



MARINA COAST WATER DISTRICT

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DIRECTORS

THOMAS P. MOORE
President

WILLIAM Y. LEE
Vice President

HOWARD GUSTAFSON
JAN SHRINER
PETER LE

Agenda

Regular Board Meeting, Board of Directors Marina Coast Water District

211 Hillcrest Avenue, Marina, California

Monday, November 17, 2014, 6:00 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 6:00 p.m. and are held at the City of Marina Council Chambers at 211 Hillcrest Avenue, Marina, California.

Our Mission: *We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

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 Nos. H038550 and H039559

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 & A.13-05-017 Settlement Agreement

This agenda is subject to revision and may be amended prior to the scheduled meeting. A final agenda will be posted at City of Marina Council Chambers (211 Hillcrest Avenue, Marina) and the District office (11 Reservation Road, Marina) no less than 72 hours prior to the meeting. A complete Board packet containing all enclosures and staff materials will be available for public review on Thursday, November 13, 2014. Copies will also be available at the Board meeting. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5910.

3) California-American Water Company vs Marina Coast Water District; Monterey County Water Resources Agency; and Does 1 through 10, San Francisco Superior Court Case No. CGC-13-528312 (Complaint for Declaratory Relief)

4) California-American Water Company v. Lonestar California, Inc., CEMEX, Inc., et al., Monterey County Superior Court Case Nos. M129290 and M129303.

5) Appeal by California-American Water Co. of City of Marina decision denying permit for construction, operation, and decommissioning of slant test well, up to 4 monitoring well clusters, and related infrastructure at CEMEX sand mining plant, Lapis Road, Marina, Monterey County (California Coastal Commission Appeal No. A-3-MRA-14-0050).

6) Application of California-American Water Co. for permit to construct, operate, and decommission test slant well at CEMEX sand mining facility on Monterey Bay shoreline, Marina, Monterey County (California Coastal Commission Application No. 9-14-1735), this pertains to that portion of the proposed slant test well project below the mean-tide line for which the Coastal Commission has original jurisdiction.

- B. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Subdivision (b) of 54956.9
Two Potential Cases
- C. 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
- D. Pursuant to Government Code 54957
Public Employee Appointment
Title: General Manager
- E. Pursuant to Government Code 54957
Public Employee Performance Evaluation
Title: Legal Counsel
- F. Pursuant to Government Code 54957
Public Employee Performance Evaluation
Title: Interim General Manager
- G. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Recycled Water Pipeline, Recycled Water
Negotiating parties: Tom Moore and Peter Le
Under Negotiation: Price and Terms

- H. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Armstrong Ranch
Negotiating parties: Tom Moore and Peter Le
Under Negotiation: Price and Terms
- I. Pursuant to Government Code 54956.8
Conference with Real Property Negotiator
Property: Sewer Infrastructure
Negotiating parties: Tom Moore and Peter Le
Under Negotiation: Price and Terms

7:00 p.m. Reconvene Open Session

5. Reportable Actions Taken during Closed Session. *The Board will announce any reportable action taken during closed session and the vote or abstention on that action of every director present, and may take additional action in open session as appropriate. Any closed session items not completed may be continued to after the end of all open session items.*

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. Receive and File the Check Register for the Month of October 2014

B. Approve the Draft Minutes of the Regular Board Meeting of November 3, 2014

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. Discussion and Possible Action to Consider First Reading of Ordinance No. 58 Amending Section 1.04.010 of the District Code

Action: Several members of the public requested that the Board of Directors discuss the private fire service fees that were implemented as part of the Proposition 218 process and budget adoption. The Board will consider a first reading of Ordinance No. 58 amending Section 1.04.010 of the District Code.

- B. Discussion and Possible Action Regarding Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2014

Action: The Board of Directors is requested to consider accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year Ended June 30, 2013.

- C. Discussion and Possible Action to Consider Adoption of Resolution No. 2014-48 to Extend a Certificate of Deposit Secured Non-Revolver Line of Credit from Rabobank, N.A. for \$3,276,000 to December 1, 2015

Action: The Board of Directors will consider extending a Certificate of Deposit Secured Non-Revolver Line of Credit from Rabobank, N.A. for \$3,276,000 to December 1, 2015

- D. Discussion and Possible Action Regarding Director's Request for Information

Action: The Board of Directors will provide direction to staff.

- E. Discussion and Possible Action to Consider Adoption of Resolution No. 2014-46 to Authorize a Construction Contract with Dilbeck & Sons Incorporated to Construct a Building E at 940 Imjin Office Parkway, Authorize the General Manager to Execute a Loan with Rabobank for Said Construction and Authorize the General Manager to Execute General Services Administration Lease Amendments 1&2

Action: The Board of Directors will consider authorizing a construction contract with Dilbeck & Sons Incorporated to construct a Building E at 940 Imjin Office Parkway and authorize the Interim General Manager to execute General Services Administration Lease Amendments 1&2.

- F. Discussion and Possible Action to Consider Adoption of Resolution No. 2014-47 to Approve Funding for Directors to Attend the Association of California Water Agencies Fall Conference in San Diego

Action: The Board of Directors will consider approving funding for Directors to attend the Association of California Water Agencies Fall Conference in San Diego.

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

1. Correspondence Received by Board or General Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: November 17, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consent Calendar

Detailed Description: Consent calendar consisting of:

- A) Receive and File the Check Register for the Month of October 2014
- B) Approve the Draft Minutes of the Regular Board Meeting of November 3, 2014

Environmental Review Compliance: None required.

Prior Committee or Board Action: See individual transmittals.

Board Goals/Objectives: *2014 Strategic Plan, Mission Statement – We Provide high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

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: 8-A

Meeting Date: November 3, 2014

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Agenda Title: Receive and File the Check Register for the Month of October 2014

Detailed Description: The Board of Directors is requested to receive and file the attached September 2014 check register for expenditures totaling \$763,546.50.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2014 Strategic Plan, Objective No. 3 – Our objective is to manage public funds to assure financial stability, prudent rate management and demonstrate responsible stewardship. Our fiscal strategy is to forecast, control and optimize income and expenditures in an open and transparent manner. We will efficiently use our financial resources to assure availability to fund current and future demands.*

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: October 2014 Summary Check Register.

Staff Recommendation: The Board of Directors receive and file the October 2014 expenditures totaling \$763,546.50.

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: 8-B

Meeting Date: November 17, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Approve the Draft Minutes of the Regular Board Meeting of November 3, 2014

Detailed Description: The Board of Directors is requested to approve the draft minutes of November 3, 2014.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2014 Strategic Plan, Mission Statement – We Provide high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Financial Impact: ___ Yes ___ **X** ___ No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft minutes of November 3, 2014.

Staff Recommendation: The Board of Directors approve the draft minutes of the November 3, 2014 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-A

Meeting Date: November 17, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Consider First Reading of Ordinance No. 58 Amending Section 6.08.080, Private Fire Service, of the District Code

Detailed Description: The Board is requested to review draft Ordinance No. 58, Amending Section 6.08.080 of the District Code to define the term “Meter Size” and to address the use of the same term as to the Ord Service Area Monthly Fire Service Fee, and approve publishing the draft Ordinance for public review.

Ordinance No. 56 and Board Resolution No. 2014-20, both adopted on May 19, 2014, updated the Marina and Ord Community customer rate schedules. Among other changes, the monthly fee for private fire services was changed from a flat monthly rate to a scheduled rate based upon meter size. The term fire service meter size is not defined in the District Code. When the new rates were implemented, beginning in July 2014, several customers addressed the Board, stating that the rates for the larger fire services are prohibitive.

Ordinance No. 56 and Board Resolution No. 2014-20 also adjusted the monthly water service fees for the Marina and Ord Community service areas. In Central Marina, the monthly meter fee decreased in 2014 for customers with a 1-inch meter or larger. In the Ord Community, the monthly meter fee decreased in 2014 for customers with a 1.5-inch meter or larger.

In a typical development, the fire service lateral to the parcel is installed by the project developer who is constructing the streets and the underground utilities. In many cases, the final building fire service needs are not yet defined when the streets are built, so the developer will install an oversized fire service lateral so the site owner does not need to cut into the new street to install a water or fire service. Once the building and its fire sprinkler system are designed, an appropriately sized backflow preventer is installed on the existing lateral, and the on-site fire service is connected from there.

The proposed Ordinance No. 58 defines the fire service meter size as the size of the backflow prevention check valve on the fire service lateral. This more appropriately defines the fire demand of the building versus the size of the lateral, and should reduce the cost impact to District customers.

Environmental Review Compliance: None required.

Prior Committee or Board Action: The Board received a staff report on this subject on October 6, 2014, and directed staff to develop a policy to charge customers based upon their fire service size and not the size of the fire lateral.

Board Goals/Objectives: *2014 Strategic Plan, Mission Statement – We provide high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Financial Impact: Yes No

Funding Source/Recap: None.

Material Included for Information/Consideration: Draft Ordinance No. 58.

Staff Recommendation: The Board of Directors review draft Ordinance No. 58, Amending Section 6.08.080 of the District Code to define the term “Meter Size” and to address the use of the same term as to the Ord Service Area Monthly Fire Service Fee, and approve publishing the draft Ordinance for public review.

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_____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: November 17, 2014

Submitted By: Kelly Cadiente

Presented By: Kelly Cadiente

Reviewed By: Brian C. Lee

Agenda Title: Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the Fiscal Year ended June 30, 2014

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, 2014. This is the seventh consecutive year that staff has prepared a CAFR report for the District.

On July 10, 2012, the District approved a three-year Audit Contract with Pun & McGeady, LLP, Certified Public Accountants (Auditors), as the District's external auditors. Fiscal year ended June 30, 2014 is the final year of the three-year contract. 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.

The CAFR is an extensive report summarizing the financial activities of the District that occurred from July 1, 2013 through June 30, 2014 and 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, 2013. This is the sixth 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. Staff believes that Districts current CAFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to GFOA to determine its eligibility for another certificate.

Kenneth Pun, Managing Partner of Pun & McGeady, LLP will be available at the Board meeting to answer any questions on their audit report and the District's CAFR.

Prior Committee or Board Action: On July 10, 2012, the Board approved a three-year Audit Contract with Pun & McGeady, LLP.

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, 2014 provided separately.

Staff Recommendation: Consider Accepting the Comprehensive Annual Financial Report and the Independent Auditor's Report for the fiscal year ended June 30, 2014.

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-C

Meeting Date: November 17, 2014

Submitted By: Kelly Cadiente
Reviewed By: Brian C. Lee

Presented By: Kelly Cadiente

Agenda Title: Consider Adoption of Resolution No. 2014-48 to Extend a Certificate of Deposit Secured Non-Revolving Line of Credit from Rabobank, N.A. for \$3,276,000 to December 1, 2015

Detailed Description: The Board is requested to consider adoption of Resolution No. 2014-48 to amend Resolution No. 2014-10 that amended Resolution No. 2010-73, which on November 9, 2010, approved a Certificate of Deposit Secured Non-Revolving Line of Credit (CDSNRLOC) from Rabobank, N.A. to fund the construction of office building C and site improvements within the Imjin Office Park at 920 Second Avenue, Marina. The CDSNRLOC accrues interest on a fixed rate basis on the loan amounts advanced based on the Rabobank 12 month Certificate of Deposit (CD) rate of interest plus a credit margin of 1.5% which has resulted in annual net costs of approximately \$33,000 per year.

Upon completion of construction of Building C, the unused balance of the CDSNRLOC was \$1,048,021 which the District intended to use toward improvements to the unoccupied portion of the building. The District has attempted to find a tenant for the unoccupied portion of Building C with little success to date. Per previous Board direction, staff continues to analyze the possibility of the District occupying the space in order to consolidate staff to one office.

On March 3, 2014 the Board adopted Resolution No. 2014-10 to amend Resolution No 2010-73 which extended the CDSNRLOC to December 1, 2014. In order to continue extending the CDSNRLOC and CD term with Rabobank until the District determines what course it will take regarding Building C, the bank requires a new resolution which authorizes the General Manager to sign the necessary contract documents. This is the final extension that will be granted to the District on the CDSNRLOC by the bank. The extension would be for one year – or December 1, 2015 at which time the District would need to pay off or refinance the CDSNRLOC.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On November 9, 2010, the Board approved Resolution No. 2010-73 Certificate of Deposit Secured Non-Revolving Line of Credit from Rabobank, N.A. for \$3,276,000 to Fund Construction of Office Building C and Site Improvements within the Imjin Office Park Project. On March 3, 2014, the Board adopted Resolution No. 2014-10 to amend Resolution No. 2010-73 which extended the CDSNRLOC to December 1, 2014.

Board Goals/Objectives: *2014 Strategic Plan, Strategic Element No. 3 – To manage public funds to assure financial stability, prudent rate management, and demonstrate responsible stewardship. Our fiscal strategy is to forecast, control and optimize income and expenditures in an open and transparent manner. We will efficiently use our financial resources to assure availability to fund current and future demands.*

Financial Impact: Yes No

Funding Source/Recap: MW: \$9,570; MS: \$2,640; OW: \$17,160; OS: \$3,630.

Material Included for Information/Consideration: Resolution Nos. 2014-48, 2010-73, and 2014-10.

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2014-48 to extend a Certificate of Deposit Secured Non-Revolving Line of Credit from Rabobank, N.A. for \$3,276,000 to December 1, 2015.

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 _____

November 17, 2014

Resolution No. 2014 - 48
Resolution of the Board of Directors
Marina Coast Water District
Approving Extension of a Certificate of Deposit Secured Non-Revolver Line of Credit
With Rabobank, N.A. for \$3,276,000 to December 1, 2015

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on November 17, 2014 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on November 9, 2010, the Board approved a Certificate of Deposit Secured Non-Revolver Line of Credit (CDSNRLOC) from Rabobank, N.A. that funded construction of office building C and site improvements within the Imjin Office Park at 920 Second Avenue, Marina; and,

WHEREAS, the terms and conditions of the loan program provided for a line of credit with a fixed interest rate secured by a Certificate of Deposit with no pre-payment penalty; and,

WHEREAS, on March 3, 2014, the Board approved the extension of the CDSNRLOC to December 1, 2014; and,

WHEREAS, the District intends to use the remaining available balance of the CDSNRLOC towards improvements to the unoccupied portion of the Building C.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District adopt Resolution No. 2014-48, authorizing an extension of the existing loan agreement with Rabobank, N.A. until December 1, 2015 and authorizes the Interim General Manager to sign contract documents and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on November 17, 2014 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:

Brian C. Lee, 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. 2014-48 adopted November 17, 2014.

Brian C. Lee, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: November 17, 2014

Submitted By: Brian C. Lee

Presented By: Brian C. Lee

Agenda Title: Discussion and Possible Action Regarding Director's Request for Information

Detailed Description: Director Le provided staff a substantial information request regarding the Construction and Leasing of Building E at the Imjin Office Park (request attached). The email request was provided late Friday afternoon, October 31st for the following Monday Board Meeting, November 3rd. The General Manager did not receive the email request until after close of business Friday. The information requested was of such length and quantity that staff would have been unable to gather the information on Monday without a significant diversion of resources. On Monday morning, the General Manager had to decide to either divert staff from their scheduled work for a significant portion of the day to gather as much information as possible, attempt to discern what information in the request is or is-not important for the night's discussion or request direction from the full Board in regards to gathering the full information at a later time. Since no other Board Member made requests similar to Director Le, the General Manager decided to ask the full Board if they considered any or all of the documents requested important for the discussion. The General Manager's decision was based in part on the previous version of Section 16 of the Board Procedures Manual:

“16. Interference with the Administrative Service of the District.

The Board and its members shall deal with the administrative services of the District only through the General Manager, and neither the Board nor any individual director shall give orders or instructions to any subordinate of the General Manager.

Simple Information Requests. - Individual Board members may make simple information requests of staff or consultants, through the General Manager. A simple Information request is one that would take the General Manager, District Staff or Counsel less than one hour to complete in the view of the General Manager.

Substantial Information Requests. - A Substantial Information Request is one that would take the General Manager, District staff, consultant, or Counsel more than two hours to complete in the view of the General Manager. Individual Board members may place an item on any future agenda to request a Substantial Information Request or to add an item on a future agenda. The request shall be made as a motion under the Director's Comments section of the agenda. A majority affirmative vote is necessary to approve the action. “

Staff is seeking direction regarding this Substantial Information Request.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None.

Board Goals/Objectives: *2014 Strategic Plan, Mission Statement – We Provide high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

Financial Impact: Yes No

Funding Source/Recap: General fund for staff time to gather requested information.

Material Included for Information/Consideration: Peter Le's email dated October 31, 2014.

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: 9-E

Meeting Date: November 17, 2014

Submitted By: Patrick Breen

Presented By: Brian C. Lee

Reviewed By: Brian C. Lee

Agenda Title: Consider Adoption of Resolution No. 2014-46 to Authorize a Construction Contract with Dilbeck & Sons Incorporated to Construct a Building E at 940 Imjin Office Parkway, Authorize the General Manager to Execute a Loan with Rabobank for Said Construction and Authorize the General Manager to Execute General Services Administration Lease Amendments 1&2

Detailed Description: The Board is requested to consider authorization award of a construction contract for Building E at 940 Imjin Office Parkway within the Imjin Office Park with Dilbeck & Sons Incorporated in the amount of \$3,138,618 and a contingency amount of 10% or \$313,861 and a loan from Rabobank to fund said construction.

Also, the Board is requested to consider authorizing the General Manager to execute General Services Administration (GSA) Amendments 1&2 to Lease No. GS-09B-03074 between the Marina Coast Water District and United States of America.

On August 17, 2009, the Board adopted Resolution No. 2009-63 approving an agreement with the Association of Monterey Bay Area Governments (AMBAG) to purchase property within the Imjin Office Park. On December 11, 2009, the District successfully closed escrow and obtained ownership to the AMBAG portion of the Imjin Office Park Property through the use of District Reserves.

The District's intent for the property is to consolidate the administrative, engineering, and operational staff at a centralized location. In the interim the Federal Government Bureau of Land Management (BLM) is seeking property in Marina to house their regional offices, presenting the District the opportunity to recoup the cost of constructing Building E through leasing the building to BLM.

On November 13, 2012, the Board adopted Resolution No. 2012-77 authorizing the General Manager to take any and all actions necessary to provide a conditional commitment to the General Services Administration to construct an Imjin Office Park Building to house the Bureau of Land Management Regional Office.

On April 1, 2013, the Board of Directors of the Marina Coast Water District adopted Resolution No. 2013-26, authorizing an agreement with Rabobank, N.A. to provide a loan to fund construction of office Building E and site improvements within the Imjin Office Park Project, the use of District Reserves to fund the soft costs of the project. The authorized amount was for \$3.2 million which included \$2.5 million for construction and \$600,000 for soft costs.

On September 9, 2014, the District conducted a bid opening for the construction of the building. One bid was received from Dilbeck & Sons Incorporated in the amount of \$3,138,618. The amount is over the budgeted amount of \$2.5 million dollars. Once the bid was received, staff contacted other contractors to determine if the bid was valid and reasonable. Through discussions with other contractors, staff has determined that the bid price is reasonable and that other contractor's failed to bid due to bid bonding limits. Staff then engaged GSA to review the bid and determine if GSA was willing to amend the lease to ensure the District could recoup the overage through the lease term. GSA confirmed the bid price and agreed to two lease amendments:

- The first amendment extended the term of the lease from 15 years to 20 years firm,
- The second amendment ordered an amount of \$389,607.77 be paid via a lump sum at building occupancy.

Tonight, staff is requesting three actions:

- Authorize a loan of \$3,452,480 from RaboBank for construction of Building E at 940 Imjin Office Parkway,
- Authorize award of a construction contract for Building E at 940 Imjin Office Parkway within the Imjin Office Park with Dilbeck & Sons Incorporated in the amount of \$3,138,618 and a contingency amount of 10% or \$313,861. The total project budget would increase to \$3,452,480, including \$600,000 in soft costs (staff time, permits),
- Authorize the General Manager to execute General Services Administration (GSA) Amendments 1&2 to Lease No. GS-09B-03074 between the Marina Coast Water District and United States of America.

Environmental Review Compliance: None required.

Prior Committee or Board Action: On August 17, 2009, the Board adopted Resolution No. 2009-63 approving an agreement with the Association of Monterey Bay Area Governments (AMBAG) to purchase property within the Imjin Office Park; on November 13, 2012, the Board adopted Resolution No. 2012-77 authorizing the General Manager to take any and all actions necessary to provide a conditional commitment to the General Services Administration to construct an Imjin Office Park Building to house the Bureau of Land Management Regional Office. On April 1, 2013 the Board of Directors of the Marina Coast Water District adopted Resolution No. 2013-26, authorizing an agreement with Rabobank, N.A. to provide a loan to fund construction of office Building E and site improvements within the Imjin Office Park Project, the use of District Reserves to fund the soft costs of the project.

Board Goals/Objectives: *Strategic Plan, Goal No. 4 – To manage the District's finances in the most effective and fiscally responsible manner.*

Financial Impact: X Yes No

Funding Source/Recap: Upfront costs to be funded through General Reserves of Marina and Ord water and wastewater cost centers; debt service of the loan would be funded through lease revenue.

November 17, 2014

Resolution No. 2014 - 46
Resolution of the Board of Directors
Marina Coast Water District

Authorizing a Construction Contract with Dilbeck & Sons Incorporated to Construct a Building E at 940 Imjin Office Parkway Authorize the General Manager to Execute a Loan with Rabobank for Said Construction and Authorize the General Manager to Execute General Services Administration Lease GS-09B-03074 Amendments 1&2

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on November 17, 2014 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, on August 17, 2009, the Board adopted Resolution No. 2009-63 approving an agreement with the Association of Monterey Bay Area Governments (AMBAG) to purchase property within the Imjin Office Park; and,

WHEREAS, the Board of Directors finds that the property was purchased to be used as the centralized location for District administrative, engineering, and operational staffs. However, the property is not currently being used. The property will be needed for District use when the District’s existing administrative offices will need to be relocated due to continuing beach erosion or due to other causes so the Board finds that it is in the best interests of the District to retain and lease out the property at this time; and,

WHEREAS, the Bureau of Land Management (BLM) is seeking property in Marina to house their regional offices which presents the District the opportunity to recoup the cost of constructing Building E through leasing the building to BLM; and,

WHEREAS, Rabobank, N.A. has proposed a loan program to fund the construction and site improvements of the project; and,

WHEREAS, on April 1, 2013, the Board of Directors of the Marina Coast Water District adopted Resolution No. 2013-26, authorizing an agreement with Rabobank, N.A. to provide a loan to fund construction of office Building E and site improvements within the Imjin Office Park Project, the use of District Reserves to fund the soft costs of the project; and,

WHEREAS, the District conducted a public bidding process and opened bids on September 9, 2014 and received a responsible bid from Dilbeck & Sons Incorporated; and,

WHEREAS, the District’s Procurement Policy states, “If only one responsive bid is received from a responsible bidder, award shall not be made unless the price can be determined to be reasonable, based on a cost or price analysis”; and,

WHEREAS, since the District engineer’s estimate of construction costs was \$2,500,000 and the sole responsive bid received from the Dilbeck & Sons Incorporated was for \$3,138,618, both the District staff and the GSA staff reviewed bid and both found the bid to be reasonable based on an analysis of the bid costs and price; and,

WHEREAS, because GSA found the bid to be reasonable, GSA is willing to amend the GSA Lease as follows: Lease Amendment No. 1 keeping the total lease term to 20 years but increasing the number of firm years from 15 to the full 20 years, increasing the Firm Term Annual Rent payable to the District, and certain other changes specified therein; and Lease Amendment No. 2 by increasing the lump sum payment for Tenant improvements by \$389,607.77 to \$892,223.10 to be paid upon completion of Tenant improvements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District adopt Resolution No. 2014-46, which authorizes a construction contract with Dilbeck & Sons Incorporated to construct Building E at 940 Imjin Office Parkway in the amount of \$3,138,618 with a total contract authorization of \$3,452,479 including a 10% contingency; and authorizes the General Manager to execute General Services Administration Lease GS-09B-03074 Amendments 1&2 and further, authorizes the General Manager to execute loan documents from Rabobank for said construction of Building E and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on November 17, 2014 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:

Brian C. Lee, Deputy 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. 2014-46 adopted November 17, 2014.

Brian C. Lee, Deputy Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-F

Meeting Date: November 17, 2014

Submitted By: Jean Premutati

Presented By: Jean Premutati

Reviewed By: Brian C. Lee

Agenda Title: Consider Adoption of Resolution No. 2014-47 to Approve Funding for Directors to Attend the Association of California Water Agencies Fall Conference in San Diego

Background: The Board is requested to consider approving funding for Directors to attend the ACWA conference to be held December 3-5, 2014 in San Diego.

A request from Director Le was received to add this item to the agenda as he would like to attend the ACWA conference and have the District pay for conference registration, hotel, and all meals. Early bird registration ended November 7th. The full conference fee including meals was \$695. The new onsite fee is \$540 and does not include meals. Meals can be purchased individually however each conference meal exceeds the MCWD Travel and Reimbursement Policy limits of \$15 for breakfast, \$15 for lunch and \$30 for dinner. The conference hotel, Manchester Grand Hyatt cost per night was \$189/night + taxes + resort fees + \$30/night for self-parking = approximately \$245/night. The new rate per night is \$214 + taxes + resort fees + \$30/night for self-parking = total for 2 nights plus the full conference registration is approximately \$1,203. Currently, there is a balance of \$2,675 in the budget for Board conferences.

Environmental Review Compliance: None required.

Prior Committee or Board Action: None

Board Goals/Objectives: *Five-year Strategic Plan – 6.1 Encourage Board Development-Provide Board members with opportunities to engage in training to promote better decision and policy making to the District's benefit..*

Financial Impact: Yes No

Funding Source/Recap: Marina Water and Ord Water Cost Centers.

Material Included for Information/Consideration: Resolution No. 2014-47; Director Le's request; and, and a copy of the conference brochure.

Staff Recommendation: None.

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 _____

November 17, 2014

Resolution No. 2014-47
Resolution of the Board of Directors
Marina Coast Water District
Approving Funding for Directors to Attend the Association of California
Water Agencies (ACWA) Fall Conference to be held December 3-5, 2014 in San Diego

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on November 17, 2014 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, a request from Director Le was received to attend the annual Fall ACWA Conference December 3-5, 2014 in San Diego at the District’s expense for registration, hotel and meals; and,

WHEREAS, early bird registration closed on November 7th and full registration with meals is no longer available. Attendees must register onsite at \$540 and pay for meals individually; however the cost of the conference meals exceeds the MCWD Travel and Reimbursement policy of \$15 for breakfast, \$15 for lunch and \$30 for dinner. The conference hotel rate is no longer available and is now approximately \$275/night which includes taxes, resort fees and self-parking. For FY 2014/2015, money was budgeted for Board conferences. Currently, there is a balance of \$2,675 and the approximate total for the ACWA conference registration, hotel and meals is \$1,203 which leaves a remaining balance of \$1,472 for Board development.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby adopt Resolution No. 2014-47 to approve Director Le to attend the ACWA conference December 3-5, 2014 in San Diego and the District will pay registration, hotel and meals only.

PASSED AND ADOPTED on November 17, 2014, 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:

Brian C. Lee, 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. 2014-47 adopted November 17, 2014

Brian C. Lee, Secretary