



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: [www.mcwd.org](http://www.mcwd.org)

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## DIRECTORS

THOMAS P. MOORE  
*President*

JAN SHRINER  
*Vice President*

HOWARD GUSTAFSON  
WILLIAM Y. LEE  
PETER LE

## Agenda

### Regular Board Meeting, Board of Directors Marina Coast Water District

211 Hillcrest Avenue, Marina, California  
Monday, May 20, 2013, 6:45 p.m. PST

*This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the first and third Monday of each month. The meetings normally begin at 6:45 p.m. and are held at the City of Marina Council Chambers at 211 Hillcrest Avenue, 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. Public Comment on Closed Session Items** *Anyone wishing to address the Board on matters appearing on Closed Session may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

#### 4. 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, Monterey County Superior Court Case No. M105019; Sixth Appellate District Court of Appeals Case No. H038550

This agenda is subject to revision and may be amended prior to the scheduled meeting. A final agenda will be posted at the District office at 11 Reservation Road, Marina, 72 hours prior to the meeting. Copies will also be available at the Board meeting. A complete Board packet containing all enclosures and staff materials will be available for public review on Thursday, May 16, 2013 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 June 3, 2013.

2) In the Matter of the Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, California Public Utilities Commission No. A.12-04-019

3) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, Monterey County Superior Court Case No. M120053 (Complaint for Declaratory Relief)

4) State Water Resources Control Board's Proposed Revocation of Monterey County Water Resources Agency Water Right Permit 11043 authorizing the diversion of up to 168,538 acre-feet per year from the Salinas River

- B. Pursuant to Government Code Section 54956.9 (c)  
Conference with Legal Counsel – Anticipated Litigation  
Potential Initiation of Litigation  
One Case – MCWD Claims against Monterey County and MCWRA
- C. Pursuant to Government Code Section 54956.9(b)(1) and 54956.9(b)(3)(C)  
Conference with Legal Counsel – Anticipated Litigation  
Potential Litigation  
Two Cases
  - 1) Claims of MCWRA and Monterey County against MCWD
  - 2) Claims of California–American Water Company against MCWD
- D. Pursuant to Government Code 54956.8  
Conference with Real Property Negotiator (General Manager, District Counsel)  
Property: Water Rights  
Negotiating Parties: Clark Colony Water Company and MCWD  
Under Negotiations: Price and Terms
- E. Pursuant to Government Code Section 54957.6  
Conference with Labor Negotiators (Directors Thomas Moore and Jan Shriner)  
Unrepresented Employee: General Manager
- F. Pursuant to Government Code Section 54957  
Conference with Legal Counsel  
Public Employee Performance Evaluation  
Title: General Manager

## **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 four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

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

- A. Adopt Resolution No. 2013-32 to Approve a Quitclaim Deed of Potable Water Pipe and Easements to California State University at Monterey Bay
- B. Receive the Quarterly Financial Statements for the Quarter Ended March 31, 2013
- C. Approve the Expenditures for the Month of April 2013
- D. Approve the Draft Minutes of the Regular Board Meeting of May 6, 2013

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

- A. Consider Adoption of Resolution No. 2013-33 to Approve the District Technology Plan Appendix for FY 2013-2014
- B. Receive Draft Budget for FY 2013-2014 and Schedule a Budget Workshop(s)

**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 four minutes.*

- A. General Manager's Report
  - Correspondence Received by Board or General Manager
- B. Counsel's Report
- C. Committee and Board Liaison Reports
  - 1. Water Conservation Commission
  - 2. Joint City-District Committee
  - 3. Executive Committee
  - 4. Community Outreach
  - 5. MRWPCA Board Member
  - 6. LAFCO Liaison
  - 7. FORA
  - 8. WWOC Report
  - 9. JPIA Liaison
  - 10. Special Districts Association Liaison
  - 11. CalDesal

**11. Board Member Requests for Future Agenda Items**

- A. Board Member Requests

**12. Director's Comments**

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

*Regular Meeting:*

*Monday, June 3, 2013, 6:45 p.m.,  
211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8

Meeting Date: May 20, 2013

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of:

- A) Adopt Resolution No. 2013-32 to Approve a Quitclaim Deed of Potable Water Pipe and Easements to California State University at Monterey Bay
- B) Receive the Quarterly Financial Statements for the Quarter Ended March 31, 2013
- C) Approve the Expenditures for the Month of April 2013
- D) Approve the Draft Minutes of the Regular Board Meeting of May 6, 2013

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.)

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Board Action

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

Ayes\_\_\_\_\_    Abstained\_\_\_\_\_

Noes\_\_\_\_\_    Absent\_\_\_\_\_

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: May 20, 2013

Submitted By: Sean Knight

Presented By: Brian Lee

Reviewed By: Brian Lee

Agenda Title: Adopt Resolution No. 2013-32 to Approve a Quitclaim Deed of Potable Water Pipe and Easements to California State University at Monterey Bay

Detailed Description: The Board of Directors is requested to approve a Quitclaim Deed for potable water pipe and easements to California State University at Monterey Bay (CSUMB).

The District received the potable water system infrastructure which services the Former Fort Ord from the United States of America, via FORA, through the Public Benefit Conveyance process. As part of this conveyance the District received both the physical pipe and a 15-foot easement (7.5 feet on either side of the pipe, from center of pipe) over that pipe.

In the summer of 2012, CSUMB began new construction of a student recreational field over an abandoned baseball field. During the review of this project and field investigation, it was determined that the existing pipe for the abandoned baseball field did not meet current District Standards nor did it comply with the District's In-Tract Policy.

During discussions with CSUMB staff as to the proper location for the irrigation water meter and backflow device, CSUMB staff asked if they could use some of the District's existing water pipe instead of laying new pipe on the project side of the meter. The District indicated we would need to look into the District's use and need for that pipe in the future.

District staff reviewed our use and need for that pipe and determined:

1. The District had no current use for that pipe other than the old baseball field which was to receive a new connection at 4<sup>th</sup> Avenue.
2. Based on the proposed use for the surrounding area by CSUMB, any future connections which would be needed to serve that development or project would be required to have a new connection which meets District standards and policy.
3. It would be in the District's best interest to relieve itself of the responsibility of ownership and maintenance of old infrastructure which has the potential for leaks and/or breaks underneath a new facility.

District staff with these assertions, requests the Board to approve the quitclaim deed for the pipe and easement over the pipe as described in the attached survey.

Environmental Review Compliance: None.

Prior Committee or Board Action: None.

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: Minor reduction in maintenance costs.

Material Included for Information/Consideration: Resolution No. 2013-32; and, Quitclaim Survey.

Staff Recommendation: The Board of Directors is requested to adopt Resolution No. 2013-32, to approve a quitclaim deed of potable water pipe and easements to California State University at Monterey Bay.

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

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Board Action

Resolution No.  Motion By  Seconded By

Ayes  Abstained

Noes  Absent

Reagendized  Date  No Action Taken

May 20, 2013

Resolution No. 2013 - 32  
Resolution of the Board of Directors  
Marina Coast Water District

Approving a Quitclaim Deed of Potable Water Pipe and Easements to CSUMB

RESOLVED by the Board of Directors of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 20, 2013 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District has received from the United States of America via FORA, through the public conveyance process, the potable water infrastructure serving the Former Fort Ord; and,

WHEREAS, CSUMB would like to use a portion of the potable water infrastructure described in the attached survey to help serve their Student Recreational Field; and,

WHEREAS, the District no longer has use for or need of the portion of that system as described in the attached survey; and,

WHEREAS, it is in the District’s best interest to no longer own, use or maintain the portion of the potable water system described in the attached survey.

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 take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on May 20, 2013 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 \_\_\_\_\_

\_\_\_\_\_  
Thomas P. Moore, 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. 2013-32 adopted May 20, 2013.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: May 20, 2013

Submitted By: Kelly Cadiente  
Reviewed By: Brian Lee

Presented By: Kelly Cadiente

Agenda Title: Receive the Quarterly Financial Statements for January 1, 2013 to March 31, 2013

Detailed Description: All figures reported for the quarter are based on accrual basis accounting. The District's consolidated financial statement for the quarter includes revenues of \$2.687 million and expenses of \$1.732 million, resulting in net gain from operations of \$0.956 million. The District budget projected net gain from operations of \$0.552 million for the same period. The net gain from operations was higher than the budget expectation by \$0.404 million due to the timing of actual expenses incurred.

Summary of Cost Centers:

<u>Description</u>	<u>Actual Qtr</u>	<u>Budget Qtr</u>	<u>Actual FYTD</u>	<u>Budget FYTD</u>
<b>Marina Water</b>				
Revenue	954,547	1,002,897	3,047,042	3,008,690
Expenses	<u>483,390</u>	<u>640,320</u>	<u>1,538,257</u>	<u>1,920,959</u>
Net Gain	471,157	362,577	1,508,784	1,087,730
<b>Marina Sewer</b>				
Revenue	207,371	203,631	616,224	610,894
Expenses	<u>142,249</u>	<u>195,780</u>	<u>467,774</u>	<u>587,339</u>
Net Gain	65,122	7,852	148,450	23,556
<b>Ord Community Water</b>				
Revenue	1,092,361	1,316,003	3,498,913	3,948,008
Expenses	<u>891,921</u>	<u>1,222,265</u>	<u>3,012,151</u>	<u>3,666,794</u>
Net Gain	200,440	93,738	486,762	281,214
<b>Ord Community Sewer</b>				
Revenue	433,189	435,827	1,312,645	1,307,482
Expenses	<u>213,489</u>	<u>288,418</u>	<u>767,173</u>	<u>865,255</u>
Net Gain	219,701	147,409	545,472	442,227

<b>Recycled Water Project</b>				
Revenue	-	2,000	5,127	6,000
Expenses	<u>759</u>	<u>61,799</u>	<u>123,943</u>	<u>185,396</u>
Net Gain	(759)	(59,799)	(118,816)	(179,396)
<b>Regional Project</b>				
Revenue	-	-	-	-
Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Gain	-	-	-	-
<b>Consolidated Cost Centers</b>				
Revenue	<b>2,687,468</b>	<b>2,960,358</b>	<b>8,479,951</b>	<b>8,881,074</b>
Expenses	<b><u>1,731,808</u></b>	<b><u>2,408,581</u></b>	<b><u>5,909,299</u></b>	<b><u>7,225,744</u></b>
Net Gain	<b>955,660</b>	<b>551,777</b>	<b>2,570,652</b>	<b>1,655,330</b>

As of March 31, 2013, the District had \$11.677 million in liquid investments, and \$0.322 million of principal as internal loans to the Ord Community Cost Centers payable to the Marina Cost Centers. The District also had \$2.350 million of bond proceeds for construction purposes, \$3.084 million of 2006 bond proceeds and \$0.849 million of 2010 refunding bond proceeds for debt reserve purposes in the bank. The District owed \$38.035 million in debt for the 2006 revenue certificates of participation bond, \$7.045 million for the 2010 Refunding Bond, \$0.028 in FORA Promissory Note and \$2.228 million for IOP Construction Loan.

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  No

Funding Source/Recap: N/A

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

Staff Recommendation: The Board of Directors receive the Quarterly Financial Statements for January 1, 2013 to March 31, 2013.

Action Required:  Resolution  Motion  Review

Board Action

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

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

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: May 20, 2013

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Agenda Title: Approve the Expenditures for the Month of April 2013

Detailed Description: The Board of Directors is requested to approve the attached April 2013 check register for expenditures totaling \$755,252.88.

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: April 2013 Summary Check Register.

Staff Recommendation: The Board of Directors approve the April 2013 expenditures totaling \$755,252.88.

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

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Board Action

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

Ayes\_\_\_     Abstained\_\_\_

Noes\_\_\_     Absent\_\_\_

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-D

Meeting Date: May 20, 2013

Submitted By: Jim Heitzman

Presented By: Jim Heitzman

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of May 6, 2013

Detailed Description: The Board of Directors is requested to approve the attached draft minutes of May 6, 2013.

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 May 6, 2013.

Staff Recommendation: The Board of Directors approve the draft minutes of the May 6, 2013 regular Board meeting.

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

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Board Action

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

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

Noes \_\_\_\_\_     Absent \_\_\_\_\_

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: May 20, 2013

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Brian Lee

Agenda Title: Consider Adoption of Resolution No. 2013-33 to Approve the District Technology Plan Appendix for FY 2013-2014

Detailed Description: The Board of Directors is requested to review and approve the 2013 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 2013 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 FY 2013-2014 as well as funding requirements for FY 2013-2014.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board approved Resolution No. 2012-16 adopting the 2012 DTP Appendix at the March 13, 2012 regular meeting.

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 2013-2014 capital portion of the DTP will come from the Network Computer System line item for all costs centers in the Capitalized Equipment Section of the proposed FY 2013-2014 District Budget. Funding for the non-capitalized portion of the DTP will come from the Computers/Data Processing and Software and Licensing line items for all cost centers in the Administration Section of the proposed FY 2013-2014 District Budget. In aggregate, the funding per cost center is as follows: Marina Water - \$41,315; Marina Sewer - \$9,330; Ord Community Water – \$67,970; Ord Community Sewer - \$14,660 for a total of \$133,275.

Material Included for Information/Consideration: Resolution No. 2013-33; and, Draft 2013 Technology Plan Appendix for FY 2013-2014.

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2013-33 to approve the District 2013 Technology Plan Appendix for FY 2013-2014.

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

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Board Action

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

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

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

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

May 20, 2013

Resolution No. 2013-33  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving the 2013 District Technology Plan Appendix  
For FY 2013-2014

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on May 20, 2013 at 211 Hillcrest Avenue, 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 2013 Technology Plan Appendix for FY 2013-2014 recommends a budget of \$133,275 for FY 2013-2014.

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 2013 District Technology Plan Appendix for FY 2013-2014 (Exhibit A).

PASSED AND ADOPTED on May 20, 2013, 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 \_\_\_\_\_

\_\_\_\_\_  
Thomas P. Moore, 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. 2013-33 adopted May 20, 2013.

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Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: May 20, 2013

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Brian Lee

Agenda Title: Receive Draft Budget for FY 2013-2014 and Schedule a Budget Workshop(s)

Detailed Description: The Board is requested to receive the draft budget for FY 2013-2014 and schedule a budget workshop in June 2013.

Each year, the District follows a budget development process that results in Board approval of the annual budget by June 30. However, due to the late approval of the FY 2012-2013 Ord Community budget, a delay has occurred in obtaining the rate study necessary to complete the FY 2013-2014 budget process by June 30, 2013.

The Draft FY 2013-2014 Budget contains place holders for revenue based on the FY 2012-2013 estimated year-end amounts. Once the rate study is completed, the draft budget will be updated and presented to the Board at a budget workshop. The draft budget represents six 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 2011-2012) expenditure figures.

The Ord Community sections of the draft budget will also be distributed and discussed with the FORA Water/Wastewater Oversight Committee (WWOC). Once the District Board has conducted its budget workshop and approves any Proposition 218 process needed for potential rate increases, the Ord Community sections of the updated draft budget will be presented to the WWOC. The WWOC will then recommend the draft budget to the FORA Board. The MCWD and FORA Boards would be expected to adopt the budget sometime in September 2013.

Due to the unusual nature of this year's budget process, the Board may consider scheduling more than one budget workshop. A workshop could be scheduled in June to address the expenditure and capital portions of the draft budget and then a subsequent workshop could be scheduled once the rate study has been completed.

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 2013-2014 Budget Document (provided separately).

Staff Recommendation: The Board of Directors receive the draft Budget for FY 2013–2014 and schedule a budget workshop in June 2013.

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

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Board Action

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

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

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

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