



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: 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, January 6, 2014, **6:00 p.m.** PST
(Please note the earlier start time)

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, January 2, 2014 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 21, 2014.

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)

B. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Subdivision (c) of 54956.9
One Potential Case

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

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. 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 2014.

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 four minutes.*

A. Receive the Quarterly Financial Statements for April 1, 2013 to June 30, 2013

B. Receive the Quarterly Financial Statements for July 1, 2013 to September 30, 2013

C. Approve the Expenditures for the Month of November 2013

D. Approve the Revised Draft Minutes of the Regular Board Meeting of November 18, 2013

E. Approve the Draft Minutes of the Regular Board Meeting of December 2, 2013

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 four minutes.*

A. Receive Report from Staff Regarding the Results of Checking All the Mailing Data Records for the Ord Community; Consider Validating the Number of Propositions 218 Protests Tabulated on October 21, 2013 for the Proposed Increase in District Rates, Fees, and Charges for the Ord Community or Providing Other Direction to Staff

Action: The Board of Directors will consider validating the number of protests tabulated on October 21, 2013 for the proposed increases in District rates, fees, and charges for the Ord Community or providing other direction to staff.

B. Consider Completing the Remainder of the 2013/2014 MCWD Budget Year Under the Continuing Budget Resolution No. 2013-34, adopted June 17, 2013

Action: The Board of Directors will consider staff request to complete the remainder of the 2013/2014 MCWD Budget Year under the Continuing Budget Resolution 2013-34, adopted June 17, 2013.

C. Receive Report from Special Legal Counsel on Employee Complaints Against Director Peter Le and the Board's Responsibilities in Reviewing and Acting on Such Complaints

Action: The Board of Directors will consider the report and the next steps to take, including, but not limited to, retaining an investigator and setting a meeting date to consider the evidence. No action on the employee complaints will be taken at this Board meeting.

D. Receive Report from Legal Counsel on a Complaint by Director Gustafson as to an Alleged Attempt in Closed Session to Appoint Director Peter Le as Interim General Manager and the Board's Options Regarding Such Complaint

Action: The Board of Directors will consider the report and determine the next step to be taken.

E. Receive Report from Special Legal Counsel on Brown Act and Board Procedures Manual Requirements and Potential Legal Consequences for Disclosing Publicly Board Discussions Occurring in Closed Session

Action: The Board of Directors will consider the report and determine if further action is needed.

- F. Consider Action Regarding the January 11th, 2014 Strategic Planning Session and Draft Strategic Plan

Action: The Board will consider providing direction to staff regarding the January 11th, 2014 Strategic Planning Session and current draft of the Strategic Plan.

- G. Consider Adopting Resolution No. 2014-01 to Appoint an Ad Hoc Committee to Discuss the Recycled Water Pipeline with the Monterey Regional Water Pollution Control Agency and Specifying the Scope of the Committee's Duties and Legal Authority

Action: The Board of Directors will consider establishing an Ad Hoc Committee to discuss the Recycled Water Pipeline with the Monterey Regional Water Pollution Control Agency and adopting a resolution specifying the scope of the Committee's duties and legal authority pursuant to Board Procedures Manual Sections 12.A and 12.C.

- H. Consider Adopting Resolution No. 2014-02 to Appoint an Ad Hoc Committee to Discuss the Annexation of the Ord Community and Specifying the Scope of the Committee's Duties and Legal Authority

Action: The Board of Directors will consider establishing an Ad Hoc Committee to discuss the Annexation of the Ord Community and adopting a resolution specifying the scope of the Committee's duties and legal authority pursuant to Board Procedures Manual Sections 12.A and 12.C.

- I. Consider a Scope of Topics for the Community Outreach Committee to Discuss with the Community

Action: The Board of Directors will consider a scope of topics for the Community Outreach Committee to discuss when meeting with the Community at large.

- J. Consider Adopting a Policy for Board Review of Invoices

Action: The Board of Directors will consider providing direction to staff regarding creation of an Invoice Review Policy.

- K. Consider Holding, Changing, or Canceling the January 21, 2014 Board Meeting

Action: The Board of Directors will consider whether to hold the January 21, 2014 Board meeting, change the date or cancel it.

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 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 | 6. LAFCO Liaison |
| 2. Joint City-District Committee | 7. FORA |
| 3. Executive Committee | 8. WWOC Report |
| 4. Community Outreach | 9. JPIA Liaison |
| 5. MRWPCA Board Member Liaison | 10. Special Districts Association |

12. Board Member Requests for Future Agenda Items

A. Board Member Requests

13. Director's Comments

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

*Regular Meeting: Tuesday, January 21, 2014, 6:45 p.m.,
Marina Council Chambers
211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Election of Board President and Vice-President

Detailed Description: Resolution No. 98-1, as amended, states that the Board will annually elect a President and Vice-President. The Board Procedures Manual last revised on December 2, 2013 states:

“This District shall have a President who shall be elected by the Board from among the five (5) elected directors. The President shall be elected annually in the month of December. It is the Board's policy to rotate the office of President among the Board members and no Director shall serve more than three (3) consecutive years as president.”

Environmental Review Compliance: None required.

Prior Committee or Board Action: On December 16, 2014, the Board tabled this item..

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: N/A

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors elect a President and Vice-President to serve the next 1-year term.

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: 9

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of:

- A) Receive the Quarterly Financial Statements for April 1, 2013 to June 30, 2013
- B) Receive the Quarterly Financial Statements for July 1, 2013 to September 30, 2013
- C) Approve the Expenditures for the Month of November 2013
- D) Approve the Revised Draft Minutes of the Regular Board Meeting of November 18, 2013
- E) Approve the Draft Minutes of the Regular Board Meeting of December 2, 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.)

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: January 6, 2014

Submitted By: Kelly Cadiente
Reviewed By: Brian Lee

Presented By: Kelly Cadiente

Agenda Title: Receive the Quarterly Financial Statements for April 1, 2013 to June 30, 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 \$3.392 million and expenses of \$3.588 million, resulting in net loss from operations of \$0.196 million. The District budget projected net gain from operations of \$0.552 million for the same period.

The net gain from operations was lower than the budget expectation by \$0.748 million due to the timing of when revenues are earned and expenses are accrued produce different results than those in which the annual budget amounts are divided evenly by quarter. The actual net gain from operations for FY 2012-2013 was higher than budget expectation by \$0.167 million.

Summary of Cost Centers:

| Description | Actual Qtr | Budget Qtr | Actual FYTD | Budget FYTD |
|----------------------------|-------------------|-------------------|--------------------|--------------------|
| Marina Water | | | | |
| Revenue | 1,075,353 | 1,002,897 | 4,122,395 | 4,011,586 |
| Expenses | <u>866,534</u> | <u>640,320</u> | <u>2,404,791</u> | <u>2,561,279</u> |
| Net Gain | 208,819 | 362,577 | 1,717,603 | 1,450,307 |
| Marina Sewer | | | | |
| Revenue | 210,312 | 203,631 | 826,536 | 814,526 |
| Expenses | <u>245,830</u> | <u>195,780</u> | <u>713,604</u> | <u>783,118</u> |
| Net Gain | (35,518) | 7,852 | 112,932 | 31,408 |
| Ord Community Water | | | | |
| Revenue | 1,633,537 | 1,316,003 | 5,132,450 | 5,264,011 |
| Expenses | <u>1,863,084</u> | <u>1,222,265</u> | <u>4,875,235</u> | <u>4,889,059</u> |
| Net Gain | (229,546) | 93,738 | 257,215 | 374,952 |
| Ord Community Sewer | | | | |
| Revenue | 467,998 | 435,827 | 1,780,642 | 1,743,309 |
| Expenses | <u>489,722</u> | <u>288,418</u> | <u>1,256,895</u> | <u>1,153,674</u> |
| Net Gain | (21,724) | 147,409 | 523,748 | 589,636 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Description | Actual Qtr | Budget Qtr | Actual FYTD | Budget FYTD |
|----------------------------------|-------------------|-------------------|--------------------|--------------------|
| Recycled Water Project | | | | |
| Revenue | 5,000 | 2,000 | 10,127 | 8,000 |
| Expenses | 123,184 | 61,799 | 247,127 | 247,195 |
| Net Gain | (118,184) | (59,799) | (237,001) | (239,195) |
| Regional Project | | | | |
| Revenue | - | - | - | - |
| Expenses | - | - | - | - |
| Net Gain | - | - | - | - |
| Consolidated Cost Centers | | | | |
| Revenue | 3,392,200 | 2,960,358 | 11,872,150 | 11,841,432 |
| Expenses | 3,588,354 | 2,408,581 | 9,497,653 | 9,634,326 |
| Net Gain | (196,154) | 551,777 | 2,374,498 | 2,207,106 |

As of June 30, 2013, the District had \$9.612 million in liquid investments, and \$0.304 million of principal as internal loans to the Ord Community Cost Centers payable to the Marina Cost Centers. The District also had \$2.103 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 \$37.110 million in debt for the 2006 revenue certificates of participation bond, \$6.370 million for the 2010 Refunding Bond, \$0.021 million 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 receives the Quarterly Financial Statements for April 1, 2013 to June 30, 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: 9-B

Meeting Date: January 6, 2014

Submitted By: Kelly Cadiente
Reviewed By: Brian Lee

Presented By: Kelly Cadiente

Agenda Title: Receive the Quarterly Financial Statements for July 1, 2013 to September 30, 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 \$3.412 million and expenses of \$1.814 million, resulting in net gain from operations of \$1.598 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 \$1.046 million for a few major reasons. A primary reason is that the budget amounts reflect the FY 2012-2013 budget that was extended to FY 2013-2014 through Board Resolution No. 2013-34 on June 17, 2013. Another major reason is that the timing of when revenues are earned and expenses are accrued produce different results than those in which the annual budget amounts are divided evenly by quarter.

Summary of Cost Centers:

| <u>Description</u> | <u>Actual Qtr</u> | <u>Budget Qtr</u> | <u>Actual FYTD</u> | <u>Budget FYTD</u> |
|----------------------------|-------------------|-------------------|--------------------|--------------------|
| Marina Water | | | | |
| Revenue | 1,110,991 | 1,002,897 | 1,110,991 | 1,002,897 |
| Expenses | <u>531,352</u> | <u>640,320</u> | <u>531,352</u> | <u>640,320</u> |
| Net Gain | 579,639 | 362,577 | 579,639 | 362,577 |
| Marina Sewer | | | | |
| Revenue | 203,115 | 203,631 | 203,115 | 203,631 |
| Expenses | <u>113,166</u> | <u>195,780</u> | <u>113,166</u> | <u>195,780</u> |
| Net Gain | 89,949 | 7,852 | 89,949 | 7,852 |
| Ord Community Water | | | | |
| Revenue | 1,608,359 | 1,316,003 | 1,608,359 | 1,316,003 |
| Expenses | <u>960,733</u> | <u>1,222,265</u> | <u>960,733</u> | <u>1,222,265</u> |
| Net Gain | 647,626 | 93,738 | 647,626 | 93,738 |
| Ord Community Sewer | | | | |
| Revenue | 490,336 | 435,827 | 490,336 | 435,827 |
| Expenses | <u>228,921</u> | <u>288,418</u> | <u>228,921</u> | <u>288,418</u> |
| Net Gain | 261,415 | 147,409 | 261,415 | 147,409 |

| Description | Actual Qtr | Budget Qtr | Actual FYTD | Budget FYTD |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Recycled Water Project | | | | |
| Revenue | (836) | 2,000 | (836) | 2,000 |
| Expenses | <u>(20,476)</u> | <u>61,799</u> | <u>(20,476)</u> | <u>61,799</u> |
| Net Gain | 19,640 | (59,799) | 19,640 | (59,799) |
| Regional Project | | | | |
| Revenue | - | - | - | - |
| Expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Gain | - | - | - | - |
| Consolidated Cost Centers | | | | |
| Revenue | 3,411,964 | 2,960,358 | 3,411,964 | 2,960,358 |
| Expenses | <u>1,813,696</u> | <u>2,408,581</u> | <u>1,813,696</u> | <u>2,408,581</u> |
| Net Gain | 1,598,269 | 551,777 | 1,598,269 | 551,777 |

As of September 30, 2013, the District had \$9.625 million in liquid investments, and \$0.288 million of principal as internal loans to the Ord Community Cost Centers payable to the Marina Cost Centers. The District also had \$2.105 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 \$37.110 million in debt for the 2006 revenue certificates of participation bond, \$6.370 million for the 2010 Refunding Bond, \$0.014 million 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 receives the Quarterly Financial Statements for July 1, 2013 to September 30, 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: 9-C

Meeting Date: January 6, 2014

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

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

Detailed Description: The Board of Directors is requested to approve the attached November 2013 check register for expenditures totaling \$1,613,519.34.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On December 16, 2013, the Board tabled this item..

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 2013 Summary Check Register.

Staff Recommendation: The Board of Directors approve the November 2013 expenditures totaling \$1,613,519.34.

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-D

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Approve the Revised Draft Minutes of the Regular Board Meeting of November 18, 2013

Detailed Description: The Board of Directors is requested to approve the revised draft minutes of November 18, 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: Revised draft minutes of November 18, 2013.

Staff Recommendation: The Board of Directors approve the revised draft minutes of the November 18, 2013 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-E

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of December 2, 2013

Detailed Description: The Board of Directors is requested to approve the draft minutes of December 2, 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 December 2, 2013.

Staff Recommendation: The Board of Directors approve the draft minutes of the December 2, 2013 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: 10-A

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Receive Report from Staff Regarding the Results of Checking All the Mailing Data Records for the Ord Community; Consider Validating the Number of Propositions 218 Protests Tabulated on October 21, 2013 for the Proposed Increase in District Rates, Fees, and Charges for the Ord Community or Providing Other Direction to Staff

Detailed Description: The Board of Directors is requested to consider validating the number of Proposition 218 protests that were tabulated on October 21, 2013 for the proposed increases in District rates, fees, and charges for the Ord Community.

The original Proposition 218 notices (a total of 6,492 notices) were sent to Central Marina and the Ord Community on September 6, 2013. A postcard with clarification on the Public Hearing date was sent to the Ord Community service area customers on October 4, 2013 (a total of 595 postcards). A revised Proposition 218 notice was sent to Central Marina service area customers with a Public Hearing date of November 18, 2013 on October 4, 2013 (a total of 5,226 notices).

Of those notices, 279 were returned for the following reasons: bad addresses; addressee unknown; forwarding time expired; unclaimed/vacant; no mail receptacle; and refused. The addresses were corrected on 115 notices and then remailed. Of the postcards sent on October 4, 2013 to Ord Community customers, 11 postcards were returned.

Following the closure of the Public Hearing on October 21, 2013, Mr. Brian Lee announced that the District currently provides services to 569 parcels in the Ord Community and for a successful protest, 285 protests needed to be received by 7:00 p.m. that evening. A parcel receiving service from the District, which includes water, sewer, or irrigation, was considered as a valid protest. A parcel that was not currently receiving service from the District was considered an invalid protest. A maximum of one protest is allowed for each parcel. If two protests were received for one parcel, one of the protests was considered a duplicate.

Staff provided an unofficial count of 246 valid protests received by 7:00 p.m. on October 21, 2013. Staff has recounted the protests three times and has verified and determined an official protest count for the Ord Community.

The total number of protests received by 7:00 p.m. on October 21, 2013 is as follows:

- Total number of protests received: 1166
- Total number of protests invalid: 884
- Total number of protests duplicated: 31
- Total number of protests valid: 251

In addition, three protests were received after 7:00 p.m.

Since the Public hearing staff has been analyzing the process and data, attempting to determine the significance of any errors or discrepancies that occurred.

The District conducted a line by line comparison of a database created by Shaaf and Wheeler combining the County APN database and the District Billing Records to the database used in the original mailing of 218 notices:

The original 218 mailing database contained 49 parcels that may not have received original notices due to the mailing address not matching the County APN mailing address. Using the 49 'bad address' number district staff concludes the following:

- 569 total parcels - 49 'bad address' = 520 parcels receiving original notice
- 251 valid protests / 520 parcels receiving original notice = 48.3%

- Assumption: 48.3% of the 'bad addresses' would file a protest.
 - 49 'bad addresses' X 48.3% = 24 protests
- Assumption: Adjusting for the original 'bad addresses' there would be 275 valid protests
 - 251 received + 24 assumed = 275 assumed valid protests

- Assumption: A valid protest would not have occurred even if original mailing database did not contain 'bad addresses'.
 - 275 assumed valid protests < 285 required protests

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: N/A

Material Included for Information/Consideration: None.

Staff Recommendation: There is no recommendation from staff.

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: 10-B

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider Completing the Remainder of the 2013/2014 MCWD Budget Year Under the Continuing Budget Resolution No. 2013-34, adopted June 17, 2013

Detailed Description: For the last six months the District continues to work through the 2013 Rate Study, The draft 2013/14 MCWD budget, the 218 process for Ord and Central Marina, draft Capacity Charge revisions and discussions with the FORA WWOC.

Projecting forward into the fiscal year it is unlikely that a 2013/2014 budget would be adopted until April 2014, at the earliest.

Additionally, staff must begin work on the 2014/2015 budge this month (January 2014) in preparation for submittal of a draft 2014/2015 budget to the Board and to FORA by the end of March, 2014.

In light of these issues staff is recommending that the District stop proceeding with the draft 2013/2014 budget and proceed with the remainder of the 2013/2014 budget year under Continuing Budget Resolution No. 2013-34 adopted June 17, 2013.

Environmental Review Compliance: None required.

Prior Committee or Board Action: Adoption of Resolution 2013-34 on June 17, 2013.

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: N/A

Material Included for Information/Consideration: Resolution No. 2013-34.

Staff Recommendation: Direct staff to cease work on the draft 2013/2014 budget.

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-C

Meeting Date: January 6, 2014

Submitted By: Jeanine DeBacker

Presented By: Jeanine DeBacker

Reviewed By: Brian C. Lee

Agenda Title: Receive Report from Special Legal Counsel on Employee Complaints Against Director Peter Le and the Board's Responsibilities in Reviewing and Acting on Such Complaints

Detailed Description: The Board of Directors is requested to discuss Special Legal Counsel's verbal and written Report regarding employee complaints and to consider next steps. These next steps may include, but are not limited to, determining whether to retain an investigator and setting a meeting date to consider the evidence. No action will be taken on the employee complaints at this meeting.

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: N/A

Material Included for Information/Consideration: Memorandum from Special Legal Counsel.

Staff Recommendation: None.

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-D

Meeting Date: January 6, 2014

Submitted By: Roger Masuda, Legal Counsel

Presented By: Roger Masuda

Agenda Title: Receive Report from Legal Counsel on a Complaint by Director Gustafson as to an Alleged Attempt in Closed Session to Appoint Director Peter Le as Interim General Manager and the Board's Options regarding such Complaint

Detailed Description: The Board of Directors is requested to discuss Legal Counsel's Report and consider the next step to be taken. The next step could include, but not be limited to, (1) determine that the closed sessions was properly noticed and held in accordance with the Brown Act and that no vote was taken in closed session to appoint Director Peter Le as Interim General Manager, or (2) determine that Director Gustafson's allegation should be investigated further by the Board, waive any applicable attorney-client and deliberative legal privileges and Board Procedures Manual sections regarding any closed session in question, retain an investigator, and set a meeting date to consider the results of the investigation.

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: N/A

Material Included for Information/Consideration: None.

Staff Recommendation: None.

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-E

Meeting Date: January 6, 2014

Submitted By: Jeanine DeBacker
Reviewed By: Brian C. Lee

Presented By: Jeanine DeBacker

Agenda Title: Receive Report from Special Legal Counsel on Brown Act and Board Procedures Manual Requirements and Potential Legal Consequences for Disclosing Publicly Board Discussions Occurring in Closed Session

Detailed Description: The Board of Directors is requested to discuss Special Legal Counsel's verbal and written Report regarding the Brown Act and the Board Procedures Manual with regard to disclosure of information from Closed Sessions and to determine if further action is needed.

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: N/A

Material Included for Information/Consideration: Memo on Brown Act and Board Procedures Manual Requirements.

Staff Recommendation: None.

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-F

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider Action Regarding the January 11, 2014 Strategic Planning Session and Draft Strategic Plan

Detailed Description: At the November 4, 2013 meeting the Board agreed to provide individual Director comments on the District's draft Strategic Plan through the 'track changes' option in Microsoft Word. Staff emailed the Board a Word format copy of the Strategic Plan with a request to return comments by December 4th. Staff did not receive any comments.

At the December 16, 2013 meeting the Board asked staff to resend a Word format draft copy of the District's Strategic Plan to facilitate 'track change' comments from each Board Member. Staff emailed a Word format Strategic Plan to all Directors on December 18, 2013 with a request for comments no later than January 3rd.

As of today staff has received notice from two Directors; Director Shriner indicated that she did not have any comments or corrections as of this date. Director Le requested that staff listen to the November 4th meeting audio and incorporate his comments made at that time.

At the December 16, 2013 meeting the Board set a date of January 11, 2014 for a special workshop to review the draft Strategic Plan. Based on the discussion at the December 16th meeting staff has scheduled Brent Ives to attend the workshop and coordinate District efforts.

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: N/A

Material Included for Information/Consideration: None.

Staff Recommendation: None.

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-G

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider Adopting Resolution No. 2014-01 to Appoint an Ad Hoc Committee to Discuss the Recycled Water Pipeline with the Monterey Regional Water Pollution Control Agency and Specifying the Scope of the Committee's Duties and Legal Authority

Detailed Description: The Board has requested this item be added to the Agenda.

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: N/A

Material Included for Information/Consideration: Draft Resolution No. 2014-01.

Staff Recommendation: None.

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-H

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider Adopting Resolution No. 2014-02 to Appoint an Ad Hoc Committee to Discuss the Annexation of the Ord Community and Specifying the Scope of the Committee's Duties and Legal Authority

Detailed Description: The Board has requested this item be added to the Agenda.

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: N/A

Material Included for Information/Consideration: Draft Resolution No. 2014-02.

Staff Recommendation: None.

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- I

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider a Scope of Topics for the Community Outreach Committee to Discuss with the Community

Detailed Description: The Board has requested this item be added to the Agenda.

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: N/A

Material Included for Information/Consideration: None.

Staff Recommendation: None.

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-J

Meeting Date: January 6, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider Adopting a Policy for Board Review of Invoices

Detailed Description: The District has no policy for processing district invoices other than Board Policy 42 stating all checks and warrants over \$25,000 shall be cosigned by a Director. Currently, invoices are processed through Accounting, payment checks are signed by the appropriate staff member (typically the GM) and mailed to the appropriate payee. Then, expenditures for the previous month are provided to the Board for review, listed by check number.

California water code relating to County Water Districts states, "31302 - The auditor shall draw warrants to pay demands made against the district when the demands have been approved or authorized by the board, or at least three members thereof, and by the general manager; or, in his absence or inability to act, by an officer or director therefor authorized by the board."

Individually, Directors have expressed an interest in developing a Policy regarding how the District processes invoices / warrants. Staff's intent is to prepare a draft policy for Board review. Tonight, staff is asking for Board input prior to drafting said policy.

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: N/A

Material Included for Information/Consideration: None.

Staff Recommendation: None.

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-K

Meeting Date: January 6, 2013

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider Holding, Changing, or Canceling the January 21, 2014 Board Meeting

Detailed Description: The next scheduled meeting of the Board is Tuesday, January 21, 2014. The meeting was moved from Monday to Tuesday because of the Martin Luther King Jr. holiday. Tuesday, January 21st is also the date for the Special Districts Association quarterly meeting.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

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 ___ X No

Funding Source/Recap: N/A.

Material Included for Information/Consideration: None.

Staff Recommendation: The Board of Directors provide direction.

Action Required: ___ Resolution ___ X Motion ___ Review

Board Action

___ Resolution No ___ Motion By ___ Seconded By ___

Ayes ___ Abstained ___

Noes ___ Absent ___

Reagendized ___ Date ___ No Action Taken ___