



# 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

HOWARD GUSTAFSON  
*President*

THOMAS P. MOORE  
*Vice President*

WILLIAM Y. LEE  
JAN SHRINER  
HERBERT CORTEZ

## Agenda

**Regular Board Meeting, Board of Directors  
Marina Coast Water District  
and**

**Regular Board Meeting, Board of Directors  
Marina Coast Water District Groundwater Sustainability Agency**

Marina Council Chambers  
211 Hillcrest Avenue, Marina, California  
Monday, July 17, 2017, 6:30 p.m. PST

*This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the third Monday of each month with workshops scheduled for the first Monday of some months. The meetings normally begin at 6:30 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(d)(1)  
Conference with Legal Counsel – Existing Litigation

- 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

This agenda is subject to revision and may be amended prior to the scheduled meeting. Pursuant to Government Code section 54954.2(a)(1), the agenda for each meeting of the Board shall be posted at the City of Marina Council Chambers. The agenda shall also be posted at the following locations but those locations are not official agenda posting locations for purposes of section 54954.2(a)(1): District offices at 11 Reservation Road, Seaside City Hall, the City of Marina Library, and the City of Seaside Library. A complete Board packet containing all enclosures and staff materials will be available for public review on Wednesday, July 12, 2017. 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.

- 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
- 3) Marina Coast Water District v. California Public Utilities Commission, California Supreme Court Case No. S230728, Writ of Review
- 4) 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); First Appellate District Court of Appeals Case No. A145604
- 5) Marina Coast Water District vs. California-American Water Company, Monterey County Water Resources Agency, and Does 1 through 50, San Francisco Superior Court Case No. CGC-15-547125 (Complaint for Breach of Warranties, etc.)
- 6) Marina Coast Water District v, California Coastal Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180839 (Petition for Writ of Mandate). Sixth District Court of Appeal Case No. H042742
- 7) Marina Coast Water District v, California State Lands Commission (California-American Water Company, Real Party in Interest), Santa Cruz County Superior Court Case No. CV180895 (Petition for Writ of Mandate)
- 8) Monterey County Civil Grand Jury, 2016-2017 Final Report – “Water and Wastewater Rates of the Marina Coast Water District.”

B. Pursuant to Government Code 54956.8  
 Conference with Real Property Negotiator  
 Property: Sewer Infrastructure  
 Negotiating parties: Howard Gustafson, Thomas Moore  
 Under Negotiation: Price and Terms

C. Pursuant to Government Code 54956.8  
 Conference with Real Property Negotiator  
 Property: Recycled Water Pipeline, Recycled Water  
 Agency Negotiators: Howard Gustafson, Thomas Moore  
 Negotiating parties: MRWPCA and MCWD  
 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. **Presentation**
  - A. Receive a Presentation from Runyon, Saltzman, Einhorn Inc on the Proposed Public Relations Outreach for FY 2017-2018
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 and File the Check Register for the Month of June 2017
  - B. Approve the Draft Minutes of the Joint Board/GSA Meeting of June 26, 2017
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. Consider Adoption of Resolution No. 2017-43 to Approve a Variance to the Application of MCWD Water Code Section 6.08.090.C to the Restaurant Businesses within the Dunes 1A Restaurant Parcel  
*Action: The Board of Directors will consider whether to consider providing a variance to the District Code for the Dunes 1A restaurant parcel.*
  - B. Consider Adoption of Resolution No. 2017-44 to Award a Construction Contract for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir  
*Action: The Board of Directors will consider awarding a construction contract for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir.*
  - C. Consider Adoption of Resolution No. 2017-45 to Approve a Recycled Water Permit and Easement between Marina Coast Water District and California State University at Monterey Bay  
*Action: The Board of Directors will consider approving a Recycled Water Permit and Easement between Marina Coast Water District and California State University at Monterey Bay.*

- D. Consider Adoption of Resolution No. 2017-46 to Approve Documents and Actions Relating to the Interim Financing of the Regional Urban Water Augmentation Project Recycled Water Pipeline

*Action: The Board of Directors will consider approving documents and actions relating to the interim financing of the Regional Urban Water Augmentation Project Recycled Water Pipeline.*

- E. Consider Adoption of Resolution No. 2017-47 to Approve Prepayment of Marina Coast Water District's CalPERS Annual Employer Unfunded Accrued Liability Contribution for FY 2017-2018 in the Amount of \$99,105

*Action: The Board of Directors will consider approving prepayment of the District's CalPERS employer unfunded liability contribution for FY 2017-2018.*

- F. Consider Adoption of Resolution No. 2017-48 to Certify Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges

*Action: The Board of Directors will consider certifying compliance with State Law with respect to the levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges.*

- G. Consider Adoption of Resolution No. 2017-49 to Support the Nomination of a Board Member as a Candidate for President or Vice President of the Association of California Water Agencies

*Action: The Board of Directors will consider placing a Board member in nomination as President or Vice President of the Association of California Water Agencies Region.*

- H. Consider Amending the Appointment of Negotiators to the Groundwater Sustainability Agency Coordination Discussions

*Action: The MCWD GSA Board of Directors will consider amending the appointment negotiators to the Groundwater Sustainability Agency Coordination discussions.*

**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

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 Committee
5. Budget and Personnel Committee
6. MRWPCA Board Member Liaison

7. LAFCO Liaison
8. FORA
9. WWOC Report
10. JPIA Liaison
11. Special Districts Association

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

**13. Director's Comments** *Director reports on meetings with other agencies, organizations and individuals on behalf of the District and on official District matters.*

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

*Monday, August 7, 2017, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District  
Staff Report

Agenda Item: 8-A

Meeting Date: July 17, 2017

Prepared By: Jean Premutati

Approved By: Keith Van Der Maaten

Agenda Title: Receive a Presentation from Runyon, Saltzman, Einhorn Inc. on the Proposed Public Relations Outreach for FY 2017-2018

Summary: Runyon, Saltzman, Einhorn Inc. (RSE) will make a presentation on the scope of work for FY 2017-2018. RSE will discuss various initiatives under the umbrella of the Marina Coast FutureH2O. In addition, RSE will outline their efforts for enhanced community outreach.

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9

Meeting Date: July 17, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consent Calendar

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

Background: *5-Year Strategic Plan Mission Statement – 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.*

Consent calendar consisting of:

- A) Receive and File the Check Register for the Month of June 2017
- B) Approve the Draft Minutes of the Joint Board/GSA Meeting of June 26, 2017

Discussion/Analysis: See individual transmittals.

Environmental Review Compliance: None required.

Other Considerations: The Board of Directors can approve these items together or they can pull them separately for discussion.

Material Included for Information/Consideration: Check Register for June 2017; and, draft minutes of June 26, 2017.

Action Required: \_\_\_\_\_Resolution      X   Motion    \_\_\_\_\_Review  
(Roll call vote is required.)

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: July 17, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive and File the Check Register for the Month of June 2017

Staff Recommendation: The Board of Directors receive and file the June 2017 expenditures totaling \$1,128,805.51.

Background: *5-Year 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.*

Discussion/Analysis: These expenditures were paid in June 2017 and the Board is requested to receive and file the check register.

Environmental Review Compliance: None required.

Financial Impact:  Yes  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.

Other Consideration: None.

Material Included for Information/Consideration: June 2017 Summary Check Register.

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

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

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



Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: July 17, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Joint Board/GSA Meeting of June 26, 2017

Staff Recommendation: The Board of Directors approve the draft minutes of the June 26, 2017 joint Board/GSA meeting.

Background: *5-Year 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.*

Discussion/Analysis: The draft minutes of June 26, 2017 are provided for the Board to consider approval.

Environmental Review Compliance: None required.

Financial Impact:     \_\_\_ Yes     \_\_\_ **X** No     Funding Source/Recap: None

Other Considerations: The Board can suggest changes/corrections to the minutes.

Material Included for Information/Consideration: Draft minutes of June 26, 2017.

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

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-A  
Prepared By: Brian True  
Presented By: Michael Wegley

Meeting Date: July 17, 2017  
Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-43 to Approve a Variance to the Application of MCWD Water Code Section 6.08.090.C to the Restaurant Businesses within the Dunes 1A Restaurant Parcel

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-43 approving a variance to the application of MCWD Water Code Section 6.08.090.C to the restaurant businesses within the Dunes 1A Restaurant Parcel, subject to the District Board passing a future Ordinance modifying the MCWD Water Code, Appendix C, as a result of the Master Plan Update being performed this year, which may expand Type of Use categories and result in less intensive assigned water use rates.

Background: *Five-year Strategic Plan, Strategic Element 2.0 Infrastructure – Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District Standards.*

Mr. Scott Negri, the General Partner of SKN Properties, has submitted a Variance Request (Attachment 1) to the application of MCWD Water Code Section 6.08.090.C on behalf of Teriyaki Madness as well as the other restaurant businesses located within the SKN Properties Dunes 1A Restaurant Parcel. The operative language in MCWD Water Code Section 6.08.090.C for which the variance is requested states:

*“A change in use following the existing use which results in a less intensive assigned water use shall not entitle the user to any refund of capacity charges previously paid.”*

This section of the code refers to changes in MCWD’s Water Code, Appendix C, which dictates the methodology for assessing water capacity charge for commercial types of land uses and development. The core argument of the Variance Request is that the Type of Use categories for restaurant businesses within MCWD Water Code, Appendix C, “...does not provide for a nuanced selection of restaurant-related land-use categories and associated Water Use Rates which leads to a significant over-estimated water use for many types of restaurant business. This results in water capacity charge payments far in excess of what the actual water use by the restaurant business would indicate...”

Staff gathered water consumption data for the restaurant businesses within the Dunes 1A Restaurant Parcel development (Attachment 2). Evaluating the brief 6-months of water consumption data since the businesses have opened, there appears to be some merit in the Variance Request’s position.

MCWD is in the process of updating the Appendix C Type of Use categories and Assigned Water Use Rates this year as part of the Master Plan Updates. The Variance Request asks that should a new Type of Use category and the associated applicable Assigned Water Use Rate be reduced to a less intensive assigned water use as a result of the Master Plan Update, a business submitting information showing they are eligible under the new Appendix C information would be granted a variance from Section 6.08.090.C and be allowed a refund of the capacity charges previously paid (that was based on the original Appendix C information). Please note that the result of the Master Plan Update might recommend an increase in one or more Assigned Water Use Rate (or essentially, the District under-collected) or might recommend no change at all to Appendix C.

While this request is made for a single business within the SKN Properties development (Teriyaki Madness), the intent of the staff recommendation is to provide all eligible businesses within the Dunes 1A Restaurant Parcel and Central Marina (Attachment 3) an opportunity to apply for a water capacity charge re-evaluation if Appendix C is changed due to the study. The business eligible for the water capacity charge refund would be the one originally paid the water capacity charge. That could be the developer or the business owner depending on how the capacity charges were paid. Staff analyzed type of use categories Monterey Peninsula Water Management District utilizes to provide a comparative framework for the financial impact to MCWD if all eligible businesses within the Dunes 1A Restaurant Parcel and Central Marina (Attachment 4) applied for a refund. Please note the analysis is only intended to provide a potential range of impacts.

Discussion/Analysis: In compliance with MCWD Water Code, the MCWD Board must make three affirmative findings in order to grant a variance from the Water Code. Staff recommends that the MCWD Board may make those findings as follows:

- A. Provided the results from the Master Plan support the need to increase differentiation in Type of Use categories for restaurant businesses and less intensive Assigned Water Use Rates in determining capacity fees for the eligible restaurant businesses, the strict application of the code could be considered unfair treatment in that it may indicate that water capacity charge payments made by the subject businesses were in excess of what actual water use will be by the restaurant business; and,
- B. Granting the variance will not cause a significant adverse effect on the water supply or on service to other persons served by the District because the Variance Request is related only to the potential refunding of already paid water capacity charges, which does not have a material effect on the water supply or others because the rebate is due to an update to the Master Plan that results in establishing the necessary capacity fees to support the water supply; and,
- C. The variance is in the best interests of the District because the District strives to charge rates and fees that are fair, accurate, supported, and consistent with current industry practices and standards.

Staff therefore recommends the Board adopt Resolution No. 2017-43 approving a variance to the application of MCWD Water Code Section 6.08.090.C to the restaurant businesses within the Dunes 1A Restaurant Parcel and Central Marina, subject to the District Board passing a future Ordinance modifying the MCWD Water Code, Appendix C, as a result of the Master Plan Update

being performed this year, which might result in increased differentiation in Type of Use categories and less intensive assigned water use rates.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: Depending on the outcomes, there may be no direct cost to MCWD in granting potential Variance Requests; however, if Appendix C is modified and eligible businesses submit information supporting that the variance be granted, then some refunding of previously paid water capacity charges may occur. District-staff estimates that the refunds could sum to be in the range of \$63,000 to \$166,000.

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2017-43; Variance Request prepared by SKN Properties (Attachment 1); Water Consumption data (Attachment 2); List of potentially impacted businesses (Attachment 3); Comparative Analysis (Attachment 4).

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

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Board Action

Motion By: \_\_\_\_\_ Seconded By: \_\_\_\_\_ No Action Taken: \_\_\_\_\_

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

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

July 17, 2017

Resolution No. 2017-43  
Resolution of the Board of Directors  
Marina Coast Water District  
Adoption of Resolution No. 2017-43 to Approve a Variance to the  
Application of MCWD Water Code Section 6.08.090.C to  
the Dunes 1A Restaurant Parcel

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“MCWD”), at a regular meeting duly called and held on July 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, SKN Properties, on behalf of Teriyaki Madness and the other restaurant businesses within the Dunes 1A Restaurant Parcel development, has submitted a Variance Request (Attachment 1) to the application of MCWD Water Code Section 6.08.090.C which states: “A change in use following the existing use which results in a less intensive assigned water use shall not entitle the user to any refund of capacity charges previously paid.”; and,

WHEREAS, Water Code Section 6.08.090.C refers to changes in Appendix C of the MCWD’s Water Code, which dictates the methodology for determining water capacity charges using Type of Use categories and Assigned Water Use Rates; and,

WHEREAS, MCWD is in the process of updating the Type of Use categories and Assigned Water Use Rates (Appendix C) this year as part of the Master Plan Updates; and,

WHEREAS, the Variance Request asks that, should a new restaurant Type of Use category and the associated applicable Assigned Water Use Rate be reduced to a less intensive assigned water use as a result of the Master Plan Update, then the business submitting information showing they are eligible under the new Appendix C information would be granted a variance from Section 6.08.090.C and be allowed a refund of the capacity charges previously paid.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby make the following findings:

- A. Provided the results from the Master Plan support the need to increase differentiation in Type of Use categories for restaurant businesses and less intensive Assigned Water Use Rates in determining capacity fees for the eligible restaurant businesses, the strict application of the code could be considered unfair treatment in that it may indicate that water capacity charge payments made by the subject businesses were in excess of what actual water use will be by the restaurant business; and,
- B. Granting the variance will not cause a significant adverse effect on the water supply or on service to other persons served by the District because the Variance Request is related only to the potential refunding of already paid water capacity charges, which does not have a material effect on the water supply or others because the

rebate is due to an update to the Master Plan that results in establishing the necessary capacity fees to support the water supply; and,

- C. The variance is in the best interests of the District because the District strives to charge rates and fees that are fair, accurate, supported, and consistent with current industry practices and standards.

BE IT FUTHER RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby grant the variance to the restaurant businesses identified in Attachment 3 and direct the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution, subject to the District Board passing a future Ordinance modifying the MCWD Water Code, Appendix C, as a result of the Master Plan Update being performed this year, which results in increased differentiation in Type of Use categories for restaurant businesses and less intensive Assigned Water Use Rates.

PASSED AND ADOPTED on July 17, 2017 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 \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

\_\_\_\_\_  
Keith Van Der Maaten, 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. 2017-43 adopted July 17, 2017.

\_\_\_\_\_  
Keith Van Der Maaten, Secretary

LIST OF ELIGIBLE BUSINESSES  
FOR THE VARIANCE AUTHORIZED BY  
RESOLUTION NO. 2017-43

<u>Business Name</u>	<u>Address</u>
Starbucks	140 General Stilwell Drive Suite 100, Marina
Chipotle	140 General Stilwell Drive Suite 106, Marina
Smashburger	130 General Stilwell Drive Suite 108, Marina
Blaze Pizza	110 General Stilwell Drive Suite 106, Marina
Teriyaki Madness	110 General Stilwell Drive Suite 102, Marina
Deli Delicious	110 General Stilwell Drive Suite 100, Marina
Menchies	110 General Stilwell Drive Suite 104, Marina
Poke Bar	130 General Stilwell Drive Suite 106, Marina
Dametra	General Stilwell Drive, Marina
Saltwood	3295 Dunes Drive, Marina

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: July 17, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-44 to Award a Construction Contract to Mountain Cascade, Inc. for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir

Staff Recommendation: The Board of Directors is requested to adopt Resolution No. 2017-44 to:

1. Award a Construction Contract to Mountain Cascade, Inc. for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir in the amount of \$22,648,480, which Notice to Award is subject to and effective upon receiving Clean Water State Revolving Fund (CWSRF) construction eligibility authorization satisfactory to the General Manager; and,
2. Authorize the General Manager to issue a Notice of Award and to execute the Construction Contract and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution, and the total project budget dollar amount shall not-exceed \$27,178,237.

Background: *Strategic Plan Mission Statement – To 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.*

On March 21, 2016, the Board of Directors Adopted Resolution No. 2016-18 to Approve Amendment No. 2 to the Professional Services Agreement with Carollo Engineers, P.C. for Design of the Regional Urban Water Augmentation Project and reaffirmed authorizing work on recycled water projects.

On April 8, 2016, MCWD and MRWPCA entered into the Pure Water Delivery and Supply Project Agreement pursuant to which the RUWAP pipeline would be designed, constructed, owned, and operated by MCWD. Under this 2016 Agreement, MCWD has the right to utilize advance treated water up to 600 AFY during Phase 1 and 1,427 AFY during Phase 2.

On April 16, 2016, MCWD adopted Addendum No. 3 to the MCWD Regional Urban Water Augmentation Project EIR for the construction of one single transmission pipeline and related facilities to deliver advanced treated water from the Advanced Water Treatment Plant (AWTP) to the Seaside Groundwater Basin for the PWM/GWR Project and to MCWD's irrigation customers for the RUWAP Project. Attachment No. 1 is an overall Recycled Water Project Alignment map. The transmission pipeline project (blue line on Attachment No. 1) includes:

- 40,000 linear feet of 24" diameter transmission main pipeline along the RUWAP EIR alignment;
- A connection to the AWTF at the MRWPCA fence line with Armstrong Ranch;



- two bore and jack roadway crossings, one crossing Reservation Road at Crescent Avenue, and the second one crossing Imjin Parkway at California Avenue;
- Connections to an existing dry pipeline on the CSUMB Campus previously constructed for the RUWAP project;
- connection to an existing dry pipeline in General Jim Moore Blvd. previously constructed from Del Rey Oaks to Normandy Blvd for the RUWAP Project;
- One 2 million gallon welded steel storage tank reservoir at an existing MCWD storage tank site referred to as the Blackhorse Reservoir.

The District has an active financing application for a Clean Water State Revolving Fund (CWSRF) loan with the State Water Resources Control Board (SWRCB) for RUWAP as indicated in their June 13, 2017 status report (Attachment No. 2). The District is expecting to receive a construction eligibility date in July 2017 and a funding agreement in September 2017. The construction eligibility date would allow the District to be eligible for reimbursement from CWSRF for construction costs.

Once the CWSRF financing is in place, work will begin on the RUWAP distribution system stemming from the recycled water conveyance transmission main. The distribution system remaining to be constructed (red lines on Attachment No. 1) will include lateral distribution lines to serve end users from the main distribution alignment, pressure reducing valves, meters and appurtenances. Distribution lines for subdivisions and commercial developments built within approximately the last 15 years are pre-plumbed for recycled water irrigation in public areas (green lines on Attachment No. 1).

Staff submitted the Title 22 Engineers Report for the landscape irrigation use of recycled water to the State Department of Drinking Water in March 2017. MRWPCA is in the process of amending their EIR and Waste Discharge Requirements for MCWD and will need to obtain a General Order Recycled Water production permit for non-potable uses.

Discussion/Analysis: On May 1, 2017, the District Board of Directors directed staff to receive construction bids for the Regional Urban Water Augmentation Project (RUWAP) Recycled Water Pipeline and Blackhorse Reservoir. The project was issued for bid on May 2, 2017, advertised in the Monterey Herald and Salinas Californian, and made available on the District website and at the Central Coast Builder's Exchange.

On July 6, 2017, District staff conducted a bid opening for the "Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir". The District received four bids for this project summarized in the attached bid tabulation (Attachment 3). The lowest bid received was from Mountain Cascade, Inc. for \$22,648,480. This bid is considered responsive and responsible. The three other bids received were from Ranger Pipelines, Inc at \$25,087,087, Garney Construction at \$25,465,593, and McGuire and Hester at \$26,998,819. Based on the completed plans and specifications by Carollo Engineers, Inc. the Engineers Estimate for construction was \$31,441,876.

The proposed total budget, including a 20 percent allowance of \$4,529,696 to cover construction management, construction engineering, soil testing, construction inspection, mitigation monitoring reporting services, other project-related costs, and a contingency, is \$27,178,237. The lowest bid is within 10 percent of the average of all bids received.

Staff recommends the Board adopt a resolution awarding a construction contract with Mountain Cascade, Inc. In the amount of \$22,648,480 for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir, which Notice to Award is subject to and effective upon receiving Clean Water State Revolving Fund (CWSRF) construction eligibility authorization satisfactory to the General Manager as described in the attached letter from MCWD to MRWPCA dated June 28, 2017 (Attachment 4). Additionally, staff recommends authorizing the General Manager to issue a Notice of Award and to execute the Construction Contract and to take all actions and execute all documents as may be necessary or appropriate to give effort to this resolution, and the total project budget dollar amount shall-not-exceed \$27,178,237.

Environmental Review Compliance: Environmental Impact Report meets both California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) requirements.

Other considerations: None.

Financial Impact:  Yes  No Funding Source/Recap: Funding for this project comes from the 2016 FORA-MCWD reimbursement agreement and pending CWSRF loan grants.

Material Included for Information/Consideration: Resolution No. 2017-44; and,  
Attachment 1 - CWSRF status Report  
Attachment 2 - RUWAP project map  
Attachment 3 - Bid Results  
Attachment 4 - June 28, 2017 letter from MCWD to MRWPCA

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

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

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

July 17, 2017

Resolution No. 2017-44  
Resolution of the Board of Directors  
Marina Coast Water District

Authorizing a Construction Contract with Mountain Cascade, Inc. for the  
Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled  
Water Reservoir

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on July 17, 2017, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, in 2002, MCWD, in cooperation with FORA, initiated the Regional Urban Water Augmentation Project (RUWAP) to explore water supply alternatives to provide an additional 2,400 AFY of water supply needed under the 1997 Fort Ord Base Reuse Plan and its accompanying EIR; and,

WHEREAS, in October 2004, the District Board of Directors certified the Environmental Impact Report (“EIR”) for the RUWAP. In October 2006, Addendum No. 1 was adopted to address changes in the project’s pipeline alignment, and in February 2007, Addendum No. 2 was adopted to address changes to the maximize use of recycled water within MCWD’s service areas; and,

WHEREAS, in 2006, the District commenced with design of the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir through Resolution No. 2006-68; and,

WHEREAS, as a result of an extensive environmental review, the Fort Ord Reuse Authority (FORA) and MCWD agreed to adopt a modified Hybrid Alternative, which would provide 1,427 AFY of recycled water to the Ord Community without the need for seasonal storage, and this in turn resulted in the FORA Board adopting Resolution No. 07-10 (May 2007), which allocated that 1,427 AFY of RUWAP recycled water to its member agencies having land use jurisdiction. Following, the district moved forward on completing 90% of the design work, and 90% of the right-of-way acquisition for the RUWAP recycled water pipeline. Additionally, portions of the RUWAP recycled pipeline was installed; and,

WHEREAS, on March 30, 2013, the Monterey Regional Water Pollution Control Agency (MRWPCA) commenced environmental review of its Pure Water Monterey Groundwater Replenishment (PWM/GWR) Project. The PWM/GWR Project is a water supply project that would serve northern Monterey County by providing: (1) purified recycled water for recharge of a groundwater basin that serves as drinking water supply; and (2) recycled water to augment the existing Castroville Seawater Intrusion Project’s agricultural irrigation supply. The PWM/GWR Project includes a pipeline (“Product Water Conveyance Pipeline”) to transport purified recycled water from a new Advanced Water Treatment Plant (“AWT”) at MRWPCA’s Regional Treatment Plant to new Injection Well Facilities overlying the Seaside Groundwater Basin; and,

WHEREAS, the EIR for the PWM/GWR Project evaluated two alternative alignments for the Product Water Conveyance Pipeline, a Coastal Alignment and an alignment that follows the right-of-way for the existing and future RUWAP pipeline (“RUWAP Alignment”). On October 8,

2015, the MRWPCA Board unanimously voted to approve the PWM/GWR Project and certify the EIR. The MRWPCA Board selected the RUWAP Alignment for the Product Water Conveyance Pipeline; and,

WHEREAS, the RUWAP pipeline and distribution system was then considered for a shared pipeline use for an advanced treated recycled water conveyance system to serve both the approved MCWD RUWAP, and the approved PWM/GWR. The PWM/GWR Project EIR was certified in October 2015 by Monterey Peninsula Regional Water Pollution Control Agency (MRWPCA); and,

WHEREAS, MRWPCA and MCWD entered into negotiations on a potential collaborative project utilizing the RUWAP Alignment. The collaborative project was brought before FORA on October 9, 2015, and the FORA Board unanimously voted to adopt a resolution to endorse the Pure Water Monterey Project as an acceptable option as the recycled component of the RUWAP; and,

WHEREAS, in continuance of the project, on November 17, 2015, the MCWD Board unanimously voted to submit a Clean Water State Revolving Fund Financial Assistance Application to the State Water Resources Control Board for the RUWAP and on December 1, 2015, MCWD staff completed the submission of the application; and,

WHEREAS, the District has an active application for financing through a Clean Water State Revolving Fund (CWSRF) Loan for RUWAP with the State Water Resources Control Board (SWRCB) pending construction eligibility authorization which is expected to be received in July 2017; and,

WHEREAS, on March 21, 2016, the Board of Directors Adopted Resolution No. 2016-18 to Approve Amendment No. 2 to the Professional Services Agreement with Carollo Engineers, P.C. for Design of the Regional Urban Water Augmentation Project and reaffirmed authorizing work on recycled water projects; and,

WHEREAS, on April 8, 2016, MCWD and MRWPCA entered into the Pure Water Delivery and Supply Project Agreement pursuant to which the RUWAP pipeline would be designed, constructed, owned, and operated by MCWD. Under this 2016 Agreement, MCWD has the right to utilize advance treated water for the Ord Community up to 600 AFY during Phase 1 and 1,427 AFY during Phase 2; and,

WHEREAS, on April 16, 2016, MCWD adopted Addendum No. 3 to the MCWD Regional Urban Water Augmentation Project EIR for the construction of one single transmission pipeline and related facilities to deliver advanced treated water from the Advanced Water Treatment Plant (AWTP) to the Seaside Groundwater Basin for the PWM/GWR Project and to MCWD's irrigation customers for the RUWAP Project; and,

WHEREAS, on August 25, 2016, FORA committed reimbursement funds of up to \$6,000,000 for construction of the Advanced Water Treatment Phase 1 and RUWAP; and,

WHEREAS, on May 1, 2017, the District Board of Directors directed staff to receive construction bids for the Regional Urban Water Augmentation Project (RUWAP) Recycled Water Pipeline and Blackhorse Reservoir; and,

WHEREAS, on May 15, 2017, the District Board of Directors directed staff to obtain a Revolving Line of Credit in the amount of \$16,000,000 for the RUWAP based on obtaining the CWSRF Loan initial funding agreement; and,

WHEREAS, on July 6, 2017 MCWD conducted a bid opening for the “Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir” and the lowest responsible bid to provide construction services was from Mountain Cascade, Inc. in the amount of \$22,648,480.

NOW, THEREFORE, BE IT RESOLVED, The Board of Directors of the Marina Coast Water District hereby finds as follows:

1. Award a construction contract to Mountain Cascade, Inc. for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir in the amount of \$22,648,480, which Notice to Award is subject to and effective upon receiving CWSRF construction eligibility authorization satisfactory to the General Manager; and,
2. Authorize the General Manager to issue a Notice of Award and to execute the Construction Contract and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution, and the total project budget dollar amount shall-not-exceed shall-not-exceed a total project budget of \$27,178,237.
3. All actions heretofore taken by the officers, employees and agents of the District in connection with the matters authorized by this resolution are hereby ratified, approved and confirmed.

PASSED AND ADOPTED on July 17, 2017, 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 \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

\_\_\_\_\_  
Keith Van Der Maaten, 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. 2017-44 adopted July 17, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-C

Meeting Date: July 17, 2017

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-45 to Approve a Recycled Water Permit and Easement between Marina Coast Water District and California State University at Monterey Bay

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-45 approving the Recycled Water Temporary Permit and Easement Agreement between MCWD and California State University of Monterey Bay for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir.

Background: *5 Year Strategic Plan Mission Statement – To 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.*

Discussion/Analysis: The Board of Directors is requested to approve a Recycled Water Temporary Permit and Easement Agreement (hereafter referred to as the Agreement) between MCWD and California State University of Monterey Bay for the Regional Urban Water Augmentation Project (RUWAP) Recycled Water Pipeline and Blackhorse Recycled Water Reservoir. The attached draft Agreement (Attachment 1) is based upon the CSUMB permitting requirements for contractors which the District will assign the Contractor for the RUWAP project by construction contract. An aerial plan view of the pipeline easement is shown on Attachment 2.

The specific infrastructure proposed for construction includes 24” ductile iron non-potable water pipelines, associated water valves, and other appurtenances. Some of the recycled water infrastructure was already constructed on CSUMB along Inter-Garrison Road and Fifth Avenue. As previously stated the permit conditions become the responsibility of the contractor.

Environmental Review Compliance: Environmental Impact Report meets both California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) requirements.

Other Considerations: The Board may desire to consider other alternatives to adopting the motion as recommended by staff including:

1. Modifying or conditioning the action; or,
2. Direct further staff work; or,
3. Deny the action.

Financial Impact: \_\_\_\_\_ Yes   X   No Funding Source/Recap: Financial impacts will be through the construction contract.

Material Included for Information/Consideration: Resolution No. 2017-45; Attachment 1 – Temporary Permit and Easement; and Attachment 2 - CSUMB Easement Aerial.

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

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_



July 17, 2017

Resolution No. 2017 - 45  
Resolution of the Board of Directors  
Marina Coast Water District

Approving a Recycled Water Temporary Permit and Easement Agreement  
Between Marina Coast Water District and California State University of Monterey Bay  
for the Regional Urban Water Augmentation Project  
Recycled Water Pipeline and Blackhorse Recycled Water Reservoir Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on July 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, California State University of Monterey Bay (CSUMB) has coordinated with the District on their Regional Urban Water Augmentation Project (RUWAP) Recycled Water Pipeline and Blackhorse Recycled Water Reservoir, consisting of new construction and related infrastructure, within the CSUMB portion of the Ord Community; and,

WHEREAS, the Fort Ord Reuse Authority has allocated a portion of its former Fort Ord water supply allocation for CSUMB’s use in developing the University, and,

WHEREAS, the District and CSUMB are working cooperatively regarding RUWAP; and,

WHEREAS, the District and CSUMB have agreed upon the proposed Temporary Permit and Easement Agreement and desire to enter into same.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the the District Board President to execute the Temporary Permit and Easement Agreement between MCWD and California State University of Monterey Bay for the Regional Urban Water Augmentation Project Recycled Water Pipeline and Blackhorse Recycled Water Reservoir and to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED July 17, 2017, 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 \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

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Keith Van Der Maaten, 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. 2017-45 adopted July 17, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-D

Meeting Date: July 17, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-46 to Approve Documents and Actions Relating to the Interim Financing of the Regional Urban Water Augmentation Project Recycled Water Pipeline

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-46 to approve documents and actions relating to the Interim Financing of the Recycled Water Pipeline Project with BVAA Compass Mortgage Corporation.

Background: *5-Year Strategic Plan Mission Statement – 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.*

The District submitted a Financial Assistance Application for a State Revolving Fund (SRF) Loan to the State Water Resources Control Board (SWRCB) to finance the costs of constructing certain transmission and distribution pipelines and other infrastructure associated with the Regional Urban Water Augmentation Project (RUWAP) Pipeline. Due to SRF loan draws being funded on a reimbursement basis, interim financing is required to cash flow anticipated costs in connection with the engineering, design and construction of the recycled water pipeline. The District's Financial Advisor, Fieldman Rolapp & Associates (FRA), assisted District staff with the Request for Proposal (RFP) to Provide Bank Financing for a Revolving Line of Credit (RLOC) in the amount of \$13 million.

The bid terms requested by the RFP consisted of: a security pledge of revenue received from reimbursements from the SWRCB, 36 month term, tax-exempt variable one-month Libor and prepayment on any date. The RFP was distributed to fourteen different financial institutions. In connection with the \$13 million RLOC, the District received four competitive bids.

On May 15, 2017, the Board adopted Resolution No. 2017-31 to approve a contract with BBVA Compass Bank to provide interim financing of the RUWAP pipeline to the District and authorized the General Manager to negotiate a possible increase in the proposed RLOC to \$16 million and a change in security pledge, if necessary, to include the District's water and wastewater system (Enterprises) revenues up to and until the SWRCB executes the appropriate funding agreement and can provide reimbursements for the RLOC draws. Until such time, the reimbursements for the RLOC draws will be funded by contributions from the Fort Ord Reuse Authority (FORA) through the RUWAP financing agreement with FORA.

Discussion/Analysis: With assistance from FRA, District staff was able to negotiate a 2 stage loan. The first stage is such that BVAA Compass Mortgage Corporation (Lender) will provide up to \$8 million and the principal of and interest on the RLOC will be payable from and secured by a pledge of and lien on the net revenues derived from the Enterprises on a parity with other outstanding obligations of the District. In the second stage, the Lender will provide up to \$16 million and the

principal of and interest on the RLOC will be payable from and secured by a pledge of and lien on the contributions from FORA through the Reimbursement Agreement and by a pledge of and lien on all proceeds received under the SRF loan from the SWRCB.

Environmental Review Compliance: None.

Financial Impact:  Yes  No Funding Source/Recap: Funded by contributions through the RUWAP financing agreement with FORA and loan draws from the impending SRF loan with the SWRCB.

Material Included for Information/Consideration: Resolution No. 2017-46; Loan Documents; and, Professional Services Agreement for Bond Counsel Services with Jones Hall, a Law Corporation.

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

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

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

July 17, 2017

Resolution No. 2017-46  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving Documents and Actions Relating to the Interim Financing of the  
Regional Urban Water Augmentation Project Recycled Water Pipeline

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on July 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the Marina Coast Water District (the “District”) owns and operates certain facilities and property for its Water Enterprise and Wastewater Enterprise (collectively, the “Enterprises”), and District wishes to partially finance the construction of the Regional Urban Water Augmentation Project (RUWAP) recycled water pipeline project (the “Project”) with a loan from the California State Water Resources Control Board (the “State Loan”); and,

WHEREAS, the District has determined that it is in the public interest at this time to provide interim financing for the Project by obtaining a loan (the “Loan”) from Compass Mortgage Corporation (the “Lender”), and the District is authorized under Section 31300 of the California Water Code to borrow funds from the Lender as provided in this Resolution; and,

WHEREAS, the District has entered into a Reimbursement Agreement for Advanced Water Treatment Phase 1 and Product Water Conveyance Facilities of the RUWAP Recycled Project (the “RUWAP Agreement”), dated September 6, 2016, with Ford Ord Reuse Authority, for the purpose of providing funds to partially finance the Project (the “RUWAP Funds”); and,

WHEREAS, the Loan will be made in two stages, consisting of a first stage in which the Lender will provide up to \$8 million and the principal of and interest on the Loan will be payable from and secured by a pledge of and lien on the net revenues derived from the Enterprises on a parity with other outstanding obligations of the District and by a pledge of and lien on the RUWAP Funds, and a second stage in which the Lender will provide up to \$16 million and the principal of and interest on the Loan will be payable from and secured by a pledge of and lien on the RUWAP Funds and by a pledge of and lien on all proceeds received under the State Loan (the “State Loan Proceeds”); and,

WHEREAS, the Board of Directors of the District wishes at this time to approve all financing documents and official actions required to implement the foregoing transactions, in the public purposes of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Marina Coast Water District as follows:

Section 1. Approval of Loan Agreement. The Board of Directors hereby approves the Loan Agreement under which the Lender will make the Loan to the District for the purpose of providing interim financing for the Project. The Loan shall be made in two stages and shall be payable from the sources as set forth in the recitals of this Resolution. The Board of Directors hereby approves the Loan Agreement in substantially the form on file with the Secretary of the

Board together with any changes therein or additions thereto deemed advisable by the President, the General Manager or the Director of Administrative Services (each, an "Authorized Officer"). An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the District to execute the final form of the Loan Agreement, and the Secretary of the Board is hereby authorized and directed to attest the final form of the Loan Agreement. Execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of the approval of any changes therein or additions thereto by such Authorized Officer.

Section 2. Professional Services. The firm of Jones Hall, A Professional Law Corporation, is hereby designated to serve as Bond Counsel to the District in connection with the financing transactions described in this Resolution. An Authorized Officer is hereby authorized and directed to execute an agreement with said firm in the form on file with the District Clerk.

Section 3. Actions to Close the Financing. The President, the Vice President, the General Manager, the Director of Administrative Services, the Secretary of the Board, and all other officers of the District, are authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED on July 17, 2017, 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 \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

\_\_\_\_\_  
Keith Van Der Maaten, 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. 2017-46 adopted July 17, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-E

Meeting Date: July 17, 2017

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-47 to Approve Prepayment of Marina Coast Water District's CalPERS Annual Employer Unfunded Accrued Liability Contribution for FY 2017-2018 in the Amount of \$99,105

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-47 to approve prepayment of the District's FY 2017-2018 CalPERS annual employer unfunded accrued liability contribution in the amount \$99,105.

Background: *5-Year Strategic Plan, Goal No. 4 – To manage the District's finances in the most effective and fiscally responsible manner.*

The Miscellaneous Plan of the Marina Coast Water District (Plan) is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California.

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount. The UAL amount represents the difference between the Plan's Accrued Liability and the Market Value of the Plan's Assets amortized over 30 years. The UAL is invoiced by CalPERS on a monthly basis with an option to prepay the annual amount by July 31<sup>st</sup> discounted 4% of the annual amount.

Discussion/Analysis: Staff is requesting the Board consider adoption of Resolution No. 2017-47 to approve prepaying the UAL for FY 2017-2018 in order to take advantage of the 4% discount of \$3,649. In addition, beginning in FY 2017-2018, CalPERS is requiring payments be made by ACH instead of by check. The District is charged a fee by the bank for each ACH processed. By prepaying the UAL, the District will also save staff time and costs by processing one invoice instead of twelve.

Environmental Review Compliance: None.

Financial Impact:  Yes  No Funding Source/Recap: Funded through FY 2017/2018 Operating Budget of the Central Marina and Ord Community cost centers.

Material Included for Information/Consideration: Resolution No. 2017-47; and, CalPERS Invoice No. 100000014995587 dated July 1, 2017.

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



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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

July 17, 2017

Resolution No. 2017-47  
Resolution of the Board of Directors  
Marina Coast Water District  
Approving Prepayment of Marina Coast Water District's  
CalPERS Annual Employer Unfunded Accrued Liability Contribution  
For FY 2017-2018 in the Amount of \$99,105

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on July 17, 2017 at the 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the Miscellaneous Plan of the Marina Coast Water District (Miscellaneous Plan) is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California; and,

WHEREAS, the total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount. The UAL amount represents the difference between the Plan's Accrued Liability and the Market Value of the Plan's Assets amortized over 30 years; and,

WHEREAS, the UAL is invoiced by CalPERS on a monthly basis with an option to prepay the annual amount by July 31st discounted 4% of the annual amount; and,

WHEREAS, by prepaying the UAL for FY 2017-2018 the District will realize a savings of \$3,649 plus the costs to process twelve invoices instead of one invoice.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve prepayment of the District's FY 2017-2018 CalPERS annual employer unfunded accrued liability contribution in the amount \$99,105.

PASSED AND ADOPTED on July 17, 2017 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 \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

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Keith Van Der Maaten, 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. 2017-47 adopted July 17, 2017.

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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-F

Meeting Date: July 17, 2017

Prepared By: David Hobbs

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-48 to Certify Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges

Staff Recommendation: The Board of Directors adopt Resolution No. 2017-48 to certify compliance with State Law with respect to the levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges; and, authorize staff to execute and forward documents to Monterey County.

Background: *5 Year Strategic Plan Mission Statement – 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.*

Bay View Mobile Home Park (“Bay View”) consists of approximately 223 individual units on 52 acres and is located in the Former Fort Ord generally at 5100 Coe Avenue. Originally it was owned by the U.S. Army but was formally transferred to the current owner in 2003, although the owner had operated the park for several years prior. The water infrastructure (and a portion of the sewer system) situated within the park was not transferred to MCWD in the 2001 assignment of Fort Ord/U.S. Army improvements, so ownership of the Bay View infrastructure passed to the current owner in their 2003 transfer.

MCWD water service is provided to Bay View at an 8” meter, and then delivered to the individual units by the Bay View infrastructure. Initially, Bay View was the only MCWD direct “customer”, and the owner was billed based upon the use as determined at the 8” meter. Bay View would then bill each of its tenants directly for water charges.

An interim agreement was reached in 2003 between MCWD and Bay View along the following lines:

- (a) MCWD would continue to provide water service to the 8” meter.
- (b) MCWD would directly bill each tenant based upon their individually-metered use.
- (c) Because of the substandard quality of Bay View’s internal conveyance system, there is a significant amount of leakage. Bay View agreed to pay MCWD the difference between the total tenant-metered usage and the water provided by MCWD at the 8” meter for this lost water. The difference also included water usage by the common areas maintained by Bay View.

Commencing in or around 2014, the owner of Bay View, Bay View Community DE LLC, d.b.a. Bay View Community, began to be delinquent in its payments MCWD for the full water deliveries to the 8” meter. The decision was made by the MCWD Board to begin making demands for payment and the recordation of lien certificates pursuant to Water Code §31701, *et seq.* The liens

are similar to a judgment lien, meaning they secure payment against any property owned by the customer in the county, and also accrues interest at 10% per annum.

On October 1, 2014, the first lien certificate was recorded against the Bay View property, in the amount of \$232,385.83. An additional lien certificate for delinquent water charges was recorded on November 15, 2016, in the amount of \$157,064.10. The combined total of delinquent water charges, including penalties and interest as of this date is \$464,824.15.

Discussion/Analysis: Water Code §31701.5 authorizes the collection of these delinquent amounts in the same manner as the collection of property taxes, stating in relevant part: “The amount of any charges for water and other services or either included in the statement of delinquent and unpaid charges pursuant to subdivision (e) of Section 31701 shall be added to and become a part of the annual taxes next levied upon the property upon which the water for which the charges are unpaid was used and upon the property subject to the charges for any other district services and shall constitute a lien on that property as of the same time and in the same manner as does the tax lien securing such annual taxes.”

In order to proceed and request Monterey County to place Bay View’s delinquent water charges on the county tax rolls for collection, the following is required:

1. Adoption of the attached Resolution No. 2017 – 48, which certifies that the amounts to be collected are accurate and valid; and,
2. Approval of the attached agreement between Monterey County and MCWD, which provides the manner of collection and the compensation to Monterey County for the service (.25% of the collected amounts); and,
3. Submission of the attached legal opinion drafted by Anita Luck, of the law firm Aleshire & Wynder, LLP. The firm was special counsel to MCWD in its 2014 water rate increase, and the opinion certifies that MCWD complied with the requirements of Proposition 218.

Staff is therefore recommending that the Board of Directors make the necessary finding and adopt Resolution No. 2017-48, and authorize staff to execute the required documents and forward them to Monterey County.

Environmental Review Compliance: None required.

Financial Impact:     \_\_\_ Yes      X  No                   Funding Source/Recap: None

Other Considerations: (1) Take no action on the request and MCWD would continue to file the lien certificates for the delinquent amounts annually.

Material Included for Information/Consideration: Resolution No. 2017-48; Attachment 1- Agreement for the Collection of Special Taxes, Fees and Assessment; Attachment 2 – Proposition 218 Opinion – Water Rates; Attachment 3- Letter from Monterey County re Requirements for Collection of Special Taxes, Fees and Assessments.

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

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

July 17, 2017

Resolution No. 2017-48  
Resolution of the Board of Directors  
Marina Coast Water District

Resolution Certifying Compliance with State Law with Respect to the Levying of General and  
Special Taxes, Assessments, and Property-Related fees and Charges

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District, at a regular meeting duly called and held on July 17, 2017 at the 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the Marina Coast Water District, a county water district (“Public Agency”) requests that the Monterey County Auditor-Controller enter those general or special taxes, assessments, or property-related Fees or charges identified in Exhibit “A” on the tax roll for collection and distribution by the Monterey County Treasurer-Tax Collector commencing with the property tax bills for fiscal year 2017-18

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Public Agency hereby certifies that it has, without limitation, complied with all legal procedures and requirements necessary for the levying and imposition of the general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A”, regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.

2. The Public Agency further certifies that, except for the sole negligence or misconduct of the County of Monterey, its officers, employees, and agents, with regards to the handling of the CD or electronic file identified as Exhibit “A”, the Public Agency shall be solely liable and responsible for defending, at its sole expense, cost, and risk, each and every action, suit, or other proceeding brought against the County of Monterey, its officers, employees, and agents for every claim, demand, or challenge to the levying or imposition of the general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A” and that it shall pay or satisfy any judgment rendered against the County of Monterey, its officers, employees, and agents on every such action, suit, or other proceeding, including all claims for refunds and interest thereon, legal fees and court costs, and administrative expenses of the County of Monterey to correct the tax rolls.

PASSED AND ADOPTED on July 17, 2017, 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 \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

\_\_\_\_\_  
Keith Van Der Maaten, 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. 2017-48 adopted July 17, 2017.

\_\_\_\_\_  
Keith Van Der Maaten, Secretary



**Exhibit "A"**

Delinquent Water Charges in the amount of \$464,824.00, on Monterey County Assessor Parcel No. 031-051-022-000; 5100 Coe Avenue, Seaside, California 93995 [Tax Code 88010].

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-G

Meeting Date: July 17, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-49 to Support the Nomination of a Board Member as a Candidate for President or Vice President of the Association of California Water Agencies

Staff Recommendation: The Board of Directors discuss whether to place a Board member in nomination as President or Vice President of the Association of California Water Agencies (ACWA).

Background: *5-Year Strategic Plan Mission Statement – 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.*

On May 31, 2017, the District received a memorandum from ACWA calling for nominations to the Region 5 Board for the 2018-2019 Term. On June 26, 2017, the Board of Directors did not elect any Board member to run for nomination.

On June 9, 2017, the District received a memorandum from ACWA calling for nominations for President or Vice President of the ACWA Board for the 2018-2019 Term.

Discussion/Analysis: The Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA for the 2018-2019 term. The Nominating Committee is currently seeking candidates for President or Vice President to the ACWA Board.

ACWA is looking for individuals who have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be experienced in matters related to the performance of the duties of the office.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: None.

Other Considerations: The Board of Directors can decide not to nominate any Board member to either of these seats.

Material Included for Information/Consideration: Resolution No. 2017-49; ACWA memorandum with Board Policy GO-2.3.

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

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

Ayes \_\_\_\_\_

Abstained \_\_\_\_\_

Noes \_\_\_\_\_

Absent \_\_\_\_\_

July 17, 2017

Resolution No. 2017 - 49  
Resolution of the Board of Directors  
Marina Coast Water District

To Nominate and Support Director \_\_\_\_\_  
As a Candidate for the Position of Association of California Water Agencies  
\_\_\_\_\_ (position)

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on July 17, 2017 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the Association of California Water Agencies (ACWA) has announced that a Nominating Committee has been formed to develop a slate for the Association’s statewide positions of President and Vice President; and,

WHEREAS, the individual who fills an officer position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be experienced in matters related to the performance of the duties of the office; and,

WHEREAS, this person must be able to provide the dedication of time and energy to effectively serve in this capacity; and,

WHEREAS, Director \_\_\_\_\_ has served in a leadership role as a member of the Marina Coast Board of Directors since \_\_\_\_\_; and,

WHEREAS, Director \_\_\_\_\_ has served in these positions \_\_\_\_\_  
(list positions held that demonstrate knowledge of water and leadership).

WHEREAS, it is the opinion of the Marina Coast Water District Board of Directors that Director \_\_\_\_\_ possesses all of the qualities needed to fulfill the duties of the office of ACWA \_\_\_\_\_.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby nominate and support Director \_\_\_\_\_ as a candidate for the office of ACWA \_\_\_\_\_, pledging the District’s support of his/her endeavors in fulfilling the duties of this office if elected.

PASSED AND ADOPTED on July 17, 2017 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 \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

\_\_\_\_\_  
Keith Van Der Maaten, 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. 2017-49 adopted July 17, 2017.

\_\_\_\_\_  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-H

Meeting Date: July 17, 2017

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consider Amending the Appointment of Negotiators to the Groundwater Sustainability Agency Coordination Discussions

Staff Recommendation: The Board of Directors discuss whether to amend the appointment of negotiators to the Groundwater Sustainability Agency (GSA) Coordination discussions.

Background: *5-Year Strategic Plan Mission Statement – 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.*

On June 5, 2017, the Board appointed Vice President Moore and Director Shriner as the primary negotiators, with Director Lee as alternate, for discussions on GSA coordination.

Discussion/Analysis: President Gustafson would like to amend the appointment of negotiators to the GSA coordination discussions.

Environmental Review Compliance: None required.

Financial Impact:  Yes  No Funding Source/Recap: None.

Other Considerations: The Board of Directors can vote to keep the appointed negotiators.

Material Included for Information/Consideration: None.

Action Required:  Resolution  Motion  Review

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

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

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