



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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DIRECTORS

THOMAS P. MOORE
President

JAN SHRINER
Vice President

WILLIAM Y. LEE
HOWARD GUSTAFSON
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, September 17, 2018, 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
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, September 12, 2018. 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 Nos. A145604, A146166, A146405
- 5) Marina Coast Water District vs California-American Water Company, Monterey County Water Resources Agency; and, California-American Water Company, Monterey County Water Resources Agency vs Marina Coast Water District, San Francisco Superior Court Case Nos. CGC-15-547125, CGC-15-546632 (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. 15CV00267
- 7) Bay View Community DE, LLC; Bryan Taylor; Greg Carter; and Brooke Bilyeu vs Marina Coast Water District; Board of Directors of Marina Coast Water District; County of Monterey and Does 1-25, inclusive, Monterey County Superior Court Case No. 18CV000765 (Petition for Writ of Mandate or Administrative Mandate, and Complaint for Declaratory and Injunctive Relief and Breach of Contract)
- 8) LandWatch Monterey County v Marina Coast Water District and Does 1 through 25, inclusive, Monterey County Superior Court Case No. 18CV000877 (Petition for Writ of Mandate)
- 9) Keep Fort Ord Wild v Marina Coast Water District, Marina Coast Water District Board of Directors, and Does 1 through 25, Monterey County Superior Court Case No. 18CV000883 (Petition for Writ of Mandate)
- 10) Marina Coast Water District, and Does 1-100 v, County of Monterey, County of Monterey Health Department Environmental Health Bureau, and Does 101-110, Monterey County Superior Court Case No. 18CV000816 (Petition for Writ of Mandate and Complaint for Injunctive Relief)

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

- C. Pursuant to Government Code 54956.9
Conference with Legal Counsel
Significant Exposure to Litigation Pursuant to Subdivision (b)
1 - Case

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.*

- A. Consider Adoption of Resolution No. 2018-56 to Approve a Settlement Agreement with Keep Fort Ord Wild and LandWatch; Authorize the General Manager to file a Modified Ord Community Sphere of Influence Amendment and Annexation Application with the Local Agency Formation Commission that Includes Fewer Parcels than the Application Approved by the Board on February 20, 2018; Find that the Modified Application does not Require Additional Environmental Review Pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162; Find that the Modified Application is not a Project Subject to CEQA and is Exempt from CEQA under CEQA Guidelines Sections 15301 (Existing Facilities), 15319 (Annexations of Existing Facilities and Lots for Exempt Facilities), and 15061, subd. (b)(3) (the “common sense” exemption).

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

- A. Receive and File the Check Register for the Month of August 2018
- B. Approve the Draft Minutes of the Joint Board/GSA Meeting of August 20, 2018
- C. Adoption of Resolution No. 2018-51 to Amend the Marina Coast Water District Conflict of Interest Code by Updating Position Titles

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

- A. Consider Adoption of Resolution No. 2018-52 to Approve the Water Conservation Commission’s Procedures and Guidelines

Action: The Board of Directors will consider approving the Procedures and Guidelines for the restructured Water Conservation Commission.

- B. Consider Adoption of Resolution No. 2018-53 to Accept the Infrastructure Improvements Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District, UCP East Garrison, LLC, and the East Garrison Public Finance Authority for the East Garrison Phase 3 Development Project

Action: The Board of Directors will consider accepting the Infrastructure Improvements installed by UCP East Garrison, LLC, and the East Garrison Public Finance Authority for the East Garrison Phase 3 Development Project.

- C. Consider Adoption of Resolution No. 2018-54 to Authorize a Notice of Completion for the Clark and Cosky Lift Station Improvement Project be Filed with the Monterey County Recorder

Action: The Board of Directors will consider authorizing a Notice of Completion for the Clark and Cosky Lift Station Improvement Project be filed with the Monterey County Recorder.

- D. Consider Adoption of Resolution No. 2018-55 to Approve Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and the Marina Coast Water District for a Water Augmentation Alternatives Study

Action: The Board of Directors will consider approving Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and the Marina Coast Water District for a Water Augmentation Alternatives Study.

10. Staff Reports

- A. Receive a Report on the Hot Water Recirculation Issue within the Shea Homes in the Dunes Development
- B. Receive a Report on East Garrison Landscape Irrigation
- C. Status Update for the Ord Community Sphere of Influence Amendment and Annexation with the Local Agency Formation Commission

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. M1W Board Member Liaison
7. LAFCO Liaison
8. FORA
9. WWOC Report
10. JPIA Liaison
11. Special Districts Association
12. SVBGSA Liaison

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, October 15, 2018, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: September 17, 2018

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 August 2018
- B) Approve the Draft Minutes of the Joint Board/GSA Meeting of August 20, 2018
- C) Adoption of Resolution No. 2018-51 to Amend the Marina Coast Water District Conflict of Interest Code by Updating Position Titles

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 August 2018; draft minutes of August 20, 2018; and, MCWD Conflict of Interest Code.

Action Required: _____Resolution X Motion _____Review
(Roll call vote is required.)

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-A

Meeting Date: September 17, 2018

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive and File the Check Register for the Month of August 2018

Staff Recommendation: The Board of Directors receive and file the August 2018 expenditures totaling \$3,862,750.47.

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 August 2018 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: August 2018 Summary Check Register.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: September 17, 2018

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Joint Board/GSA Meeting of August 20, 2018

Staff Recommendation: The Board of Directors approve the draft minutes of the August 20, 2018 joint Board 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 August 20, 2018 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 August 20, 2018.

Action Required: _____Resolution X Motion _____Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: September 17, 2018

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Adoption of Resolution No. 2018-51 to Amend the Marina Coast Water District Conflict of Interest Code by Updating Position Titles

Staff Recommendation: The Board of Directors is requested to adopt Resolution No. 2018-51 amending the Marina Coast Water District Conflict of Interest Code.

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 Political Reform Act of 1974, Government Code Section 81000, et seq., requires state and local government agencies to adopt a Conflict of Interest Code. It is necessary for the District to periodically update its Conflict of Interest Code. The Monterey County Board of Supervisors requires a Local Agency Biennial Report on even numbered years. The last amendment was made in 2016 to update position titles. This amendment will also update position titles required to file statements of economic interests.

Discussion/Analysis: When the Board approved the new positions of Operations and Maintenance Manager, Human Resource/Risk Administrator, Water Resources Manager, and Senior Engineer in the budget process, it necessitated the need to update the Conflict of Interest Code.

In 2016, a new exhibit listing positions that need to file under Section 87200 was added to the Code. Section 87200 requires public officials who manage public investments to be listed separately from the employees designated in the Conflict of Interest Code, and those positions are subject to full disclosure requirements. Since the District already required all positions to file a full disclosure, the only change was to list the positions in two exhibits, one for the positions filing under Section 87200 and the other for positions filing under Section 81008.

Environmental Review Compliance: None required.

Financial Impact: _____Yes X No

Funding Source/Recap: None

Other Considerations: None.

Material Included for Information/Consideration: Resolution No. 2018-51; 2018 Local Agency Biennial Report; and, the revised Conflict of Interest Code of the Marina Coast Water District.

Action Required: X Resolution _____Motion _____Review
(Roll call vote is required.)

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

September 17, 2018

Resolution No. 2018 - 51
Resolution of the Board of Directors
Marina Coast Water District
Amending the Marina Coast Water District
Conflict of Interest Code

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 17, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the Political Reform Act of 1974, Government Code Section 81000, et seq., requires state and local government agencies to adopt a Conflict of Interest Code; and,

WHEREAS, Government Code Section 87200 requires that public officials who manage public investments file a full disclosure Form 700, and that they are not included as designated employees under the Conflict of Interest Code, but rather included on a separate exhibit to it; and,

WHEREAS, it is necessary for the District to periodically update its Conflict of Interest Code for review by the District’s code filing body, the Monterey County Board of Supervisors; and,

WHEREAS, a review of said Code has indicated the list of Designated Positions set forth on Exhibit A should be revised; and,

WHEREAS, the existing Exhibit B and Exhibit C, need no amendment at this time; and,

WHEREAS, the Fair Political Practices Commission describes a Designated Employee as an officer, employee, member or consultant of an agency whose position is designated in the code because the position entails the making or participation in the making of governmental decisions that may foreseeably have a material effect on any financial interest; and,

WHEREAS, the District wishes to add the position titles of Human Resource/Risk Administrator, Water Resources Manager, and Senior Engineer to the list of Designated Positions set forth on Exhibit A to the District’s Conflict of Interest Code; and,

WHEREAS, the District wishes to remove the position title of Capital Projects Manager, and change the title of the Operations and Maintenance Superintendent to Operations and Maintenance Manager.

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

1. Amend the Marina Coast Water District Conflict of Interest Code to add the position titles of Human Resource/Risk Administrator, Water Resources Manager, and Senior Engineer to the list of Designated Positions set forth on Exhibit A to the District’s Conflict of Interest Code, in the form attached to this Resolution; and,

2. Amend the Marina Coast Water District Conflict of Interest Code to remove the position Capital Projects Manager, and change the title of the Operations and Maintenance Superintendent to Operations and Maintenance Manager.

PASSED AND ADOPTED on September 17, 2018, 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:

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. 2018-51 adopted September 17, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Staff Report

Agenda Item: 9-A

Meeting Date: September 17, 2018

Prepared By: Patrick Breen

Approved by: Keith Van Der Maaten

Agenda Title: Consider Adopting Resolution No. 2018-52 to Approve the Water Conservation Commission's Procedures and Guidelines, and Update the Board Procedures Manual Accordingly

Staff Recommendation: The Board of Directors adopt Resolution No. 2018-52 approving the Water Conservation Commission's Procedures and Guidelines and update the Board Procedures Manual accordingly.

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.*

At the August Board meeting, the Board approved alterations to the Water Conservation Commission make up and operation to improve the effectiveness of the Commission through implementation of more formal and professional proceedings; clarification of roles, responsibilities, objectives, and goals; establishing necessary board training and staff support to keep Commission informed on items within their purview; and, by creating a closer connection of the advisory body proceedings and necessary Board decisions.

Discussion/Analysis: Staff has drafted Procedures and Guidelines for the Water Conservation Commission. These Procedures and Guidelines incorporate the direction that was given at the August Board meeting. They define how the Commission members are selected; how the Commission will operate; their responsibilities; and, how they may be removed from the Commission. Once the Procedures and Guidelines are approved, they will be incorporated into the Board Procedures Manual accordingly.

Environmental Review Compliance: None

Other Considerations: None

Financial Impact: _____ Yes X No Funding Source/Recap:

Material Included for Information/Consideration: Resolution No. 2018-52; and, draft Water Conservation Commission Procedures.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

September 17, 2018

Resolution No. 2018 - 52
Resolution of the Board of Directors
Marina Coast Water District

Approving the Procedures and Guidelines for the Water Conservation Commission

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 17, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, staff has analyzed the current make up and provided a report with alternatives to the Board at the July 2018 Board of Directors meeting and received comments from the public and Board; and,

WHEREAS, the proposed changes to the Water Conservation Commission were approved by the Board at the August 20, 2018 meeting to improve the effectiveness of the Commission; and,

WHEREAS, the approved changes have been incorporated into the draft Procedures and Guidelines for the Water Conservation Commission; and,

WHEREAS, upon approval of the draft Procedures and Guidelines for the Water Conservation Commission, the Board Procedures Manual will be updated accordingly.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the draft Procedures and Guidelines for the Water Conservation Commission and authorizes the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on September 17, 2018, 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:

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. 2018-52 adopted September 17, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: September 17, 2018

Prepared By: Brian True

Approved By: Keith Van Der Maaten

Presented By: Michael Wegley

Agenda Title: Consider Adoption of Resolution No. 2018-53 to Accept the Infrastructure Improvements Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Coast Water District, UCP East Garrison, LLC, and the East Garrison Public Finance Authority for the East Garrison Phase 3 Development Project

Staff Recommendation: The Board consider adopting Resolution No. 2018-53 accepting the infrastructure improvements installed under the Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District, UCP East Garrison, LLC, and the East Garrison Public Finance Authority for the East Garrison Phase 3 development project.

Background: *5-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.*

Century Communities (formerly known as Union Community Partners), under the entity named UCP East Garrison LLC (Developer), constructed the East Garrison – Phase 3 development project in the Ord Community portion of Monterey County. The District entered into a Infrastructure Agreement (Infrastructure Agreement) with the Developer on November 20, 2017 by the adoption of Resolution No. 2017-68 that was fully executed on December 12, 2017 (including execution of the Agreement by Monterey County’s East Garrison Public Financing Authority). The infrastructure installation is now complete and the Developer requests that, consistent with the Infrastructure Agreement, MCWD now accept the transfer of ownership of the water, sewer, and recycled water infrastructure.

Discussion/Analysis: The infrastructure improvements made by the Developer for which acceptance of ownership is requested includes potable water pipelines and appurtenances, recycled water pipelines, and sanitary sewer pipelines and appurtenances. The Developer installed all improvements on behalf of MCWD within the boundaries of East Garrison – Phase 3 development project; a depiction of the infrastructure to be owned by MCWD may be found within the attached Bill of Sale that includes Exhibits mapping the locations of the infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership totals approximately \$1,387,436.

Under the terms of the Infrastructure Agreement, MCWD requires the following items prior to final acceptance:

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a Bill of Sale

- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a punch-list walk-through and the associated corrective work was completed in September 2018. The easements appropriate for this transfer-of-ownership transaction were recorded in Monterey County, with the Final Map recorded on December 26, 2017; all currently proposed MCWD infrastructure/assets are located within the public right-of-way and public utility easements recorded on the subdivision's Final Map (no private easements were required for this project phase). A Bill of Sale is prepared for execution and is awaiting this Board-action for Acceptance (see attached). As-Built drawings for the improvements described above were received and accepted as adequate on September 7, 2018. The 100% Performance and Payment bond the District holds provides a one-year 20% warranty upon acceptance of installed infrastructure. The surety will execute a draft Warranty Bond (see attached) to replace the Performance and Payment Bond following acceptance of the infrastructure; the value corresponds to 20% of the value of the installed infrastructure in accord with the Infrastructure Agreement. This listing of actions fulfills the District's requirements and conditions for accepting ownership of the installed infrastructure.

The Developer and MCWD teams will have to work together to certify the adequacy of the infrastructure installed within East Garrison – Phase 3 to the East Garrison Public Finance Authority so some additional effort will be required to achieve final completion; however, those future actions are not expected to result in any additional infrastructure work, have any bearing on the ownership or the transfer in ownership contemplated herein of the installed infrastructure.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: There is no direct cost to MCWD in these transactions; however, a near-term future increase in operational and maintenance costs may be reasonably anticipated within the Ord Water and Ord Sewer cost centers as well as in increase in the Recycled Water cost center in the more distant future.

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2018-53; Infrastructure Maps; Bill of Sale prepared for execution; and draft Warranty Bond.

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

Board Action

Motion By: _____ Seconded By: _____ No Action Taken: _____

Ayes: _____ Abstained: _____

Noes: _____ Absent: _____

September 17, 2018

Resolution No. 2018-53
Resolution of the Board of Directors
Marina Coast Water District
Accepting the Infrastructure Improvements Installed Under a
Water, Sewer, and Recycled Water Infrastructure Agreement
Between Marina Coast Water District,
UCP East Garrison, LLC, and the East Garrison Public Finance Authority
for the East Garrison – Phase 3 Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (District, MCWD), at a regular meeting duly called and held on September 17, 2018 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, UCP East Garrison LLC, a Delaware limited liability company (Developer), has constructed water, sewer and recycled water infrastructure for their East Garrison – Phase 3 development project in the Ord Community portion of the County of Monterey; and,

WHEREAS, the Developer entered into a Water, Sewer and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with MCWD on November 20, 2017 by the adoption of Resolution No. 2017-68 that was fully executed on December 12, 2017; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is complete and the Developer has now satisfied all of the close-out conditions required by MCWD in the Infrastructure Agreement for the East Garrison – Phase 3 development project; and,

WHEREAS, the East Garrison Public Finance Authority is party to the Infrastructure Agreement and will request that MCWD certify the acceptable nature of the infrastructure and this transfer of ownership but those future actions have no direct bearing on this transfer of ownership, and,

WHEREAS, the Developer requests that the District take ownership of the installed infrastructure.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water, Sewer, and Recycled Water Infrastructure for the East Garrison – Phase 3 development project and directs the General Manager to take all actions and execute all documents, with particular note of the actions needed to satisfy the East Garrison Public Finance Authority, as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on September 17, 2018 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. 2018-53 adopted September 17, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: September 17, 2018

Prepared By: Jaron Hollida

Approved By: Keith Van Der Maaten

Reviewed By: Michael Wegley

Agenda Title: Consider Adoption of Resolution No. 2018-54 to Authorize a Notice of Completion for the Clark and Cosky Lift Station Improvement Project be Filed with the Monterey County Recorder

Staff Recommendation: The Board of Directors consider adopting Resolution No. 2018-54 to authorize filing a Notice of Completion for the Clark and Cosky Lift Station Improvement Project with the Monterey County Recorder.

Background: *5-Year Strategic Plan, Element No. 2 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.*

On February 25, 2016, District staff conducted a bid opening for the “Clark and Cosky Lift Station Improvement Project”. This project was for the replacement of two existing sewer lift stations, Marina Lift Station #5 on Cosky Drive (CIP MS-0133) and the Clark Lift Station in the Ord Community (CIP OS-0173). Both lift stations were wet-pit/dry-pit stations which reached the end of their service life. Both have been converted to wet-well pump stations with submersible pumps, and both received new standby diesel-electric generators.

On March 21, 2016, the Board adopted Resolution No. 2016-19 authorizing a construction contract with Monterey Peninsula Engineering in the amount of \$1,192,325 and authorized five percent for inspection, two percent for geotechnical testing, and ten percent contingency amount for a total Board authorized project budget dollar amount not-to-exceed \$1,395,020.

Discussion/Analysis: Work on the Clark and Cosky Lift Station Improvement Project began in May 2016 and was substantially completed in May 2018. The delay in the project was a direct result of PG&E’s schedule to perform electrical upgrades at the Cosky Lift Station in a timely manner.

During the project, \$34,120 of the authorized contingency amount was utilized for additional construction items. The additive items consisted of coating of two wet wells, stand-by generator permitting of Cosky, coating of manhole at Cosky and the replacement of a small retaining wall bordering Cosky.

The table below represents the authorized amount compared to the contracted amount.

| Clark and Cosky Lift Station Improvement Project Cost | | |
|---|-------------------------|---------------|
| Item | Board Authorized Amount | Actual Amount |
| Bid Price (MPE) | \$1,192,325 | \$1,186,200 |
| Earth Systems (Geotechnical Inspections) | \$23,846 | \$11,409 |
| Inspections | \$59,616 | 13,793 |
| Change Orders | - | 34,120 |
| Contingency (10%) | \$119,232 | - |
| Total | \$1,395,020 | \$1,245,522 |

The total cost of the construction amounted to \$1,245,522 which was within the Board authorized amount of \$1,395,020 (Resolution No. 2016-19). The actual construction amount is less than the bid amount by \$6,125 because two bid items 13 (Remove and Dispose Hazardous Material) and 14 (Provide, Place and Compact Backfill Material) were no longer necessary for the project and deleted from the contract.

Staff is recommending a Notice of Completion be filed with the Monterey County Recorder as the work was completed pursuant to the plans and specification and contract obligations. By filing a notice of completion it protects the District from liens made by the contractor and any subcontractor involved in the project.

Environmental Review Compliance: None required.

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

Other considerations: None.

Material Included for Information/Consideration: Resolution No. 2018-54.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

September 17, 2018

Resolution No. 2018-54
Resolution of the Board of Directors
Marina Coast Water District
Authorize a Notice of Completion for the
Clark and Cosky Lift Station Improvement Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 17, 2018, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District Capital Improvement Program included the Clark and Cosky Lift Station Improvement Project, the replacement of two existing sewer lift stations in which both have been converted to wet-well pump stations with submersible pumps, and both received new standby diesel-electric generators; and,

WHEREAS, the Board approved a contract with Monterey Peninsula Engineering to provide construction services for the Clark and Cosky Lift Station Improvement Project in the amount of \$1,192,325 and authorized a total project budget amount of \$1,395,020 (Resolution No. 2016-19); and,

WHEREAS, Monterey Peninsula Engineering has completed the Clark and Cosky Lift Station Project according to the contract documents with a total project cost of \$1,245,522; and,

WHEREAS, staff is recommending a Notice of Completion be filed with the Monterey County Recorder as the work was completed pursuant to the plans and specification and contract obligations.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby authorize the General Manager to file a Notice of Completion for the Clark and Cosky Lift Station Improvement Project with the Monterey County Recorder, and to take all actions and execute all documents as may be necessary or appropriate to give effort to this resolution.

PASSED AND ADOPTED on September 17, 2018 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:

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. 2018-54 adopted September 17, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: September 17, 2018

Prepared By: Patrick Breen

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2018-55 to Approve Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and the Marina Coast Water District for a Water Augmentation Alternatives Study

Staff Recommendation: The Board of Directors is requested to consider adopting Resolution No. 2018-55 approving Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and Marina Coast Water District for a Water Augmentation Alternatives Study; and, authorizing the General Manager to execute all documents as may be necessary or appropriate to give effect to this resolution.

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.*

In 1998, the Marina Coast Water District entered into the Water/Wastewater Facilities Agreement with FORA in which the parties agreed “FORA and MCWD intend to establish terms and conditions for FORA to plan and arrange for the provision of the facilities, and for MCWD to acquire, construct, operate, and furnish the facilities to benefit mutually the area and the area within MCWD’s jurisdictional Boundaries”, that “MCWD will design, and construct new water facilities as FORA in consultation with MCWD, reasonably determines are necessary for the service area and to support the Base Reuse Plan recovery program” and, that “MCWD will recover all of its direct and indirect, short term costs of furnishing facilities to the service area.”

FORA has determined in its Base Reuse Plan that new additional facilities capable of delivering 2,400 acre-feet per year (AFY) of water for the redevelopment of the Fort Ord Community are required.

In 2005, FORA and MCWD approved a recommendation consisting of two projects (Recycled & Desalination) known as the “Regional Urban Water Augmentation Project” (RUWAP) to satisfy the water required pursuant to California Environmental Quality Act (CEQA) Impact Report associated with the Base Reuse Plan.

In 2007, FORA and MCWD modified the RUWAP to provide 1,427 of recycled water to the Ord Community.

In 2016, MCWD and Monterey One Water (formerly Monterey Regional Water Pollution Control Agency) entered into the “Pure Water Delivery and Supply Project” (Pure Water) agreement

wherein MCWD secured the right to 1,427 AFY of the Pure Water treated water for augmentation of the Ord Community supply.

After the Pure Water component of the RUWAP was finalized, the determination of how best to supply the additional 973 AFY of augmented water (to meet the total 2,400 AFY BRP requirement) remained. Previous planning had identified this supply as coming from a large regional desalination plant that is no longer moving forward.

In 2015, the FORA Board endorsed a joint water supply planning process among MCWD, FORA, and M1W. On May 13, 2016 MCWD, FORA, and M1W agreed in a “Memorandum of Understanding (MOU) Regarding Fort Ord Water Augmentation and Three-Party Effort to Study Alternatives” to identify alternatives to supply the additional 973 AFY of Water Augmentation and to share costs for this work equally.

Subsequently, it became clear to FORA staff that (given the limited amount of time the agency has remaining to exist) its staff would not be able to adequately manage this planning process and requested that MCWD subsume the effort as a part of MCWD’s planning efforts. FORA then approved Amendment #1 to the “Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives” (attached Exhibit A) which was then executed by M1W.

In July, the Board authorized a Professional Services Agreement with EKI Environment & Water pursuant to their response to the FORA RFP for a “Water Augmentation Alternatives Study” upon execution by M1W, FORA, and MCWD of Amendment #1 to the “Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives.”

Environmental Review Compliance: None required.

Financial Impact: Yes X No Funding Source/Recap: Funding for the District’s share of the costs associated with the agreement has previously been authorized when the Board approved the Three Party MOU, this amendment has no additional financial impact.

Other considerations: The Board can authorize the execution of the Amendment, not authorize Amendment, or provide staff with other direction.

Material Included for Information/Consideration: Resolution No. 2018-55; the original Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and the Marina Coast Water District; and, Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and the Marina Coast Water District.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

September 17, 2018

Resolution No. 2018-55
Resolution of the Board of Directors
Marina Coast Water District

Approving Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and the Marina Coast Water District

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 17, 2018, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, the District entered into the “Water/Wastewater Facilities Agreement” with the Fort Ord Reuse Authority (FORA) in 1998 in part to provide necessary water facilities to augment water supply pursuant to the California Environmental Quality Act (CEQA) Base Reuse Plan (BRP) mitigations; and,

WHEREAS, in 2016, MCWD and Monterey One Water (formerly Monterey Regional Water Pollution Control Agency) entered into the “Pure Water Delivery and Supply Project” (Pure Water) agreement wherein MCWD secured the right to 1,427 AFY of the Pure Water treated water for augmentation of the Ord Community supply; and,

WHEREAS, on May 13, 2016, MCWD, FORA, and Monterey One Water agreed in a Memorandum of Understanding (MOU) Regarding Fort Ord Water Augmentation and Three Party Effort to Study Alternatives; and,

WHEREAS, the FORA and Monterey One Water has requested that MCWD manage the water augmentation alternatives study to provide water supply options for the remaining amount of water to satisfy the CEQA Base Reuse Plan water supply mitigations through their passage of Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve and authorize the General Manager to Execute Amendment #1 to the Memorandum of Understanding Regarding Fort Ord Water Augmentation and a Three-Party Effort to Study Alternatives between Monterey One Water, the Fort Ord Reuse Authority, and the Marina Coast Water District.

PASSED AND ADOPTED on September 17, 2018 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:

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. 2018-55 adopted September 17, 2018.

Keith Van Der Maaten, Secretary

Marina Coast Water District
Staff Report

Agenda Item: 12-A

Meeting Date: September 17, 2018

Prepared By: Keith Van Der Maaten

Approved By: Keith Van Der Maaten

Agenda Title: Receive an Update on the Hot Water Recirculation Issue within the Shea Homes

Staff Recommendation: The Board receive the staff report.

In accordance with Ordinance No. 41, adopted in 2005, the District's Code Section 3.36.030, states that any new construction is required to be outfitted with a fully operational hot water recirculation system. Additionally, the County Water Resources Agency Ordinance 3932, Section 6S "New Construction", adopted in 1997 states "all hot water faucets that have more than ten feet of pipe between the faucet and the hot water heater serving such faucet shall be equipped with a hot water recirculating system". Shea Homes did not install an operating hot water circulation system during construction of some of the homes in the Dunes development as required by these Ordinances. This deficiency was not discovered during MCWD's inspection, which generally occurs at the end of construction when the building is being certified for occupancy.

After researching several options, on August 28, 2018, Shea Homes presented MCWD with a letter (Attachment 1) with information regarding the installation of a retrofit device (the Grundfos Comfort Valve/Taco Hotbutton) which, if properly installed, would result in a fully-functioning hot water recirculation unit. MCWD conducted analysis as to the water savings between a dedicated return loop hot water recirculation system and the proposed retrofit and concluded there is no significant difference between the two, in terms of water usage. The difference between the two solutions is that the dedicated return loop uses a dedicated, separate, hot water return line and the retrofit uses the existing cold water as the return line, all other major components of the system are the same. On August 31, 2018, MCWD sent Shea Homes the attached letter (Attachment 2), confirming that because the retrofit results in an operable hot water recirculation unit, it would satisfy MCWD's Code in this regard.

There has also been a request by some homeowners that MCWD provide a waiver or some other variance from MCWD Code 3.36.030. Because the installation of the retrofit device does in fact constitute a fully-operable recirculation unit, the affected residences are compliant with MCWD Code, meaning no waiver or variance would be necessary.

Also, I wanted to take the opportunity to clarify MCWD's limited role in this process, as there seems to be some confusion regarding the nature of MCWD's role in this matter. While it is true that MCWD is the water provider, MCWD's oversight in the process is to ensure that the backbone infrastructure necessary to provide water service to a particular development is designed and built according to MCWD's standards. MCWD has oversight authority up to each respective water-meter, although it does visually inspect for proper toilet and shower fixtures. However, MCWD does not have specific oversight in construction and installation matters, i.e., it does not inspect each home to ensure proper installation of fixtures or plumbing.

As you can see by MCWD's August 31, 2018 letter to Shea, Shea is required to comply with "all plumbing requirements, and local codes/permitting before installation," and obtain any permits

required by the inspecting agency. Furthermore, we have coordinated with the City of Marina to advise them of this issue so that the recirculation matter becomes one of their “punch-list” items for purposes of walkthrough inspections in issuing a final-occupancy permit. Based on recent discussions of this matter at the City of Marina’s City Council meeting on September 5, it is clear that we need to continue to work together and improve our coordinated efforts in enforcing building, plumbing, and water conservation codes for new development.

Moving forward, MCWD will be working closely with Shea Homes to ensure they comply with their obligations in this matter and will continue to keep the Board and residents informed of any further developments either through continuing staff reports to the Board or letters to the involved residents as necessary. Additionally, it should be clarified that any requests by the involved residents for an alternative method or other solutions to the proposed retrofit device is a matter between Shea homes and the residents, but MCWD is willing to help in any way it reasonably can.

Attachments:

Attachment 1: Shea letter, August 28, 2018

Attachment 2: MCWD Letter, August 31, 2018

Attachment 3: Grundfos Comfort Valve Brochure

Marina Coast Water District
Staff Report

Agenda Item: 12-B

Meeting Date: September 17, 2018

Submitted By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Receive a Report on East Garrison Landscape Irrigation

Staff Recommendation: The Board receive the staff report.

Since 2006, the State Model Water-Efficient Landscape Ordinance (MWELo), and the District's landscape standards have required the use of weather-based irrigation controllers in all new construction projects. To encourage the conversion of older, standard irrigation controllers to the new, weather-based irrigation controllers at older sites built prior to 2006, the District offers an incentive to support such a conversion. This incentive is limited to only sites that are not required to utilize weather-based irrigation controllers. It is not available for upgrades to weather-based irrigation controllers having more advanced features.

The developers for the initial phase of East Garrison Phase 1 wanted the Home Owners Association (HOA) Landscape Contractor to operate the front yard landscape irrigation systems. After considering a couple of irrigation design configurations, Benchmark Homes selected an irrigation system design that utilizes each individual homeowner's water service to irrigate each HOA maintained front yard. Each individual front and backyard irrigation system would be controlled by its own weather-based irrigation controller.

The District only reviews the irrigation plans to determine if they are compliant with the relevant codes. The District does not design the irrigation systems. The East Garrison developer's choice of irrigation system design for Phase 1 and Phase 2 met the local and state requirements for irrigation system design, including the use of weather-based irrigation controllers.

In December 2015, the District stopped referring developers to its own landscape standards and started referring developers to the newly revised and improved State MWELo design standards. The new MWELo added the requirements for master valves (leak prevention) on all irrigation systems, meters (flow measurement), and flow sensors (leak detection) on residential landscapes larger than 5000 square feet. These new requirements will apply to East Garrison Phase 3. Although flow sensing, meters, and master valves are recommended features for any irrigation system, these features were not a requirement for smaller irrigation systems at the time of plan approval for East Garrison Phases 1 & 2.

Operation of the controllers for the front yards at East Garrison is restricted to the HOA's landscape contractor. The homeowner does not have access to the controller and is unable to monitor the irrigation scheduling. In addition, because there are no sub-meters installed, the homeowners are not able to precisely measure landscape water usage. That is a condition the Developer/Homeowner agreement(s) have placed on the homeowner. It is not a District requirement.

Just as there was for East Garrison Phase 1 & 2, there were a couple of irrigation system designs, and advanced optional irrigation system features, available for Phase 3. The developer could have changed the irrigation system design and features for East Garrison Phase 3, yet has elected to continue with a design similar to Phases 1& 2.

Marina Coast Water District
Agenda Transmittal

Agenda Item: 12-C

Meeting Date: September 17, 2018

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Status Update for the Ord Community Sphere of Influence Amendment and Annexation with the Local Agency Formation Commission

Staff Recommendation: The Board of Directors is requested to receive a status update for the Ord Community Sphere of Influence Amendment and Annexation with the Local Agency Formation Commission

The Marina Coast Water District (MCWD or District) provides water, wastewater and in the near future, recycled water service to the former Ord Community under the Water/Wastewater Facilities Agreement with the Fort Ord Reuse Authority (FORA), dated March 13, 1998, under contracts with the U.S. Army and as further described in the Assignment of Easements on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deed for Water and Wastewater Systems, between FORA and MCWD, dated October 24, 2001. The term of the FORA agreement is coincident with the legal existence of FORA. FORA is a public corporation of the State of California established by the FORA Act, and will cease to exist on June 30, 2020. Ownership of the water and wastewater infrastructure will remain with the District and service contracts with the U.S. Army remain in effect after FORA.

The District has made significant investment in the Ord Community in the form of water, wastewater and recycled water infrastructure, addition of staff and equipment, adoption of redevelopment standards and procedures, and the preparation of master plans and water supply project studies. Water service for Central Marina and the Ord Community is provided under a single water system permit. MCWD serves 33,000 residents through 8,300 connections.

The Ord Community Sphere of Influence (SOI) Amendment and Annexation proposes areas within the Ord Community already served by MCWD, developing parcels as well as parcels entitled and approved for development with the Ord Community located in Monterey County, the City of Marina and the City of Seaside, California. The proposed SOI and annexation area is limited to specific redevelopment areas within the Fort Ord Base Reuse Plan and specifically excludes protected open space areas on the former military base. This includes Ord National Monument, State Parks and areas reserved for open space by cities and the County. The SOI and Annexation also adds two small areas outside the Ord Community currently served by MCWD: Seaside High School within the City of Seaside as well as a small island area containing Ione Olson Elementary School and the Marina United Methodist Church within the City of Marina.

Annexation would provide improved governance structure for those receiving water and wastewater service from the District and allow existing customers direct access to the Board and to provide a government structure.

The proposed SOI amendment and annexation does not require the construction of new water or sewer infrastructure, and does not constitute an approval of a proposed development. The action of changing the District's Local Agency Formation Commission (LAFCO) boundaries, by itself,

will not result in physical environmental impacts and involves no direct changes to the existing water and wastewater system and the associated system permits.

Prior Committee or Board Action: The Board of Directors has taken a series of actions accepting responsibility for the provision of water, wastewater and recycled water service to the Ord Community. Key actions include:

- Entering into Water/Wastewater Facilities Agreement with FORA, March 13, 1998
- Submitting a Public Benefit Conveyance Application for the Fort Ord Water and Sewer Facilities, 1999
- Accepting the title to and easements for the Water and Sewer infrastructure on the former Fort Ord, Resolution 2001-52, October 24, 2001
- Forming the Ord Community Ad Hoc Committee to make recommendations to the Board regarding annexation of the Ord Community to the District service area.
- Directing District Staff to Work with LAFCO Staff to Initiate an Annexation Process of Any or All of the Ord Community, Resolution 2010-43, June 22, 2010
- Directing District Staff to Initiate the CEQA Process and Prepare a Draft LAFCO Application for Future Consideration, Resolution 2011-68, September 13, 2011
- Consideration of the comment letters and the Draft IS/MND at the January 10, 2012 meeting and formation of an Ad Hoc Committee to direct revisions to the annexation areas.
- Directing District Staff to resume effort on an annexation application, August 3, 2015.
- Consideration on revisions to annexation areas and directing staff to engage with Seaside County Sanitation District, November 16, 2015.
- Held a Public Hearing for the Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence and Annexation, January 22, 2018.
- Adopted the Public Draft Initial Study/Negative Declaration for the Ord Community Sphere of Influence and Annexation and directed staff to file an application with the Local Agency Formation Commission, February 20, 2018.
- Approved a Memorandum of Understanding between Marina Coast Water District and Seaside County Sanitation District to Resolve a Potential Annexation Overlap, July 16, 2018.

Discussion/Analysis: A pre-application for the Ord Community Sphere of Influence and Annexation was submitted to LAFCO April 16, 2018. LAFCO's pre-application review determined that the District would have to:

- Enter into a property tax transfer agreement with the County of Monterey
- Provide annexation maps with geographic descriptions similar to a legal description.

Monterey County Board of Supervisors Resolution No. 80-249 provides that no property tax transfers are to occur for annexations to fee based service and utility-type districts such as for the MCWD SOI amendment and annexation. LAFCO policy additionally requires approval of the tax transfer agreement with the County prior to consideration of the SOI amendment and annexation. A tax transfer proposal was submitted to the County and the Board of Supervisors approved the “zero” property tax transfer agreement on August 28, 2018.

Draft annexation maps were prepared and have been useful in discussions with LandWatch and Keep Fort Ord Wild concerning their legal actions against the annexation. The annexation maps and geographic descriptions will be finalized once the litigation is settled.

The Seaside County Sanitation District (SCSD) and MCWD tentatively negotiated a Memorandum of Understanding to resolve any potential overlapping annexation issues. The MCWD Board of Directors approved the MOU at their July 16, 2018 Board Meeting. At the request of the City of Seaside, SCSD tabled the MOU for the City of Seaside and Del Rey Oaks could first negotiate an agreement to serve water to their respective cities within the former Fort Ord by contract when the Fort Ord Reuse Authority goes away.

LAFCO is working on the Municipal Service Review (MSR). The District responded to LAFCO’s request for supplemental information in July and LAFCO should have the draft MSR available for review by the end of September.

With a favorable draft MSR, settlement of the litigation and resolution of the SCSD overlap, LAFCO could schedule a Public Hearing as soon as October 22nd. A more likely scenario for completion of the remaining items would place the Public Hearing on LAFCO’s December or January agenda. LAFCO does not hold a regular meeting in November. Following the Public Hearing the Commission considers the annexation proposal for approval.

Once the Commission approves an application the annexation goes through a 30-day “reconsideration” period and a follow-up protest hearing may be required. A “Pre-clearance” review under the Voting Rights Act may be required by the US Department of Justice. The District coordinates with LAFCO staff to satisfy any conditions of approval. Finally, LAFCO staff files any required final documents with the County Recorder and State Board of Equalization. These post-hearing steps could take about 3 months.