint a representative in advance of the September WCC meeting.

District staff inquired of CSUMB staff, in September 2011 via e-mail, if a replacement representative had been selected; a quick reply to this e-mail was received stating that the CSUMB staff member would be "in touch" with MCWD on the matter.

In January 2012, an e-mail was sent from MCWD staff to CSUMB staff informing them of the upcoming February 2012 WCC Meeting and expressing MCWDs' desire to have a CSUMB representative in attendance; no response has been received to date.

Army

District staff transmitted an e-mail to the Army WCC representative in August 2011 noting the absence of the Army representative at the last several WCC Meetings and encouraging the Army to make an alternate representative assignment if the time demand was too great on the current representative. A response from the Army was received suggesting that a change in representative was being considered, indicating the prospective replacement representative, and saying that a final decision would be provided soon.

In January 2012, MCWD staff transmitted an e-mail to the Army representative enquiring if any Army representative would be attending the February 2012 WCC Meeting. A response was received indicating that the Army would like to continue receiving agendas/meeting notices but that it did not seem necessary to them that the Army attend every WCC Meeting or that the Army be maintained as a standing member of the Commission.

Marina Coast Water District
Staff Report

Agenda Item: 9-C

Meeting Date: March 13, 2012

Prepared By: Carl Niizawa

Presented By: Carl Niizawa

Reviewed By: Jim Heitzman

Subject: Update on the Marina Teen Center

Summary: This report is an update on the status of the Marina Teen Center. On June 6, 2010 at a special meeting of the Board of Directors, the Marina Teen Center issue was reviewed for non-compliance. The City failed to comply with the City and District approved set of plans during construction. The Board directed District staff to work with City staff to resolve the outstanding issues presented at that meeting.

Based on the authorized set of plans dated October 8, 2008, the City has failed to:

1. Install a 1-inch potable water service line from the mainline to the meter;
2. Install a 1-inch meter in the approved location;
3. Demolish the existing ¾-inch potable water service;
4. Demolish the existing meter box (containing the existing ¾-inch water meter) located within the concrete sidewalk's travel-path; and,
5. Pay the fees, charges, and review costs associated with water and sewer connection costs for re-developed connections serving the parcel, in particular capacity charges for use in excess of the one (1) Equivalent Dwelling Unit (EDU) of use that will be credited for the previously existing structure on the parcel.

After the June 2010 Special Board Meeting, District and City staff began working together to try to resolve these outstanding issues. The City submitted an updated set of plans for District review on June 28, 2010. Those plans were reviewed and returned with numerous comments which needed to be addressed.

The City submitted a second set of plans for review on October 6, 2010. Those plans were reviewed and a difference of opinions arose as to how the water service lateral and water meter size were determined as well as questions regarding how the District determines capacity charges. The District returned the second plan review comments on October 27, 2010. The District inquired of the City on December 27, 2010 as to whether the City was going to respond to the 2nd review comments. City staff (Associate Engineer) responded that they had not been directed to work any further on the Teen Center project (01/03/2011).

In early February 2011, City staff inquired of District staff for a cost breakdown for the plan review fees relating to the Marina Teen Center. An up-to-date total of connection costs relating to the Marina Teen Center were provided to the City along with our staff hourly rates for supporting detail.

In order to bring the matter to closure, District staff began to facilitate the needed work. In April 2011, three cost quotes from separate contractors to perform the outstanding work at the Marina Teen Center were obtained by the District staff. A possible solution developed where the District would, on behalf of the City, hire a contractor to perform the necessary work at the Marina Teen Center and provide management for that job. The City would agree to reimburse the District for all costs associated with the work performed and pay the outstanding District Fees and Charges associated with the Marina Teen Center Project. This repayment was to be made on a payment plan that was acceptable to both parties.

This solution seemed acceptable to both parties and was moved forward with discussions between City staff and District staff taking place in June 2011 along this direction. During discussions, a difference of opinions over which contractor should perform the work came about. The contractor with the lowest quote was in District staff's opinion both unresponsive and not responsible; and therefore, should not be selected as the contractor. On July 26, 2011 City staff indicated they would still like to use the contractor with the lowest quote. District staff indicated they were concerned about potential change orders and indicated that if the City was willing to pay for any/all change orders the District would agree to use the contractor.

A meeting between City staff, District staff and the potential contractor took place to verify that the contractor's price covered all necessary work. The contractor revised their price and the City was satisfied with the quote. At this time the City was ready to pay for the construction work to be done but unsure about paying the District fees. District staff again expressed their concern over the contractor and stated the District would be willing to use the City's choice of contractors if the City agreed to pay for any/all change orders. On November 1, 2011 the District received an email from City staff which stated that the City would pay the quoted amount for the contractor to perform the necessary work, they would pay the charges and costs associated with the Marina Teen Center Project, but the City was not willing to pay for any/all change orders relating to work at the Teen Center, only those change orders the City determined was in direct connection to completing the scope of work outlined in the City's letter.

On February 1, 2012 District staff informed City staff that the City was required to install a landscape connection and meter. It was determined that as landscape was a normal requirement of this type of project, such plumbing should be installed to accommodate such needs. As of the date of this Staff Report the plan review process for an alternate to complying with the previously approved plan set is not complete and the two staffs have not come to an agreement on the arrangement for the District to hire the contractor to perform the work and seek reimbursement from the City. It is both staff's intent to have their respective governing bodies to approve any agreement between them if terms can be agreed upon.