



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

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DIRECTORS

THOMAS P. MOORE
President

JAN SHRINER
Vice President

HERBERT CORTEZ
MATT ZEFFERMAN
PETER LE

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, March 18, 2019, 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, H039559, and H043902, and related California Supreme Court petitions for review.~~

They Sued Us: Thankfully We Won

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 Thursday, March 14, 2019. 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 Application (“A.”) 12-04-019
- 3) In the Matter of the Application of California-American Water Company (U 210 W) for an Order (1) Approving a Settlement Agreement with the County of Monterey and the Monterey County Water Resources Agency to Settle and Resolve Claims and Issues Between the Parties and to Promote the Development, Construction and Operation of a Water Supply Project for Monterey County on an Expedited Basis, and (2) Authorizing the Transfer of Authorized Costs Related to the Settlement Agreement to Its Special Request 1 Surcharge Balancing Account, California Public Utilities Commission Application (“A.”) 13-05-017, and related California Supreme Court petition for writ of review.
- 4) City of Marina and Marina Coast Water District, Petitioners v. Public Utilities Commission of the State of California, Respondent (California-American Water Company, et al., Real Parties in Interest), Petitions for Writ of Review, California Supreme Court Case No. S253585
- 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 Damages, 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, Sixth Appellate District Court of Appeals Case No. H045468
- 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) 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)

7:00 p.m. Reconvene Open Session

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

6. Pledge of Allegiance

7. Oral Communications *Anyone wishing to address the Board on matters not appearing on the Agenda may do so at this time. Please limit your comment to four minutes. The public may comment on any other items listed on the agenda at the time they are considered by the Board.*

8. Consent Calendar

A. [Receive and File the Check Register for the Month of February 2019](#)

B. [Approve the Draft Minutes of the Joint Board/GSA Meeting of February 19, 2019](#)

C. [Approve the Draft Minutes of the Joint Board/GSA Meeting of March 11, 2019](#)

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. [Review the LAFCO Municipal Services Review for the Marina Coast Water District and Provide Comments and Direction](#)

Action: The Board of Directors will review the LAFCO Municipal Services Review for the Marina Coast Water District and provide comments and direction.

B. [Consider Adoption of Resolution No. 2019-17 to Approve the District Maintenance Management Plan](#)

Action: The Board of Directors will consider approving the District Maintenance Management Plan.

C. [Consider Adoption of Resolution No. 2019-18 to Amend a Professional Services Agreement with MWH Constructors for Regional Urban Water Augmentation Project Construction Management Services](#)

Action: The Board of Directors will consider approving Amendment No. 1 to the Construction Management PSA with MWH Constructors for the RUWAP Project.

D. [Consider Adoption of Resolution No. 2019-19 to Approve Revisions to the Board Procedures Manual](#)

Action: The Board of Directors will consider changes to the Board Procedures Manual.

10. Staff Report

A. [Receive the Developer Account Update through December 31, 2018](#)

11. Workshop

A. Review the 5-Year Strategic Plan

12. **Informational Items** *Informational items are normally provided in the form of a written report or verbal update and may not require Board action. The public may address the Board on Informational Items as they are considered by the Board. Please limit your comments to four minutes.*

A. General Manager's Report

1. Update on the Salinas River Stakeholders' Statement

B. Counsel's Report

C. Committee and Board Liaison Reports

- | | |
|-----------------------------------|---|
| 1. Water Conservation Commission | 7. LAFCO Liaison |
| 2. Joint City-District Committee | 8. FORA |
| 3. Executive Committee | 9. WWOC Report |
| 4. Community Outreach Committee | 10. JPIA Liaison |
| 5. Budget and Personnel Committee | 11. Special Districts Association |
| 6. M1W Board Member Liaison | 12. SVBGSA Liaison (Steering Committee) |

13. Correspondence

14. Board Member Requests for Future Agenda Items

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

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

*Regular Meeting: Monday, April 15, 2019, 6:30 p.m.,
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8

Meeting Date: March 18, 2019

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 February 2019
- B) Approve the Draft Minutes of the Joint Board/GSA Meeting of February 19, 2019
- C) Approve the Draft Minutes of the Joint Board/GSA Meeting of March 11, 2019

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 February 2019; draft minutes of February 19, 2019; and, draft minutes of March 11, 2019.

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: March 18, 2019

Prepared By: Kelly Cadiente

Approved By: Keith Van Der Maaten

Agenda Title: Receive and File the Check Register for the Month of February 2019

Staff Recommendation: The Board of Directors receive and file the February 2019 expenditures totaling \$821,722.86.

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 February 2019 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: February 2019 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 _____

February 2019 SUMMARY CHECK REGISTER

DATE	CHECK #	CHECK DESCRIPTION	AMOUNT
02/01/2019	67200 - 67204	Check Register	44,932.91
02/06/2019	67205 - 67269	Check Register	274,452.98
02/14/2019	67270 - 67302	Check Register	64,171.03
02/19/2019	67303	Check Register	66,319.17
02/01/2019	500232 - 500244	Check Register	9,060.64
02/08/2019	500245 - 500250	Payroll Checks and Direct Deposit	99,484.00
02/08/2019	500251 - 500252	Payroll Withholdings, Period Ended 02/01/19	1,014.39
02/08/2019	ACH	MassMutual Retirement Services, LLC	8,153.82
02/08/2019	ACH	Internal Revenue Service	42,651.25
02/08/2019	ACH	State of California - EDD	9,980.76
02/08/2019	ACH	CalPERS	21,525.95
02/22/2019	500253 - 500258	Payroll Checks and Direct Deposit	97,772.69
02/22/2019	500259	Payroll Withholdings, Period Ended 02/15/19	619.23
02/22/2019	ACH	MassMutual Retirement Services, LLC	8,153.82
02/22/2019	ACH	State of California - EDD	9,367.17
02/22/2019	ACH	Internal Revenue Service	42,223.26
02/22/2019	ACH	CalPERS	21,839.79
TOTAL DISBURSEMENTS			<u>821,722.86</u>

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
67200	01/10/2019	02/01/2019	PG&E	Gas and Electric Service 12/2018	41,593.09
67201	01/18/2019	02/01/2019	Federal Express	Shipping Charges	66.21
67202	12/14/2018	02/01/2019	Sparling Instruments, LLC	Field Service - Wells Water Meter Calibration	2,887.25
67203	01/25/2019	02/01/2019	NEC Financial Services, Inc.	Phone Equipment Lease 01/2019	335.76
67204	01/28/2019	02/01/2019	O'Reilly Automotive Stores, Inc.	Auto/ General Supplies	50.60
67205	01/31/2019	02/06/2019	Ace Hardware	General Supplies	386.52
67206	01/24/2019	02/06/2019	Alhambra and Sierra Springs	Lab Grade Water	77.87
67207	01/11/2019	02/06/2019	Hach Company	Rover Rust Remover - Wells 10, 11, Intermediate Tank	82.02
67208	01/16/2019	02/06/2019	Monterey Pen Unified Sch Dist	Water Science/ Conservation Education 12/2018	875.58
67209	01/26/2019	02/06/2019	Insight Planners	Web Development/ Maintenance, Hosting 01/2019	768.00
67210	01/29/2019	02/06/2019	Denise Duffy & Associates, Inc.	RUWAP - Construction Phase, Permit Coordination, Compliance Verification, Revise/ Finalize LAFCO Application Package	35,661.50
67211	01/17/2019	02/06/2019	Fisher Scientific	Laboratory Chemicals and Supplies	964.87
67212	01/10/2019	02/06/2019	Grainger	Data Cable - Intermediate Reservoir Chlorine System	316.54
67213	01/16/2019	02/06/2019	Jane's Answering Service	Answering Service 01/2019	189.88
67214	12/31/2018	02/06/2019	Schaaf & Wheeler	Staff Meetings, Annexation, Ord Village LS and Force Main Improvements, Developers (East Garrison, Junsay Oaks, Main Gate WSA, Beach Town Apartments, Dunes) 12/2018	22,416.10
67215	01/14/2019	02/06/2019	Owen Equipment	Rotating Jet Nozzle - Jetter #0801	3,806.25
67216	01/21/2019	02/06/2019	Hopkins Technical Products, Inc.	Pulsation Dampers/ PVC Calibration Cylinder - Wells 29, 30, 31, 34, Watkins Gate	2,241.74
67217	01/30/2019	02/06/2019	McMaster-Carr Supply Co.	O&M Tool Supplies	224.47
67218	01/14/2019	02/06/2019	Environmental Resource Associates	Laboratory Contract Testing	1,457.25
67219	01/10/2019	02/06/2019	Water Awareness Comm Mtry	2019 Membership Renewal	2,000.00
67220	01/18/2019	02/06/2019	Verizon Wireless	Cell Phone Service 01/2019	1,153.14
67221	01/07/2019	02/06/2019	Harris & Associates	Developer Inspection Services (Dunes, East Garrison, CSUMB Student Union/ Academic III, Marina Heights) 12/2018	23,705.00
67222	01/17/2019	02/06/2019	Maggiora Bros Drilling	Maintenance Service - Well 11	1,235.00
67223	01/14/2019	02/06/2019	USABluebook	General Supplies	203.20
67224	01/15/2019	02/06/2019	Core & Main LP	(40) 1" Multi-Jet Meter with 3G Dialog	11,431.42
67225	01/03/2019	02/06/2019	Commercial Truck Co.	Parts - Jetter #0801	61.35
67226	01/16/2019	02/06/2019	Carollo Engineers, Inc.	RUWAP - Construction Meetings, Submittal Review, RFI's Record Drawings, RWQCB NOI, Project Administration, Final Design Project Management	21,912.90
67227	01/17/2019	02/06/2019	Fastenal Industrial & Construction Supplies	Janitorial Supplies	143.41
67228	01/23/2019	02/06/2019	Whitson Engineers	Design Engineering Services - Inter Garrison Water Line	895.00
67229	02/01/2019	02/06/2019	Marina Rotary Foundation	Booth Fee - Marina Cars in the Park Event	75.00
67230	08/31/2018	02/06/2019	Kimley-Horn and Associates, Inc.	Professional Services - Imjin Pkwy Pipeline	13,177.32
67231	12/28/2018	02/06/2019	Calcon Systems, Inc.	New PLC/ Critical Alarm Integration - Wells 10, 11	15,311.06

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
67232	01/28/2019	02/06/2019	Conservation Rebate Program	1418 Simpson Ct - Toilet Rebate	125.00
67233	01/23/2019	02/06/2019	Bay Area Coating Consultants, Inc.	Reservoir 2 - Tank Inspections	13,726.70
67234	02/01/2019	02/06/2019	Conservation Rebate Program	271 Grant St - Washer Rebate	150.00
67235	01/18/2019	02/06/2019	Conservation Rebate Program	1531 Devers Ct - Washer Rebate	150.00
67236	01/08/2019	02/06/2019	Sturdy Oil Company	Clear Diesel - Convault Tank	1,737.50
67237	01/28/2019	02/06/2019	Conservation Rebate Program	1320 Patch Ct - (2) Toilet Rebates	250.00
67238	01/30/2019	02/06/2019	Conservation Rebate Program	234 Peninsula Dr - Landscape Incentive Rebate	150.00
67239	02/01/2019	02/06/2019	Conservation Rebate Program	3105 Bradley Cir - Toilet Rebate	125.00
67240	01/18/2019	02/06/2019	Marina Collision Repair, Inc.	Auto Body Repair - Vehicle #1305	4,074.71
67241	01/17/2019	02/06/2019	Richards, Watson & Gershon	Regional Project Litigation 12/2018	22,212.28
67242	01/10/2019	02/06/2019	Remy Moose Manley, LLP	CPUC 12/2018	20,867.05
67243	01/31/2019	02/06/2019	Monterey Bay Technologies, Inc.	IT Support Services 02/2019; Additional IT Support Services 10/2018 - 12/2018	5,200.00
67244	01/30/2019	02/06/2019	Corix Water Products	16" Butterfly Valve - Booster Station; (10) Ford Couplings/ Romac Clamp	3,726.57
67245	01/31/2019	02/06/2019	Eurofins Eaton Analytical, Inc.	Nitrate - Well 30; VOC's - Wells 29, 30, 31, 34, Watkins Gate; Lab Water - Total Organic Carbon and Organic Nitrogen	755.00
67246	01/18/2019	02/06/2019	Aleshire & Wynder, LLP	Opinion for Bay View Community vs MCWD 12/2018	5,230.66
67247	01/31/2019	02/06/2019	Peninsula Messenger LLC	Courier Service 02/2019	145.00
67248	01/24/2019	02/06/2019	Dataflow Business Systems, Inc.	Ord Copier Maintenance (5551ci) 01/2019, Freight Fee - Black Toner Cartridge	322.21
67249	02/01/2019	02/06/2019	Simpler Systems, Inc.	Datapp for UB - Maintenance 02/2019	500.00
67250	02/01/2019	02/06/2019	Pure Janitorial, LLC	BLM Janitorial Services 01/2019	431.00
67251	12/31/2018	02/06/2019	Runyon Saltzman Einhorn, Inc.	Public Relations - Year in Review	2,250.00
67252	01/18/2019	02/06/2019	EKI Environment & Water, Inc.	Groundwater Planning Sustainability Study	21,622.62
67253	01/07/2019	02/06/2019	Akel Engineering Group, Inc.	Master Plans/Capacity Fees Study - Water, Sewer, Recycled Water	7,387.50
67254	01/18/2019	02/06/2019	Conservation Rebate Program	3190 Vista Del Camino - Toilet Rebate	125.00
67255	01/17/2019	02/06/2019	Interstate Battery of San Jose	Battery - Forklift #9802	124.92
67256	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 4480 Peninsula Point Dr #212	50.00
67257	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 3020 Crescent St	48.57
67258	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 18335 Steedman St	80.59
67259	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 13145 Chamberlain Ave	114.93
67260	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 303 Normandy Rd	13.37
67261	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - Bay View Mobile Home Park	10.62
67262	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 14802 Kit Carson Dr	73.23
67263	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 3232 De Forest Rd	2.98
67264	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 226 9th St	55.77
67265	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 323 Ardenes Cir	25.00
67266	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 300 Sirena Del Mar Rd	11.14

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
67267	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 3234 Vista Del Camino	48.34
67268	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - 461 Carmel Ave	18.91
67269	01/25/2019	02/06/2019	Customer Service Refund	Refund Check - Hydrant Meter	1,738.42
67270	12/14/2018	02/14/2019	Techno Lock Marina	(50) Keys - MCWD Buildings	184.88
67271	01/29/2019	02/14/2019	Fisher Scientific	Laboratory Glassware/ Maintenance Supplies	510.22
67272	01/28/2019	02/14/2019	Home Depot Credit Services	Parts - Well 31, Intermediate Reservoir	96.50
67273	01/31/2019	02/14/2019	Peninsula Welding Supply	Gas Cylinder Tank Rental Fee - Welding Supplies, Oxygen	75.92
67274	01/31/2019	02/14/2019	Monterey One Water	Sewer Treatment Charge 01/2019 - 02/2019	123.50
67275	02/05/2019	02/14/2019	Staples Credit Plan	Office Supplies	42.22
67276	01/25/2019	02/14/2019	Orkin Franchise 925	IOP Pest Control 01/2019	95.00
67277	01/29/2019	02/14/2019	Cypress Coast Ford	Tail Light Assembly - Vehicle #1305	26.83
67278	02/01/2019	02/14/2019	Maynard Group	NEC Phone Equipment Maintenance, AT&T Wireless Backup, eMVS Cloud, VoIP Services 02/2019	2,866.96
67279	01/23/2019	02/14/2019	Core & Main LP	(2) Antenna Magnetic Base - Meter Reader Trucks	195.75
67280	01/31/2019	02/14/2019	DataProse, LLC	Customer Billing Statements 01/2019	5,343.36
67281	01/24/2019	02/14/2019	American Supply Company	Janitorial Supplies	354.45
67282	12/19/2018	02/14/2019	SWRCB	Community Water System Program Fees 07/2018 - 06/2019	26,324.00
67283	02/01/2019	02/14/2019	Associated Services Company	Coffee Supplies	210.30
67284	01/31/2019	02/14/2019	Imjin Office Park Owners Association	Association Fees - 920/ 940 Second Ave	22,000.00
67285	02/07/2019	02/14/2019	Power Engineers, Inc.	Cityworks/ ESRI Support Services 01/2019	1,535.00
67286	02/07/2019	02/14/2019	Conservation Rebate Program	274 Carmel Ave - Toilet Rebate	116.10
67287	02/06/2019	02/14/2019	Conservation Rebate Program	482 Alexis Ct - Landscape Incentive Rebate	622.00
67288	02/12/2019	02/14/2019	Conservation Rebate Program	272 Cosky Dr - (2) Toilet Rebates	198.00
67289	01/31/2019	02/14/2019	Mack Stove Co.	Repair Part - Heater at Beach Office	26.77
67290	02/04/2019	02/14/2019	Green Rubber-Kennedy AG, LP	General Supplies	26.00
67291	01/23/2019	02/14/2019	Marina Tire & Auto Repair	Brake Repair - Vehicle #1238	683.86
67292	02/05/2019	02/14/2019	Eurofins Eaton Analytical, Inc.	Laboratory Contract Testing	75.00
67293	02/08/2019	02/14/2019	Dataflow Business Systems, Inc.	Staples, Freight Fee - Magenta and Yellow Toner Cartridges for Copy Machine (5551ci)	89.06
67294	01/31/2019	02/14/2019	Western Exterminator Company	Pest Control - Beach Office 01/2019	86.50
67295	02/06/2019	02/14/2019	TIAA Commercial Finance, Inc.	(3) Office Copiers (C754E, 454E, 5551ci), eCopy ScanStation Leases 02/2019	1,119.89
67296	01/31/2019	02/14/2019	Iron Mountain, Inc.	Shredding Service 01/2019	102.66
67297	01/28/2019	02/14/2019	AT&T	Modem Line, Beach/ Ord Alarm, Main Frame Computer, IOP Fire Alarm 01/2019	201.41
67298	01/31/2019	02/14/2019	Marina Coast Water District (BLM)	BLM Water, Sewer, Fire Service 01/2019	341.89
67299	01/30/2019	02/14/2019	Johnson Electronics	BLM Fire Alarm Monitoring 01/2019 - 03/2019	84.00
67300	02/07/2019	02/14/2019	Conservation Rebate Program	210 Palm Ave #C6 - Toilet Rebate	125.00
67301	02/01/2019	02/14/2019	Networkfleet, Inc.	GPS Service - (2) Meter Reader Trucks	38.00

Check No	Invoice Date	Check Date	Vendor Name	Description	Amount
67302	02/12/2019	02/14/2019	Conservation Rebate Program	342 Reindollar Ave - (2) Toilet Rebates	250.00
67303	02/11/2019	02/19/2019	PG&E	Gas and Electric Service 01/2019	66,319.17
500232	01/15/2019	02/01/2019	CWEA - Monterey Bay Section	Grade II Collection System Certificate Renewal - Kelsey, Magdaleno; Grade II Collection System Exam Fee - Nguyen	369.00
500233	01/24/2019	02/01/2019	AFLAC	Employee Paid Benefits 01/2019	2,868.34
500234	01/29/2019	02/01/2019	Thomas P. Moore	Board Compensation 01/2019	100.00
500235	01/23/2019	02/01/2019	Jonathan P Lord	Nor Cal Landscape/ Nursery Show and Parking Fee, CA Irrigation Institute Conference Per Diem Meals	276.00
500236	01/29/2019	02/01/2019	Matthew Zefferman	Board Compensation 01/2019	100.00
500237	01/17/2019	02/01/2019	Principal Life	Employee Paid Benefits 02/2019	454.00
500238	01/10/2019	02/01/2019	Lincoln National Life Insurance Company	Life, Short/Long Term, AD&D Insurance 02/2019	2,287.07
500239	01/29/2019	02/01/2019	Peter Le	Board Compensation 01/2019	100.00
500240	01/29/2019	02/01/2019	Herbert Cortez	Board Compensation 01/2019	100.00
500241	01/17/2019	02/01/2019	Transamerica Employee Benefits	Employee Paid Benefits 01/2019	1,445.06
500242	01/31/2019	02/01/2019	Cintas Corporation No. 630	Towels, Rugs, Uniforms 01/2019	686.17
500243	01/29/2019	02/01/2019	Jan Shriner	Board Compensation 01/2019	100.00
500244	12/31/2018	02/01/2019	Liebert Cassidy Whitmore	General Matters 12/2018	175.00
500245- 500250	02/08/2019	02/08/2019	Payroll Checks and Direct Deposit	Payroll Ending 02/01/19	99,484.00
ACH	02/08/2019	02/08/2019	MassMutual Retirement Services, LLC	Payroll Ending 02/01/19	8,153.82
ACH	02/08/2019	02/08/2019	Internal Revenue Service	Payroll Ending 02/01/19	42,651.25
ACH	02/08/2019	02/08/2019	State of California - EDD	Payroll Ending 02/01/19	9,980.76
ACH	02/08/2019	02/08/2019	CalPERS	Payroll Ending 02/01/19	21,525.95
500251	02/08/2019	02/08/2019	General Teamsters Union	Payroll Ending 02/01/19	599.00
500252	02/08/2019	02/08/2019	WageWorks, Inc.	Payroll Ending 02/01/19	415.39
500253- 500258	02/22/2019	02/22/2019	Payroll Checks and Direct Deposit	Payroll Ending 02/15/19	97,772.69
500259	02/22/2019	02/22/2019	WageWorks, Inc.	Payroll Ending 02/15/19	619.23
ACH	02/22/2019	02/22/2019	MassMutual Retirement Services, LLC	Payroll Ending 02/15/19	8,153.82
ACH	02/22/2019	02/22/2019	State of California - EDD	Payroll Ending 02/15/19	9,367.17
ACH	02/22/2019	02/22/2019	Internal Revenue Service	Payroll Ending 02/15/19	42,223.26
ACH	02/22/2019	02/22/2019	CalPERS	Payroll Ending 02/15/19	21,839.79

Total Disbursements for February 2019 821,722.86

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-B

Meeting Date: March 18, 2019

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Joint Board/GSA Meeting of February 19, 2019

Staff Recommendation: The Board of Directors approve the draft minutes of the February 19, 2019 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 February 19, 2019 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 February 19, 2019.

Action Required: ___ Resolution __X__ Motion ___ Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____



Marina Coast Water District

Regular Board Meeting/Groundwater Sustainability Agency Board Meeting
February 19, 2019

Draft Minutes

1. Call to Order:

President Moore called the meeting to order at 6:31 p.m. on February 19, 2019 at the Marina Council Chambers, 211 Hillcrest Avenue, Marina, California.

2. Roll Call:

Board Members Present:

Thomas P. Moore – President
Jan Shriner – Vice President
Herbert Cortez
Peter Le
Matt Zefferman

Board Members Absent:

None

Staff Members Present:

Keith Van Der Maaten, General Manager
Roger Masuda, Legal Counsel
Kelly Cadiante, Director of Administrative Services
Derek Cray, Operations and Maintenance Manager
Michael Wegley, District Engineer
Patrick Breen, Water Resources Manager
Rose Gill, Human Resources/Risk Administrator
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Andrew Sterbenz, Schaaf & Wheeler
Philip Clark, Seaside Resident, WCC Member
Shawn Storm, Marina Resident, WCC Member

3. Public Comment on Closed Session Items:

There were no public comments.

The Board entered into closed session at 6:33 p.m. to discuss the following items:

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, H039559, and H043902, and related California Supreme Court petitions for review.
- 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 Application (“A.”) 12-04-019
- 3) In the Matter of the Application of California-American Water Company (U 210 W) for an Order (1) Approving a Settlement Agreement with the County of Monterey and the Monterey County Water Resources Agency to Settle and Resolve Claims and Issues Between the Parties and to Promote the Development, Construction and Operation of a Water Supply Project for Monterey County on an Expedited Basis, and (2) Authorizing the Transfer of Authorized Costs Related to the Settlement Agreement to Its Special Request 1 Surcharge Balancing Account, California Public Utilities Commission Application (“A.”) 13-05-017, and related California Supreme Court petition for writ of review.
- 4) City of Marina and Marina Coast Water District, Petitioners v. Public Utilities Commission of the State of California, Respondent (California-American Water Company, et al., Real Parties in Interest), Petitions for Writ of Review, California Supreme Court Case No. S253585
- 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 Damages, 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, Sixth Appellate District Court of Appeals Case No. H045468

Agenda Item 4-A (continued):

- 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) 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 54957.6
Conference with Labor Negotiator
Agency Negotiator (to be determined)
Employee Organization: Marina Coast Water District Employees Association

C. Pursuant to Government Code 54957.6
Conference with Labor Negotiator
Agency Negotiator (to be determined)
Employee Organization: Teamsters Local 890

The Board ended closed session at 7:05 p.m.

President Moore reconvened the meeting to open session at 7:06 p.m.

5. Reportable Actions Taken during Closed Session:

Mr. Roger Masuda, Legal Counsel, stated that there were no reportable actions taken during Closed Session.

6. Pledge of Allegiance:

Director Le led everyone present in the pledge of allegiance.

7. Oral Communications:

There were no public comments.

8. Consent Calendar:

Director Le pulled items A and E from the Consent Calendar.

Agenda Item 8-A (continued):

Vice President Shriner made a motion to approve the Consent Calendar consisting of: B) Receive the Quarterly Financial Statements for October 1, 2018 to December 31, 2018; C) Approve the Draft Minutes of the Joint Board/GSA Meeting of January 14, 2019; and, D) Approve the Draft Minutes of the Joint Board/GSA Meeting of January 22, 2019. Director Cortez seconded the motion. The motion was passed by the following vote:

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

A. Receive and File the Check Register for the Month of January 2019:

Director Le inquired about Check Nos. 67069 and 67151.

Vice President Shriner made a motion to receive and file the check register for the month of January 2019. President Moore seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

E. Approve the Salinas River Stakeholders' Statement:

Director Le asked if there was an urgent and if they could wait for more information. Mr. Van Der Maaten commented that a request had been made to bring this to the Board as soon as possible and noted that this was a draft and there were likely to be more revisions soon, but he didn't know how substantial they would be. Discussion followed.

Director Le made a motion to look further into the statement and bring it back to the next Board meeting with new information and the latest information on the Plan. President Moore seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

9. Action Items:

A. Receive the Marina Coast Water District FY 2018-2019 Mid-Year Report:

Ms. Kelly Cadiente, Director of Administrative Services, introduced this item and noted that although the net revenue is looking good at mid-year, there is a debt service payment due in May and that will bring it back into alignment. The Board asked clarifying questions.

Agenda Item 9-A (continued):

Vice President Shriner made a motion to receive the Marina Coast Water District FY 2018-2019 Mid-Year Report. Director Zefferman seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

B. Consider Adoption of Resolution No. 2019-12 to Approve the Reorganization of the Operations and Maintenance Department to Create One New Full-Time Electrical/Mechanical Field Supervisor Position by Replacing an Operator II Position:

Mr. Derek Cray, Operations and Maintenance Manager, introduced this item explaining the duties of the new position and how it will be a cost savings to the District. The Board asked clarifying questions. Director Le suggested adding language requiring electrical certification and also some clarification in the definition. Vice President Shriner suggested looking into going green and reducing carbon emissions.

Director Le made a motion to adopt Resolution No. 2019-12 to approve the reorganization of the Operations and Maintenance Department to create one new full-time Electrical/Mechanical Field Supervisor position by replacing an Operator II position. Director Zefferman seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

C. Consider Adoption of Resolution No. 2019-13 to Revise the Job Descriptions for the System Operator III and Operations and Maintenance Supervisor Positions:

Mr. Cray introduced this item explaining the due to the Regional Urban Water Augmentation Project, three staff members will be required to have a valid Cross-Connection Specialist certification through the American Water Works Association. Currently, staff meets this requirement, however the System Operator III and the Operations and Maintenance Supervisor job descriptions do not list the certification as a requirement.

Director Cortez made a motion to adopt Resolution No. 2019-13 to approve the revisions to the job descriptions for the System Operator III and Operations and Maintenance Supervisor positions. Vice President Shriner seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

- D. Consider Adoption of Resolution No. 2019-14 to Approve a Contract with Maggoria Bros Drilling, Inc. for the Radical Injection Surge and Development Rehabilitation of Watkins Gate Well:

Mr. Cray introduced this item. He explained the issues that Watkins Gate Well has been experiencing and the attempts to correct them. The Board asked clarifying questions.

Director Le made a motion to adopt Resolution No. 2019-14 to approve a contract with Maggoria Bros Drilling, Inc. for the radical injection surge and development rehabilitation of Watkins Gate Well. Vice President Shriner seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

- E. Consider Adoption of Resolution No. 2019-15 to Amend the On-Call Engineering Professional Services Agreement with Schaaf & Wheeler for the Ord Village Lift Station Design:

Mr. Michael Wegley, District Engineer, introduced this item explaining the need to move the lift station to the east of Highway 1. The Board asked clarifying questions. Director Le suggested several corrections to the resolution as follows: Change the fifth WHEREAS to read, “the existing Ord Village Lift Station west of Highway 1 is on environmentally sensitive California State Park lands and the force main is east of Highway 1” ; and, the seventh WHEREAS to read, “relocating the existing lift station to the east of Highway 1...”.

Director Le made a motion to adopt Resolution No. 2019-15 to amend the On-Call Engineering Professional Services Agreement with Schaaf & Wheeler for the Ord Village Lift Station Design with the following conditions: 1) have staff proceed with the survey and obtain the easement from the City of Seaside before proceeding further on the design of the project; 2) when negotiating with the City of Seaside, ask that they agree to pump the storm water into the lift station and for additional land for the pump station; 3) have a stand-by generator and insure that it won’t flood for 50/100 years; and, the suggested changes to the resolution. President Moore seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

- F. Consider Designating Agency Negotiator(s) to Meet and Confer with the Marina Coast Water District Employees Association and Teamsters Local 890 Regarding Renewal of Memorandums of Understanding:

Mr. Van Der Maaten, General Manager, introduced this item.

Agenda Item 9-F (continued):

President Moore made a motion to designate Vice President Shriner as the agency negotiator and himself as the alternate. Director Zefferman seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

10. Staff Report:

A. Receive Sewer Flows for July 1, 2018 until December 31, 2018:

Ms. Cadiente introduced this item and suggested making this a separate report from the quarterly water consumption report and have it on a monthly basis. She noted that July's total flow number was incorrect because they didn't read the meter for the first 9 days.

11. Informational Items:

A. General Manager's Report:

1. Annexation Update:

Mr. Van Der Maaten gave a brief update noting that staff met with LAFCO in January and they are scheduled for a public hearing in April. A draft Municipal Service Review (MSR) will come before the Board in March.

2. Update on Outreach to Other Cities:

Mr. Van Der Maaten commented that staff will be working on setting up meetings with the individual cities in April.

3. Response to Requested Agenda Items from January 22, 2019:

Mr. Van Der Maaten commented that the Annexation Governance will be discussed in March with the MSR. He noted that the Board Procedures Manual update is scheduled for March. Mr. Van Der Maaten stated that the discussion on 1" paving requirement and an update on the 180/400' aquifers has yet to be determined when it will come to the Board.

Director Le stated that he would like to discuss if the Water Conservation Commissioners need to fill out a Form 700, and, receive a report on the Salinas Valley Basin Groundwater Sustainability Agency's 180/400' plan. Mr. Masuda stated that since the Water Conservation Commission is completely advisory, they do not need to fill out a Form 700.

B. Counsel's Report:

No report was given.

C. Committee and Board Liaison Reports:

1. Water Conservation Commission:

Mr. Shawn Storm, Water Conservation Commission Chair, gave a brief update.

2. Joint City District Committee:

President Moore said they would be meeting on February 27th.

3. Executive Committee:

President Moore noted that they met on February 12th, and the next meeting is March 12th.

4. Community Outreach Committee:

Director Cortez gave a brief update.

5. Budget and Personnel Committee:

Vice President Shriner noted that they met on February 12th, and the next meeting is March 12th.

6. M1W Board Member:

President Moore gave a brief update.

7. LAFCO Liaison:

Director Cortez gave a brief update.

8. FORA:

Vice President Shriner gave a brief update.

9. WWOC:

Mr. Van Der Maaten stated that the meeting was canceled, and the next meeting is February 27th.

10. JPIA Liaison:

Director Le said there was a meeting coming up in May.

11. Special Districts Association Liaison:

President Moore gave a brief update.

12. SVGSA Liaison:

No update was given.

12. Correspondence:

President Moore thanked staff for their generosity.

13. Board Member Requests for Future Agenda Items:

President Moore noted that they can email in their requests.

14. Director's Comments:

Director Cortez, Director Le, Vice President Shriner, and President Moore made comments.

15. Adjournment:

The meeting was adjourned at 9:16 p.m.

APPROVED:

Thomas P. Moore, President

ATTEST:

Paula Riso, Deputy Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 8-C

Meeting Date: March 18, 2019

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Approve the Draft Minutes of the Joint Board/GSA Meeting of March 11, 2019

Staff Recommendation: The Board of Directors approve the draft minutes of the March 11, 2019 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 March 11, 2019 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 March 11, 2019.

Action Required: ___ Resolution __X__ Motion ___ Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____



Marina Coast Water District

Regular Board Meeting/Groundwater Sustainability Agency Board Meeting
March 11, 2019

Draft Minutes

1. Call to Order:

President Moore called the meeting to order at 6:30 p.m. on March 11, 2019 at the District Office, 11 Reservation Road, Marina, California.

2. Roll Call:

Board Members Present:

Thomas P. Moore – President
Jan Shriner – Vice President
Herbert Cortez
Peter Le
Matt Zefferman

Board Members Absent:

None

Staff Members Present:

Keith Van Der Maaten, General Manager
Kelly Cadiente, Director of Administrative Services
Derek Cray, Operations and Maintenance Manager
Michael Wegley, District Engineer
Patrick Breen, Water Resources Manager
Paula Riso, Executive Assistant/Clerk to the Board

Audience Members:

Andrew Sterbenz, Schaaf & Wheeler
Philip Clark, Seaside Resident, WCC Member

3. Public Comment on Closed Session Items:

There were no public comments.

The Board entered into closed session at 6:31 p.m. to discuss the following items:

4. Closed Session:

A. Pursuant to Government Code 54956.9

Conference with Legal Counsel – Existing Litigation

- 1) 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 Application (“A.”) 12-04-019
- 2) City of Marina and Marina Coast Water District, Petitioners v. Public Utilities Commission of the State of California, Respondent (California-American Water Company, et al., Real Parties in Interest), Petitions for Writ of Review, California Supreme Court Case No. S253585
- 3) 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 Damages, Breach of Warranties, etc.)

The Board ended closed session at 7:42 p.m.

President Moore reconvened the meeting to open session at 7:44 p.m.

5. Reportable Actions Taken during Closed Session:

President Moore stated that there were no reportable actions taken during Closed Session.

6. Pledge of Allegiance:

Director Cortez led everyone present in the pledge of allegiance.

7. Oral Communications:

There were no public comments.

8. Action Items:

- A. Consider Adoption of Resolution No. 2019-16 to Approve the District Technology Plan Appendix for FY 2019-2020:

Ms. Kelly Cadiente, Director of Administrative Services, introduced this item.

Agenda Item 8-A (continued):

Director Le noted that on the Resolution, the address needed to be changed. He also asked that staff look to see why there is a delay in payments made online being posted to customer's accounts. The Board had other clarifying questions.

Vice President Shriner made a motion to adopt Resolution No. 2019-16 to approve the District Technology Plan Appendix for FY 2019-2020. Director Zefferman seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

9. Budget Workshop:

- A. Receive Presentation on Draft District FY 2019-2020 Budget, Rates, Fees and Charges for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final Budget Documents:

Ms. Cadiente introduced this item. Director Le noted that on page 4, the FY date should be 2019-2020; and the Ord Water allocation should be 57%; and, asked staff to double check the totals in the chart. He added that the authorized positions on page 99 should be 41. The Board asked other clarifying questions.

- B. Receive District Five-Year Capital Improvements Projects Budget for the Marina and Ord Community Service Areas and Provide Direction Regarding Preparation of the Final CIP Budget Documents:

Mr. Michael Wegley, District Engineer, introduced this item. Director Le asked that subtotals be added to the CIP Spreadsheets. He also noted that page 29 of the Board packet needs the FY corrected to 2019-2020; and, page 35 needs the correct description. The Board asked other clarifying questions and President Moore asked that the District ensure good public relations outreach is done ahead of the East Garrison pipeline upsizing.

Ms. Paula Riso, Executive Assistant/Clerk to the Board, noted that it was 10:00 p.m. and a motion was needed should the Board wish to continue the meeting past 10:00 p.m.

Director Le made a motion continue the meeting past 10:00 p.m. Director Cortez seconded the motion. The motion was passed.

Director Zefferman	-	Yes	Vice President Shriner	-	Yes
Director Le	-	Yes	President Moore	-	Yes
Director Cortez	-	Yes			

Agenda Item 9-B (continued):

President Moore recessed the meeting from 10:00 p.m. until 10:05 p.m.

President Moore suggested on page 25 to remove “SCSD” from the OS-0202, OS-0216 and OS-0217 descriptions.

10. Director’s Comments:

Director Cortez, Director Zefferman, Director Le, Vice President Shriner, and President Moore made comments.

The Board returned to Closed Session at 10:13 p.m.

4. Closed Session:

B. Pursuant to Government Code 54956.9
Conference with Legal Counsel – Existing Litigation

- 4) 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 Application (“A.”) 12-04-019
- 5) City of Marina and Marina Coast Water District, Petitioners v. Public Utilities Commission of the State of California, Respondent (California-American Water Company, et al., Real Parties in Interest), Petitions for Writ of Review, California Supreme Court Case No. S253585
- 6) 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 Damages, Breach of Warranties, etc.)

The Board ended closed session at 10:59 p.m.

President Moore reconvened the meeting to open session at 11:00 p.m.

5. Reportable Actions Taken during Closed Session:

President Moore stated that there were no reportable actions taken during Closed Session and direction was given.

Joint Board/GSA Meeting
March 11, 2019
Page 5 of 5

11. Adjournment:

The meeting was adjourned at 11:02 p.m.

APPROVED:

Thomas P. Moore, President

ATTEST:

Paula Riso, Deputy Secretary

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: March 18, 2019

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Review the LAFCO Municipal Service Review for the Marina Coast Water District and Provide Comments and Direction

Staff Recommendation: The Board of Directors consider reviewing the LAFCO Municipal Service Review for the Marina Coast Water District and Provide Comments and Direction

Background: *5-Year Strategic Plan, Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.*

A Municipal Service Review (MSR) is a comprehensive assessment of the ability of existing local government agencies to effectively and efficiently provide municipal services to residents and users. The form and content of an MSR is specified by requirements in the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 ([CA Govt Code § 56001](#)) and in the State of California's Local Agency Formation Commission (LAFCO) MSR Guidelines.

The CKH Act requires all LAFCOs to prepare an MSR for each of its incorporated cities and its special districts. The fundamental role of LAFCO is to implement the CKH Act, which was adopted into State law to encourage the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. MSRs are required to be completed prior to, or in conjunction with, an update of a city or special district Sphere of Influence (SOI) or before LAFCO initiates any reorganization of the boundaries of a special district. Marina Coast Water District's (MCWD or District) proposal to annex portions of former Fort Ord is pending LAFCO approval of the MSR. Attachment 1 is map of the existing District boundaries and Attachment 2 is a map of the proposed annexation boundaries.

Discussion/Analysis: The LAFCO of Monterey prepared the last MSR on Marina Coast Water District in 2007. LAFCO is preparing a new MSR in order to consider the District's Sphere of Influence (SOI) and Annexation Proposal. MCWD is proposing to expand the District Boundaries to include:

- Areas already served or approved for service with public water and sewer on the former Fort Ord, and
- Olson Elementary School and Marina United Methodist Church within the existing SOI.

LAFCO provides the administrative draft for review as a courtesy prior to the LAFCO Commission meeting at which it will be heard. District staff reviewed and commented on an earlier version of the administrative draft MSR. LAFCO has considered staff comments in the administrative draft MSR provided to the MCWD Board of Directors for review and comment as Attachment 1. Both the MSR and SOI/Annexation Proposal are scheduled to be agendized for the April 22, 2019 LAFCO Commission meeting.

The MSR is favorable with key findings that:

- MCWD is successfully and reliably carrying out its mission.
- The District proactively plans for its long-term capital improvement needs and funding levels.
- MCWD's proposed sphere of influence and annexation is appropriate and justified.

Annexation of Ord Community parcels already served by MCWD, already approved for development, and entitled to receive service by MCWD for water supply and wastewater collection would provide improved governance for customers. The proposed SOI and annexation amendment will add all customers currently served under the service agreements with FORA and 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. 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 is scheduled to sunset 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 remaining redevelopment parcels within the Ord Community are designated as "Future Study Areas," and include future development parcels located in the Cities of Del Rey Oaks, Monterey and Seaside, and unincorporated Monterey County. The Future Study Areas include portions of the Fort Ord Base Reuse Plan not currently approved for development, or identified for future development by local land use agencies with uncertainty regarding service providers or overlapping jurisdictions. These areas outside of the proposed SOI amendment and annexation may be considered for annexation into the District in the future by separate action, concurrent with the development of specific plans for these areas.

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 LAFCO boundaries, by itself, will not result in physical impacts on the environment. The proposed project involves no direct changes to the existing water and wastewater system and the associated system permits. As discussed herein, even if the District did not undertake to annex these territories, it is contractually obligated to provide water and wastewater service to these areas.

LAFCO anticipated receiving a sphere of influence amendment/annexation proposal from the Seaside County Sanitation District (SCSD) that would present overlapping boundary issues both with MCWD's existing services within the City of Seaside and with District's contracted service area for development under the Base Reuse Plan in Seaside, Del Rey Oaks and Monterey. MCWD set a 30 day "freeze" on submitting a proposal in order to engage SCSD for coordination of unresolved boundary and water/wastewater matters and consider all options through a Memorandum of Understanding (MOU). MCWD approved the draft MOU prepared by both

administrations 5 months later. The SCSD Board of Directors took no action on the MOU and have not considered filing an opposing proposal with LAFCO to date. LAFCO has notified local agencies of MCWD's SOI/annexation Proposal including SCSD.

Financial Impact: ___ Yes X No Funding Source/Recap: None

Material Included for Information/Consideration: Attachment 1 – Map of Existing District Boundaries; Attachment 2 – Map of Proposed District Boundaries; and, Attachment 3 – Administrative Draft Municipal Service Review and Sphere of Influence Study.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2019 Municipal Service Review and Sphere of Influence Study:

Marina Coast Water District



COMMISSIONERS

Chair Warren Poitras, Special District Member
Vice Chair Matt Gourley, Public Member
Luis Alejo, County Member
Joe Gunter, City Member
Mary Ann Leffel, Special District Member
Chris Lopez, County Member
Ian Oglesby, City Member
Maria Orozco, Alternate City Member
Jane Parker, Alternate County Member
Steve Snodgrass, Alternate Public Member
Graig Stephens, Alternate Special District Member

STAFF

Kate McKenna, AICP, Executive Officer
Darren McBain, Principal Analyst
Gail Lawrence, Clerk to the Commission
Tiffany Hutchison, Administrative Assistant
Leslie J. Girard, General Counsel

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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**2019 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY
MARINA COAST WATER DISTRICT**

Marina Coast Water District – At a Glance	
Formation Date	1960 (as Marina County Water District)
Legal Authority	County Water District Law (California Water Code, Division 12, Section 30000 et seq.)
Board of Directors	Five directors, elected at large to staggered four-year terms
District Area	1, 658 acres – existing district boundaries 4,907 acres – proposed expansion
Sphere of Influence Area	1,458 acres outside current district boundaries 4,907 acres – proposed expansion
Population	Approximately 18,000 in-district (33,000 total served population, including extraterritorial Ord Community service area) ¹
Authorized Powers	Water conservation, wholesale water supply, retail water delivery, groundwater management, wastewater collection and recycled water.
Budget (FY 2018-19)	\$40.1 million in projected revenues and expenses
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.
Board President	Thomas P. Moore, PhD
General Manager	Keith Van Der Maaten, P.E.
Office	11 Reservation Road, Marina CA 93933
Website	mcwd.org
Meetings	Regular Board meetings are held the third Monday of each month at 6:30 pm at the Marina City Council Chamber, 211 Hillcrest Ave, Marina.

¹ Extraterritorial service area: An area in which a city or special district is authorized to extend services to certain properties outside its jurisdictional boundaries.

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EXECUTIVE SUMMARY

INTRODUCTION

This Municipal Service Review and Sphere of Influence Study provides information about the services and boundaries of Marina Coast Water District (MCWD). The report is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of Spheres of Influence of all cities and special districts in Monterey County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting Sphere updates (Government Code section 56430). An MSR is a comprehensive review of municipal services in a designated geographic area which provides information and evaluates the provision of services, and recommend actions when necessary, to promote the efficient provision of those services. MSRs are intended to serve as tools to help LAFCO, local agencies and the public better understand the municipal service structure and to develop information to update the Spheres of Influence of cities and special districts. As discussed in the Key Findings, below, this study finds that MCWD capably successfully provides water and wastewater collection services throughout its service area.

REPORT OVERVIEW AND ORGANIZATION

This **Executive Summary** presents a brief overview of the study, key findings, and recommended actions.

The **Municipal Service Review and Sphere of Influence Study** has a total of 9 sections providing a districtwide overview, a review of existing and proposed jurisdictional boundaries and sphere of influence, population and projected growth, District facilities and operations, shared services, governance, finances, and future opportunities and challenges.

The **Determinations** section concludes the study with statutory determinations required for all municipal service reviews and sphere of influence studies pursuant to the Cortese-Knox-Hertzberg Act.

These sections are followed by a brief **Appendices** section with sources/acknowledgements.

KEY FINDINGS

Following are the key findings of the Municipal Service Review and Sphere of Influence Study:

1. MCWD is successfully and reliably carrying out its mission.

The District has a strong track record of successfully providing essential water and wastewater services to its residents – both in its existing district boundaries in Central Marina and in the Ord Community, where it is now proposing to annex areas it has served for up to 20 years. MCWD is governed by an elected board of directors and is professionally managed and staffed. The District functions as a direct, responsive, and accountable form of local government for the communities it serves.

2. The District proactively plans for its long-term capital improvement needs and funding levels.

MCWD has adopted and annually adjusts a capital improvement program that identifies likely future infrastructure reinvestment needs, along with associated funding levels, in order to provide continuity of high-quality public services. With an adequate revenue base and proactive financial policies and practices in place, the District is well positioned to build reserve funds for future needs.

3. Groundwater overdrafting and seawater intrusion in the Salinas valley groundwater basin remain a significant concern for the District’s long-term water supply.

The Salinas valley groundwater basin has had a problem with seawater intrusion since the 1940s. Seawater intrusion occurs when groundwater levels fall below sea level due to groundwater pumping. The District currently relies 100% on groundwater for its public water supply. All of MCWD's water supply wells overlie the Monterey Subbasin of the Salinas basin, and will continue to pump from the Monterey Subbasin ~~do so~~ in the future. MCWD is taking active measures to diversify its water supply through conservation, recycled water, and desalination, thereby reducing reliance on groundwater pumping. The District has been designated by the State as an exclusive Groundwater Sustainability Agency (GSA) within portions of the Monterey Subbasin and the adjoining 180/400 Foot Aquifer Subbasin. The District, in coordination with the Salinas Valley Basin GSA, is the lead agency in preparing the Groundwater Sustainability Plan (GS Plan) for the Monterey Subbasin in compliance with is also committed to complying with recent statewide mandates to reduce groundwater pumping to long-term supportable levels under the Sustainable Groundwater Management Act. The GS Plan will, among other requirements, identify the sustainable yield, the sustainability goal, and the sustainable groundwater management program for the Monterey Subbasin. The GS Plan is required to be adopted no later than January 31, 2022.

4. MCWD's proposed sphere of influence and annexation is appropriate and justified.

The District is currently proposing to annex specific areas of Ord Community areas of Marina, Seaside, and the unincorporated County, where it has already capably established itself as the water and wastewater services provider for many years. MCWD has limited its proposal area to only include areas with existing water connections or approved development entitlements, thereby reducing potential impacts on groundwater resources. No other/additional areas appear to warrant inclusion in the District's sphere of influence or boundaries at this time.

RECOMMENDED ACTIONS

Based on the analysis and recommendations in this study, the Executive Officer recommends adoption of a resolution to:

1. Find that, pursuant to Section 15306 of the California Environmental Quality Act (CEQA) Guidelines, the service review and sphere of influence study is categorically exempt, in that the study consists of basic data collection, research, management, and resource evaluation activities that will not result in a serious or major disturbance to an environmental resource, and because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Approve the 2019 Municipal Service Review and Sphere of Influence Study for Marina Coast Water District;
3. Consider the Marina Coast Water District's determination, as the CEQA lead agency, that the District's sphere of influence amendment and annexation proposal will not significantly impact the environment;
4. Based on the Study's recommended determinations, approve MCWD's proposed sphere amendment and annexation.



Figure 1: Existing Sphere and Boundaries of Marina Coast Water District

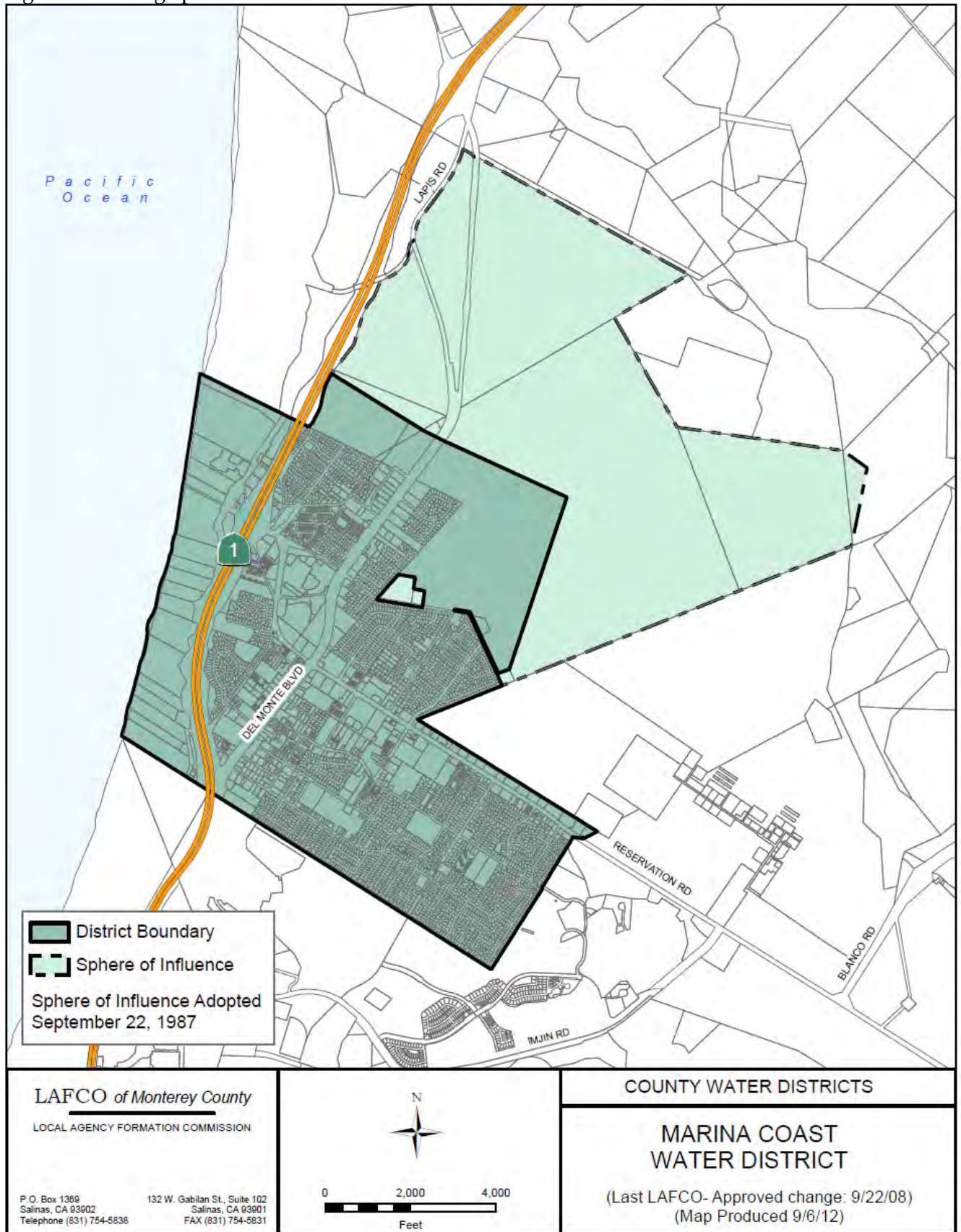


Figure 2: Recommended Sphere of Influence of Marina Coast Water District

To be inserted here in the public review draft
(Figure 1 plus the proposal area per the settlement agreement)

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY

DISTRICT OVERVIEW

Summary of Services

The Marina Coast Water District provides water, wastewater and recycled water services to central Marina and, since the 1990s (see MCWD History section, below), to areas of the former Fort Ord. The District serves approximately 30,000 residents through 10,000 connections in its Marina and former Fort Ord (Ord Community) service areas. The District currently pumps all of its potable water supply – approximately 3,000 acre-feet of water per year – from groundwater wells in the Salinas River basin. Collected wastewater is pumped to the Monterey One Water (MIW) regional wastewater treatment plant outside Marina.

MCWD Boundaries and Ord Community Extraterritorial Service Area

MCWD's existing jurisdictional boundaries are centered on the original (“Central”) City of Marina, north of Fort Ord. Since 1998, the District has served the Ord Community – encompassing portions of Marina, Seaside, and unincorporated lands such as East Garrison – outside its district boundaries, via a contractual agreement with the Ford Ord Reuse Authority. Since 2001, MCWD owns and operates the Ord community public water and wastewater systems. However, with the legislative sunset of FORA scheduled for July 2020, the future legal status of MCWD to serve the Ord Community pursuant to the MCWD-FORA contracts is unclear.

The District is currently proposing a sphere of influence amendment, and corresponding annexation, to bring significant portions of its existing Ord Community service area into its jurisdictional boundary. This boundary change would resolve the MCWD-FORA contractual issues for extraterritorial service when FORA sunsets. Two additional parcels in Central Marina are also proposed for annexation. The proposal is further described in the PROPOSED SPHERE OF INFLUENCE, BOUNDARY, AND FUTURE STUDY AREA section, below.

District History

The Marina Coast Water District was formed in 1960 as the Marina County Water District. It was formed to provide potable water service to the then-unincorporated community of Marina, on the northwestern boundary of the Fort Ord Army Base. The original District boundaries of approximately 1,600 acres were identical to those of the Marina Fire District.

In 1970, Marina County Water District constructed a wastewater treatment plant and a wastewater collection system. When the City of Marina incorporated in 1975, the District remained separate and independent. City boundaries included the District's boundaries plus a large area of Fort Ord that, until now, has not been formally proposed to become part of the District.

In 1991, the Marina County Water District constructed a pilot recycled water system, providing tertiary treated wastewater for irrigation of public landscaping and parks near the wastewater plant. The District's treatment system operated until 1992, when the District joined the Monterey Regional Water Pollution Control Agency joint powers authority (now called Monterey One Water, or MIW). This action allowed the Marina system to connect with the regional agency's treatment plant.

In 1994, the District changed its name to Marina Coast Water District to clarify that it is not a dependent district of the County of Monterey. In 1996, the District constructed a facility to explore the feasibility of desalinating seawater extracted through shallow wells along the beach. This facility is capable of

producing approximately 300 acre-feet per year. While the District does not currently operate this facility, it could be reactivated to supplement existing supplies.

In 1994, Fort Ord was officially closed, and the State created the FORA to oversee the land's civilian reuse and redevelopment. Through a competitive process FORA selected the Marina Coast Water District to operate and expand the water and wastewater system of the former Army base. In February 1998, FORA entered into an agreement with MCWD to allow the District's ownership and operation of the water and wastewater facilities. In 2001, the United States conveyed title to the water and wastewater infrastructure on the former Fort Ord through FORA to MCWD. The conveyance included the groundwater pumping rights and wastewater treatment capacity at the regional plant for the non-retained portion of the base. In 2007, the District combined the water system permits for the Central Marina and former Fort Ord service areas into a single California Department of Public Health permit. (Note: In 2014, the CDPH became the Division of Drinking Water under the State Water Resources Control Board.)

Current District Facilities and Operations

MCWD has an authorized staff of 38 full-time employees. The District owns and operates 20 sewer lift stations, more than 140 miles of gravity pipeline, and seven miles of force main to convey in excess of two million gallons per day of sewage to the MIW regional wastewater treatment plant.

MCWD's water system encompasses approximately 200 miles of pipeline. The District owns and operates eight production wells with an estimated capacity of approximately twenty million gallons per day. District water storage includes eight tanks with a combined capacity of eleven million gallons, along with six booster pump stations. In addition, monitoring wells located along the coast constantly check water quality and groundwater levels in the aquifers that are the source for the District's water supply. All wells are periodically sampled to identify the presence of contaminants, track the threat of seawater intrusion, and monitor groundwater levels.

Additional aspects of the District's operations are further discussed in the **Staffing and Regulatory Oversight** subsection, below.

DISTRICT BOUNDARIES & SPHERE OF INFLUENCE

Overview: Existing Boundaries and Sphere of Influence

MCWD's existing boundaries and sphere cover Central Marina, an area of approximately 3.2 square miles. The District's existing sphere does not extend to MCWD's Fort Ord service area. The District has incrementally increased its boundary through annexations after formation in 1960, but - until the current expansion proposal - has not expanded its boundaries or sphere into any portion of the former Fort Ord. The District's boundaries have not changed since 2008, when MCWD annexed the Marina Station site.

Beyond current district boundaries, the District's existing sphere includes two areas in Central Marina:

- Olson Elementary School and Marina United Methodist Church, and
- Unincorporated parcels of the former Armstrong Ranch, now owned by RAMCO Enterprises.

Each of these areas, as well as the nearby CEMEX site, is discussed below.

2018 Ord Community Sphere/Annexation Proposal

To date, the District's services to the Ord Community have been by extraterritorial service contract with FORA and with the U.S. Army. In 2001, the Army through FORA deeded ownership of all of the water and wastewater infrastructure within the former Fort Ord to the District. The District's service contracts with the U.S. Army will also remain in effect after FORA. MCWD is now proposing a sphere amendment and annexation to bring developed and developing areas of the Ord Community into the District. The proposed sphere amendment and annexation represent a major expansion of the District. *Please see the PROPOSED SPHERE OF INFLUENCE AND BOUNDARIES section, on page 14, for a fuller discussion of MCWD's current proposal.*

Olson Elementary School and Marina United Methodist Church: Existing Sphere, and Currently Proposed for Annexation

Although these two institutional uses are not within the District boundaries, they are within the sphere and are served by MCWD. Following the 2008 Marina Station annexation to the District, these properties became an unannexed “island” within the District boundaries. Annexation of these sites is included in MCWD’s current proposal sphere/annexation proposal, the majority of which consists of the Ord Community. The District is the logical service provider to these sites and their exclusion from District boundaries has been an oversight.

Unincorporated Former Armstrong Ranch (RAMCO) Parcels: Existing Sphere, Not Proposed for Annexation at this Time

Beyond current District boundaries, MCWD’s existing designated sphere extends into the 2.4-square-mile unincorporated portion of the former Armstrong Ranch property north of the City of Marina. As discussed above, a smaller portion of the overall Armstrong Ranch site (Marina Station future development site) is inside both the district boundary and the city limits, and is planned for development.

The majority of the other Armstrong Ranch parcels, an approximately 1,200-acre area – similar in size to central Marina – were purchased by RAMCO Enterprises, L.P. in 2017. Since the purchase, much of that area has been converted from grazing lands to strawberries and other row crops. The RAMCO parcels are also located within the City of Marina’s sphere of influence but are not proposed for annexation at the present time. In 2000, City voters approved an Urban Growth Boundary, which is the area within which the City will concentrate growth and new development, along with required community services through 2020. The unincorporated portion of the Armstrong Ranch is beyond this limit line. The moratorium is set to expire in 2020, but no development activity appears to be anticipated in this area in the foreseeable future.

Just north of the RAMCO site are the Monterey Regional Waste Management District landfill and materials recovery/recycling facilities, and the MIW regional wastewater treatment facilities. In 2010, MCWD purchased 224 acres of the Armstrong Ranch adjacent to the MIW property. The District has a pipeline along the western boundary of the parcel and may use the parcel for a reservoir, well field, treatment facility or other water supply purposes. In 2018, the Monterey County Regional Fire District annexed the RAMCO- and MCWD-owned parcels.

CEMEX Lapis Plant: Outside the Current Boundaries and Sphere, No Changes Proposed

The CEMEX site (formerly known as the RMC Lonestar Property) is a 376-acre coastal parcel which is one of the few remaining sand mining operations on the California Central Coast. This parcel is within the City of Marina. It was not included within the original 1987 District Sphere of Influence because it was determined that the site did not require District services. The property is also beyond the voter-adopted Urban Growth Boundary, such that urban growth cannot occur until after 2020. Following a 2017 cease-and-desist order by the California Coastal Commission, the sand mining operations at this site are scheduled to shut down permanently in December 2020.

The CEMEX property may play a role in a project being developed by the California American Water Company. Cal-Am has negotiated to acquire or secure permanent easements on the CEMEX property for slant intake wells for a proposed desalination project. Previously, Cal-Am had partnered with the Marina Coast Water District and the Monterey County Water Resources Agency to develop a desalination project. This partnership was later dissolved when the former partners became involved in legal claims and litigation.

2018 Ord Community Sphere/Annexation Proposal

MCWD has been serving the former Fort Ord since 1998 by contract with the U.S. Army and FORA. LAFCO's first municipal service review (2006) for MCWD recognized the District's provision of water and wastewater services to the former Fort Ord through contract. It also stated that a Sphere of Influence and annexation study should be initiated to address concerns about representation of area residents in District governance. Currently, MCWD ratepayers in the Ord Community, being outside MCWD's district boundaries, are ineligible to vote for, or serve on, the District's board of directors – a longstanding point of contention expressed by numerous Ord Community residents.

The former Fort Ord contains currently developed residential, commercial and educational areas. The water and wastewater needs of these areas are now being met by the District. Additional areas are designated for urban development in the base reuse plan, with other large areas preserved as open space. Areas planned for urban development include some that were previously developed by the Army and others that are outside the footprint of the Army's prior urban-type land uses.

Scope of the Proposal

In April 2018, MCWD submitted a sphere of influence amendment and annexation application for a large portion of the District's Ord Community current extraterritorial service area in Marina, Seaside, and the unincorporated county. Later in 2018, the District reduced the proposal area pursuant to a settlement agreement, summarized in Appendix A to this report.

MCWD's current proposal is shown as an overview map in Figure 3 (opposite), and in more detailed maps in Appendix A. Significant subareas within the proposal include, but are not limited to, the UC MBEST Center (portions), East Garrison ("phase I" – north of Watkins Gate Road), Abrams Park and Preston Park housing, Cypress Knolls, Marina Heights/Sea Haven, The Dunes on Monterey Bay, CSUMB main campus and Promontory housing site, The Projects at Main Gate, and U.S. Army-retained housing in Seaside.

These areas are being proposed for addition to the District's sphere of influence, and for concurrent annexation. (Under State law, LAFCO must first make determinations approving a sphere amendment before approving an annexation). Additional details about the MCWD proposal are available in the project file for the proposal, LAFCO file 18-03.

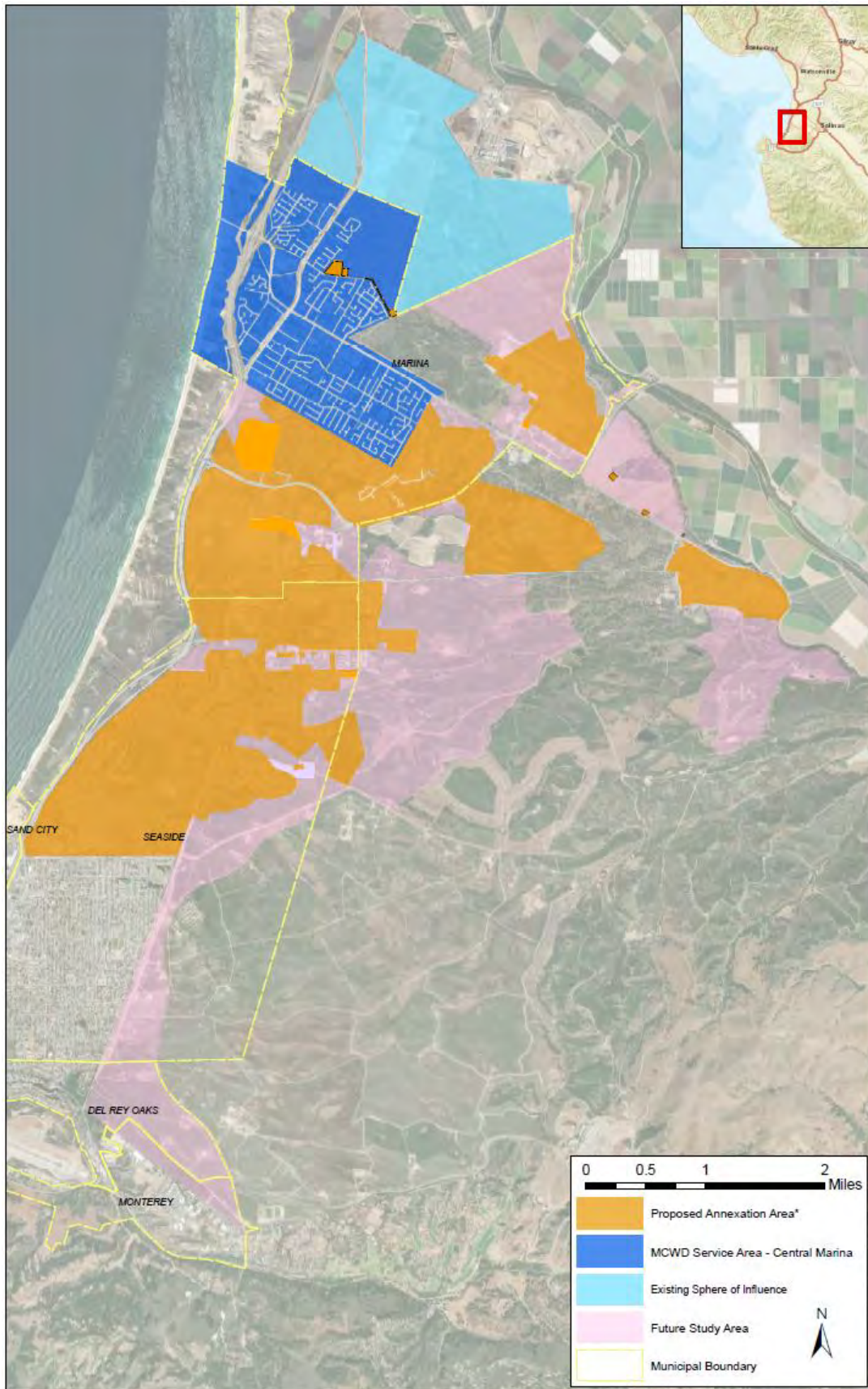
LAFCO staff has reviewed the District's proposed sphere amendment and annexation and has determined the proposal to be justifiable, warranted, and in the public interest. The recommended determinations at the end of this report support approval of the District's expansion proposal.

Future Study Area

Part of the MCWD proposal includes designation of a Future Study Area, on Ord Community lands anticipated for development pursuant to the Fort Ord base reuse plan, but in a longer time horizon. The primary subareas proposed as the Future Study Area are in the UC MBEST center, East Garrison phase II, Seaside East parcels, parcels formerly associated with the Whispering Oaks and Monterey Downs projects (now defunct), and sites in the Cities of Del Rey Oaks and Monterey.

Under LAFCO of Monterey County's locally adopted policies, a Future Study Area is "Territory outside of an adopted Sphere of Influence that may warrant inclusion in the sphere in future years. Further study would have to be completed prior to inclusion." This informal and nonbinding designation is an indicator of an agency's interest in serving an area at some point in the future. This designation does not exist in or derive from State LAFCO law (the Cortese-Knox-Hertzberg Act).

Figure 3: MCWD 2018 Sphere/annexation proposal



Precursors to MCWD's Proposal

MCWD owns and operates the public water and wastewater infrastructure throughout the former Fort Ord, including the Ord Community portion of the City of Seaside. In the older, "non-Ord" portion of Seaside, wastewater services are provided by the Seaside County Sanitation District. SCSD also serves Del Rey Oaks and Sand City. Over the years, plans for MCWD to annex the Ord Community have been affected by SCSD assertions that SCSD, and not MCWD, is the logical wastewater provider within some or all former Fort Ord lands within the Cities of Seaside and Del Rey Oaks, and potentially within the City of Monterey.

Ord Community Ad Hoc Committee: In December 2006, shortly after LAFCO's adoption of its first MSR for the District, MCWD formed an Ord Community Ad Hoc Committee to make recommendations to the MCWD Board of Directors regarding annexation of the former Fort Ord to the District. The committee was composed of members from MCWD, the County of Monterey, California State University Monterey Bay, the University of California Monterey Bay Education, Science and Technology Center (UC MBEST), the U.S. Army, FORA, and the Cities of Del Rey Oaks, Marina, Monterey and Seaside. In late 2008, the Committee agreed to a list of recommendations. The Committee recommended that:

- MCWD annex only within the jurisdictional boundaries of the City of Marina;
- The Seaside municipal water system and the Seaside County Sanitation District provide water and wastewater services within the Cities of Seaside, Del Rey Oaks, and Monterey;
- Unincorporated lands within the former Fort Ord be served by contract by either MCWD, SCSD, or the Seaside Municipal Water System as chosen by UC MBEST, CSUMB, the U.S. Army, or the County;
- MCWD provide wholesale water to the Seaside municipal water system through a master meter, and
- MCWD accept sewage effluent for processing from that portion of SCSD that is north of Eucalyptus.

In November 2009, the MCWD board received and discussed these recommendations. It was noted by District staff that carrying out the Ad Hoc Committee's recommendations "would be a significant undertaking to design and plan the physical separation of the system along jurisdictional boundaries, and [would] take extensive construction activity." The Board took no action on the recommendations.

2011 Ord Community Sphere/Annexation "Pre-Proposal": Authority for MCWD to provide services to the former Fort Ord is rooted in the 1998 Water/Wastewater Facilities Agreement with FORA². The terms of this agreement coincide with FORA's existence, which is currently scheduled to sunset in July 2020.

In late 2011, the District considered a sphere of influence amendment and annexation of all of the former Fort Ord and circulated a Draft Initial Study/Negative Declaration which explored the impacts of this project. The District received a large number of comments on this document, including comments from LAFCO requesting that the District revise the project description to exclude protected open space lands of the former Fort Ord and to eliminate overlaps of service with other providers of sanitary sewer services. The District held several public hearings but ultimately did not proceed with revising/finalizing its environmental document or file an application with LAFCO at that time.

2018 Memorandum of Understanding with Seaside County Sanitation District: As of mid-2017, as LAFCO staff was coordinating with MCWD on a potential Ord Community sphere/annexation proposal, SCSD was considering filing a competing LAFCO application to annex – and become the wastewater collection service provider to – the Seaside Ord Community. MCWD filed its current smaller sphere/annexation application covering areas it already serves in April 2018.

² Seaside High School was constructed in the 1960s on land that had been a part of Fort Ord. The land was dedicated to the school district prior to the creation of FORA. The Marina Coast Water District provides water and sanitary sewer service to this school through authorization of the U.S. Army.

In summer 2018, following several years of negotiations, MCWD and SCSD staff prepared a Memorandum of Understanding for approval by the districts' boards of directors. The MCWD board approved the MOU in July 2018. The SCSD board has considered, but has not yet approved, the MOU. The MOU outlines the parties' shared understanding that, following MCWD's annexation of former Fort Ord areas within SCSD (Seaside, Del Rey Oaks, Sand City), return flows of treated wastewater from the MIW regional treatment plant shall be used for the benefit of those communities.

As part of the draft MOU, SCSD agrees not to oppose MCWD's sphere/annexation proposal, discussed above. Based on the draft MOU, it appears likely that SCSD will no longer perceive any need to file its own separate sphere/annexation application to achieve the MOU's objectives. However, as of this writing, the SCSD board of directors has neither signed the MOU nor submitted an annexation proposal to LAFCO for SCSD to become the wastewater provider to the Seaside Ord Community.

POPULATION AND GROWTH

MCWD operates within two specific service areas:

1. Central Marina – composed of the “original” City of Marina, and later additions to the city, north of the former Fort Ord, and
2. Former Fort Ord, also known as the Ord Community. The Ord Community includes areas of Marina, Seaside, Monterey, Del Rey Oaks, and the unincorporated county. MCWD is currently proposing to annex large portions of the Ord Community service area, which it currently owns and serves by contractual agreement with FORA.

Marina is primarily a residential community. The City plans for vitalization of the downtown areas along the main commercial arteries of Reservation Road, Del Monte Boulevard and Reindollar Avenue. Major Central Marina development opportunity sites within the city's existing boundaries include Marina Station, a currently undeveloped portion of the former Armstrong Ranch. Marina Station is planned for 1,360 residential units, 60,000 sq. ft. of retail space, 144,000 sq. ft. of office space and 652,000 sq. ft. of business park industrial uses. With the exception of Marina Station, central Marina is largely built out with future growth likely to be modest.

Substantial growth is taking place in the Ord Community, and will continue to occur. Almost half of the 45-square mile former Fort Ord is designated for residential and commercial development, with the balance designated for parks and open space. The former base continues to contain lands under the control of the U.S. Army, as well as the campuses of the CSUMB and the UC MBEST Center. With continuing redevelopment of Fort Ord lands, substantial population growth is anticipated within areas of the former Fort Ord that the District has served extraterritorially since the 1990s and is now proposing to annex.

Marina experienced rapid growth from 1960 through 1990, as shown on Table 1. The population of Fort Ord was 31,270 in the 1990 census. The 2000 census illustrates a population decline which can be attributed to the closing of the military base. The City's population increased slightly in the 2010 census, but the District's population remained constant within the former Fort Ord.

Population of the City of Marina and the Former Fort Ord, 1960 to 2010						
	1960	1970	1980	1990	2000	2010
City of Marina	3,310	8,343	20,647	26,436	18,927	19,718
Ord Community (outside of the City of Marina)	Not applicable				10,886 See note	10,762
Total	3,310	8,343	20,647	26,436	29,813	30,480

Source: U.S. Census Bureau, as presented in the District's 2016 Urban Water Management Plan, Table 2.2, page 11.

Note: Populations for the City of Marina in 1960 and 1970 are estimates of the population in the area that was later incorporated as the City of Marina (1975). The City of Marina populations include the portion of the City within the boundaries of the former Fort Ord, and the former Fort Ord numbers exclude areas within the City of Marina. The former Fort Ord numbers are only shown for the period it has been served by the Marina Coast Water District.

Based on the District’s estimates and 2010 census data, MCWD has a current in-district population of approximately 18,000, and a total served population (including in the Ord Community, outside the District boundaries) of over 30,000. The Association of Monterey Bay Area Governments (AMBAG) does not prepare specific population projections for special districts. However, projections for the City of Marina may provide a reasonable proxy for MCWD growth, particularly in light of the District’s current proposal to annex large portions of the developed and developing Ord Community parcels in Marina, Seaside, and the unincorporated county (primarily East Garrison). AMBAG projects that the overall City of Marina will grow from 20,500 in 2015 to 30,500 in 2040 (a 49% total growth rate in that period, compared to 16% for the County as a whole).

As of 2016, the District’s own growth projections, which include Marina plus all of the Ord Community, anticipate an even higher overall rate of increase from 32,300 in 2015 to 70,200 in 2035. Population projections from the District’s 2015 Urban Water Management Plan (UWMP) are shown below. The table projects a doubling of the population within the District’s service area by approximately 2030.

Population Projections for Central Marina and the Former Fort Ord, 2015 to 2035					
	2015	2020	2025	2030	2035
Central Marina	17,703	18,770	24,504	25,620	26,736
Ord Community (including portion within the City of Marina)	14,672	21,694	32,144	39,015	43,425
Total	32,375	40,464	56,648	64,635	70,161

Source: U.S. Census Bureau for 2010, 2015 to 2035 projections are from the District’s 2015 Urban Water Management Plan, Table 2.3, page 12.

The population projections in this table are based on the existing population plus the anticipated occupancy of new development. These projections have been scaled back from the 2005 Urban Water Management Plan, which projected a total population of 98,700 for 2025. A reduction of the projections results from the economic downturn that dramatically slowed Fort Ord redevelopment.

According to the 2015 UWMP, the District’s service area contains a high percentage of residential uses: 90% of customer accounts and 65% of total water sales. Tourism and recreational uses are smaller components of the District’s current and future customer base. Central Marina contains hotels and visitor-serving commercial land uses, as well as Marina State Beach. A relative lack of local employment opportunities results in a high proportion of District residents who commute to employment centers in Monterey, Salinas and the Silicon Valley. The high residential percentage also results in an overall low per capita water demand. The average per capita water demand rate is projected to increase following Fort Ord’s redevelopment with an increase in commercial, office and light industrial uses. Industries with high water-use are anticipated to be constrained by the limited available water supply.

FACILITIES AND OPERATIONS – WATER AND WASTEWATER

Water Supply

A major concern throughout Monterey County is the provision of an adequate supply of water for local residents. MCWD has provided water through underground wells and plans to use desalination, recycled water, and increased conservation to meet future needs. Current water supplies and plans for their expansion are explored in this section.

Existing Water Usage and Agreements

The 2015 Urban Water Management Plan states that MCWD delivered 3,194 acre-feet of water in 2015, a decrease from 2010 levels. Mandatory restrictions on water use were in place in 2015 due to the statewide drought. In the most recent water consumption report, MCWD delivered 2,942 acre-feet of water to

customers in 2017. Approximately 1,383 acre-feet were used within Central Marina and 1,560 acre-feet were used within the former Fort Ord.

Central Marina: A 1996 agreement between MCWD and the Monterey County Water Resources Agency (MCWRA) allows the District to use up to 3,020 acre-feet per year (AFY) within Central Marina from the Salinas valley groundwater basin. This agreement also places Central Marina within MCWRA's Zones 2 and 2A, which allows the District to participate in the management of water from the Salinas valley basin. An additional 1,420 AFY will become available to the District for use in two areas north of Central Marina, when and if these areas are annexed to the District and added to Zones 2 and 2A. These areas are the unincorporated former Armstrong Ranch, now RAMCO-owned, parcels (920 AFY) and the CEMEX Lapis Plant (500 AFY). While a portion of the Armstrong Ranch was annexed to the District through the 2008 Marina Station Annexation, this land has not yet been added to Zones 2 and 2A, been developed, or required the provision of water.

Ord Community: As stated in the District's 2015 UWMP, "Under the 1993 *Agreement between the United States of America and the Monterey County Water Resources Agency concerning Annexation of Fort Ord into Zones 2 and 2A of the Monterey County Water Resources Agency*, MCWRA allocated 6,600 AFY of potable groundwater to the Army for use on Fort Ord. This amount is about equal to the peak historic water use on Fort Ord. Of this, MCWRA requires that not more than 5,200 AFY may be pumped from the 180-Foot and 400-Foot aquifers, to reduce the risk of seawater intrusion. When [in 2001](#) the U.S. Army conveyed the water and wastewater rights and infrastructure on the former Fort Ord through FORA to MCWD, the Army retained a portion of the groundwater pumping rights and wastewater treatment capacity for the Presidio of Monterey Annex (also called the Ord Military Community). The U.S. Army contracted directly with MCWD to provide municipal water supply and wastewater collection services within the Ord Military Community."

Water Supply Infrastructure

MCWD currently obtains water through the use of eight production wells. Three of the District wells are located in Central Marina and five wells are in the Ord Community. The three wells that serve Central Marina receive water from the deep aquifer, which is located approximately 600 to 2,000 feet below sea level. Four of the five wells that provide water to the former Fort Ord receive water from the 180-foot, 400-foot and deep aquifers while one well receives water from the deep aquifer. All of these wells are located within the Monterey Subbasin of the Salinas valley groundwater basin.

Beginning [on January 1, 2015](#), the California Sustainable Groundwater Management Act (SGMA) has created a statewide mandate to halt overdraft of groundwater basins. MCWRA along with the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) and the MCWD Groundwater Sustainability Agency (MCWD GSA) are responsible for regulation and supply of groundwater from the Monterey Subbasin and the adjoining 180/400 Foot Aquifer Subbasin south of the Salinas River within the Salinas Valley Groundwater Basin (SVGB), the source groundwater supply for the District. Please see the **Sustainable Groundwater Management Act** subsection, below, for additional discussion.

The District's water system facilities include eight water storage tanks and 200 miles of pipeline. The District operates the distribution and supply facilities for Central Marina and the Ord Community as two independent "cost centers" (i.e. separate entities for purposes of budgeting, planning, expenditures, and setting user rates). In 2005, the District completed a project that inter-connected the two systems while maintaining the ability to preserve a zero net balance of flows between the two areas.

The District has adopted a capital improvement program to expand, improve and maintain the water infrastructure. The current Five-Year Capital Improvement Planning Budget outlines expenditures of \$7,986,000 for Central Marina from FY 2017-18 through FY 2021-22. The CIP budget for the former Fort Ord is \$27,003,000. In addition to those projects, the District has received a \$23 million loan from the State Revolving Fund for construction of a recycled water pipeline, as part of the Pure Water Monterey Project.

Upgrading the water system within the former Fort Ord has been a priority for the District in order to meet anticipated growth and to upgrade existing facilities to meet State or local requirements.

Projected Water Availability and Demand

MCWD’s most recent (2015) Urban Water Management Plan projects future demands for water within Central Marina and the former Fort Ord, as shown in Table 3, below. The projected water demands in the 2015 UWMP are lower than in the 2005 UWMP, primarily due to the economic downturn and a slowed pace of development. Other factors lowering these projections are the use of more detailed water supply assessments and an increase in the proportion of metered water use within the residential portions of the former Fort Ord.

Salinas Valley Groundwater Basin Water Demand and Allocation by Jurisdiction, in Acre-Feet Per Year (AFY)							
	2012 ¹	2015 ²	2020	2025	2030	2035	Allocation
Central Marina ³	1,823	1,823	2,184	3,171	3,286	3,905	4,440
Former Fort Ord (including portion within the City of Marina)	2,351	2,382	4,021	6,766	7,833	8,293	6,900 ⁴
Total	4,174	4,204	6,205	9,937	11,119	12,197	11,340

Source: MCWD 2015 Urban Water Management Plan, Table 3.5, page 21.

Notes:

1. Actual demands for Calendar Year 2012.
2. Due to mandatory drought restrictions in 2015, demand is projected from the 2012 baseline.
3. Central Marina includes future water use within the Armstrong Ranch (920 AFY) and the CEMEX site (500 AFY).
4. Includes 300 AFY from District’s existing desalination plant; does not include the golf course rights to 400 AFY from the Seaside Groundwater Basin.

As referenced on page 19, the District’s calculations regarding water availability include 6,600 AFY of Salinas valley basin groundwater for the Ord Community, pursuant to a 1993 agreement between MCWRA and the U.S. Army ~~(later amended, 1996, to include FORA and MCWD)~~. The agreement acknowledged the existence of seawater intrusion as a significant problem in the basin, and discussed groundwater pumping as needing to be replaced by ~~some form of~~ a long-term, permanent regional water supply solution, and stated that “the MCWRA is currently developing such a Project to supply water to the Fort Ord Lands, Marina, Salinas, Toro Park” and “which will permit all Salinas Basin wells on Fort Ord Lands to be shut down except during emergencies” (1993 agreement, pages 2-3). The agreement anticipated such a project to either occur or achieve substantial progress by the year 2000. To date, no regional solution has been achieved. However, the District is actively working to diversify its water supply beyond groundwater, to achieving regional solutions, and to achieving long-term sustainable management of the Monterey Subbasin in accordance with the Sustainable Groundwater Management Act. These efforts are discussed in more detail below.

As the District’s 2015 UWMP states, “The [MCWD] Board does not allocate water supply to projects, but instead advises customer land use jurisdictions as to the current and historic water use within their boundaries and the estimated remaining supply available for new developments. Within the Ord Community, the FORA Board has managed the allocation of Salinas Valley groundwater supplies among the seven land use jurisdictions, and they, in turn, sub-allocate water supply to specific projects.” FORA has granted each governmental jurisdiction within the former Fort Ord an allocation of water rights, measured in acre-feet per year (AFY).

The 2015 UWMP projects that the current Central Marina groundwater allocation of 4,440 AFY is sufficient to meet projected demands through 2035. Adequate water is also projected to exist for the Ord Community through 2025, based on development forecasts and the current pace of development activity.

However, the forecast shows a shortfall after 2025 within the former Fort Ord, growing to a 1,393 AFY deficit – net, across all jurisdictions – by the year 2035.

Furthermore, when individual jurisdictional shortfalls between the projected demand and allocation are tallied individually rather than as a group, the cumulative shortfall increases to a projected 2,601 AFY. This situation reflects that some jurisdictions are projected to exceed their allocations prior to 2020, while others will not. For example, CSUMB is projected to only need 779 AFY of its 1,035 AFY allocation by 2035, and the City of Del Rey Oaks is projected to need 551 AFY while its allocation is only 243 AFY.

The projected water supply shortfalls in the District’s Ord Community, beginning around year 2025, as outlined above, underscore an acknowledged goal of the District to reduce its reliance on groundwater pumping and continue its ongoing efforts to develop other water resources. Groundwater and MCWD water supply augmentation are discussed in more detail in the following subsections. Please note that the Ord Community projections, presented in the table immediately above, include water demand from all development projects anticipated to occur by 2035, i.e. the projections include development on parcels beyond those that are in MCWD’s current sphere/annexation proposal.

Groundwater Production and Seawater Intrusion

MCWD’s potable water supply comes from groundwater production wells. The District’s Central Marina and Ord Community water service areas overlie portions of the Salinas valley groundwater basin (Monterey subbasin and 180/400-foot aquifer subbasin), and part of the Seaside adjudicated basin. Seawater intrusion within the Salinas valley groundwater basin is a significant regional concern that has been documented and mapped within the 180-foot and 400-foot aquifers since 1946. Seawater intrusion has also been observed to a lesser extent in the deep aquifer. The Water Resources Agency’s most recent (April 2018) maps of seawater intrusion are included in Appendix B to this report. The water in many test wells within Central Marina and the northern portions of the Ord Community exceed a chloride concentration of 500 milligrams per liter, one indication of impairment by seawater intrusion. The Central Coast Regional Water Quality Control Board’s Basin Plan prescribes a total dissolved solids concentration of 3,000 or less milligrams per liter as being suitable, or potentially suitable, for municipal or domestic water supply.

MCWD is actively engaged in reducing its long-term reliance on groundwater pumping. Please refer to the **Sustainable Groundwater Management Act** and **Additional Water Supplies** subsections, below. In addition, the District has participated in and supported the following actions intended to slow and eventually halt and reverse seawater intrusion:

- MCWRA, in partnership with MIW, built a water recycling facility at the MIW regional wastewater treatment plant. A related distribution system delivers recycled water to approximately 12,000 acres of farmland around Castroville. Through this program, the Castroville Seawater Intrusion Project (CSIP), 13,300 acre-feet per year (AFY) of tertiary treated recycled water are delivered to agricultural fields during the irrigation season. During 2018, MCWD delivered approximately 2,200 acre-feet of untreated wastewater to MIW, which can be treated to produce approximately 1,780 acre-feet of advanced treated water. MCWD is proposing to distribute advanced treated water to urban golf courses, municipalities and institutions for the irrigation of large landscapes and public common areas.
- MCWRA’s Salinas Valley Water Project funded spillway improvements to increase storage capacity in the Nacimiento and San Antonio reservoirs. The project has also involved the installation of a rubber inflatable dam on the Salinas River to divert about 10,000 acre-feet of stored water from upper basin reservoirs that can be used in lieu of groundwater pumping for irrigation.

Sustainable Groundwater Management Act (SGMA)

Since 2014, the statewide Sustainable Groundwater Management Act “requires groundwater-dependent regions to halt overdraft and bring basins into balanced levels of pumping and recharge.” The purposes of SGMA are to provide for sustainable management of groundwater subbasins, to establish

standards and regulations for local sustainable groundwater management, and to provide local agencies with additional powers and authorities to sustainably manage its groundwater for its customers through the formation of a groundwater sustainability agency (GSA).

Under SGMA, one or more eligible public agencies may apply to the State for authorization to take responsibility for each currently overdrafted groundwater basin or portion of a basin. The State selects and designates an agency as the GSA for that basin or subbasin. The GSA then writes a sustainability plan and implements the plan after it has been approved by State water regulatory agencies.

All of MCWD's potable groundwater supply wells are located within the Monterey Subbasin of the SVGB. MCWD's potable groundwater comes from the Monterey Subbasin with a portion coming from the adjoining 180/400-Foot Aquifer subbasins. The State has designated the Monterey Subbasin as a medium-priority subbasin but has designated the 180/400-Foot Aquifer Subbasin as a high-priority/Critically Overdrafted subbasin. Accordingly, the 180/400-Foot Aquifer Subbasin's groundwater sustainability plan has to be prepared by January 31, 2020 and the Monterey Subbasin plan has to be prepared by January 31, 2022.

MCWD has applied for, and received authorization from the State to be the exclusive GSA for all areas within its existing district boundary (Central Marina). Both MCWD and the Salinas Valley Basin GSA have applied to be the GSA for the Ord Community. The SVBGSA is an existing joint powers authority whose eleven-member board includes officials and staff from the County of Monterey, South County cities, and other entities. SVBGSA is the designated GSA for various areas within Monterey County.

As of this writing, the State has not yet designated either MCWD or the SVBGSA as the exclusive GSA for the Ord Community. Whichever agency is ultimately selected for the Ord Community, SGMA will require the two neighboring agencies' sustainability plans to be coordinated and consistent with each other. To achieve this objective, in 2017 MCWD and SVBGSA entered into a coordination agreement to facilitate a positive working relationship and streamline efforts and resources moving forward. The 2017 agreement was supplemented by a December 13, 2018 Framework Agreement wherein it was agreed, among other things, that the SVBGSA would prepare a groundwater sustainability plan for the entire 180/400-Foot Aquifer Subbasin. It was further agreed that one groundwater sustainability plan would be prepared for the Monterey Subbasin with the MCWD GSA preparing the components for the Marina Management Area (Central Marina) and the Ord Management Area and the SVBGSA preparing the components for the Corral de Tierra Management Area.

Water Supply Augmentation

MCWD currently relies on groundwater for its potable water supply. The District is actively working to develop additional water supplies, particularly to meet projected needs in the former Fort Ord. As outlined above in the **Projected Water Availability and Demand** subsection, the District anticipates a water supply deficit in the Ord Community beginning around 2025 unless additional water supplies are secured. MCWD plans to use a combination of recycled water, desalination, and/or other measures to provide approximately 2,400 AFY of additional water for the Ord Community.

The District and MIW are jointly pursuing an urban recycled water project. In 2003, MCWD certified the EIR for the Regional Urban Water Augmentation Project, which would provide tertiary-treated recycled water for urban use within the Ord Community and sites within the Monterey One Water service area south of Fort Ord. (Pursuant to a 1989 agreement with what was, at that time, the MRWPCA, the District may purchase "return flows" of tertiary treated wastewater from the MIW treatment plant equal in volume to the amount of District wastewater conveyed to the MIW treatment plant). In 2016, MIW certified the EIR for the Pure Water Monterey Project, which would produce advanced treated recycled water for indirect potable reuse (injection into the Seaside Groundwater Basin at one site and extraction at another). Also in 2016, MCWD and MIW entered into the "Pure Water Delivery and Supply Project" agreement. MCWD secured the right to 1,427 AFY of advanced treated water from MIW for augmentation of MCWD's Ord Community water supply and provides the conveyance pipeline from the treatment facility to the injection wellfield.

The District states that “For the remaining 973 acre-feet of water, a Memorandum of Understanding (MOU) was signed by MCWD, FORA and Monterey One Water. This is a three-party effort to study alternatives to supply the remaining water augmentation and share costs for this work. FORA staff requested that MCWD manage the planning process, and the effort kicked off in October 2018 with an estimated completion in mid-2019. In this study, we will thoroughly evaluate a number of options including conservation, desalination, storm water capture, aquifer storage and recovery [see below] and additional advanced treated recycled water. Over the last year, MCWD has been gathering data and developing technical information for each of these options. We plan to complete the study and develop the augmentation plan by June 2019.”

Regional Urban Water Augmentation Project (RUWAP): In 2018, MCWD constructed the recycled water transmission pipeline and water storage tank, and initiated design on the distribution system. To date, MCWD has constructed approximately ten miles of recycled water pipeline, taking advantage of opportunities to install pipelines while roads were being reconstructed. The 10-mile-long RUWAP will convey the 1,427 AFY of recycled water for use within the District (noted above) and up to 3,700 acre-feet of advanced treated water to the Pure Water Monterey injection wellfield. The District explains that “For phase 1 of the RUWAP, the pipeline will deliver 600 acre-feet of advanced treated water to MCWD customers. This recycled water will be used for urban landscape irrigation instead of groundwater thereby reducing our reliance on groundwater and diversifying and expanding the District’s water supply.”

Desalination: Desalination remains a potential future element of MCWD’s long-term water augmentation strategy. As summarized in the District’s 2015 Urban Water Management Plan,

“In 1996, MCWD constructed a seawater desalination facility to explore the feasibility of extracting seawater through shallow wells along the beach. This small seawater desalination plant is located at the former wastewater treatment plant site on Reservation Road between Dunes Drive and the Monterey Bay. The source water for the plant comes from a shallow well located on Marina State Beach. This was constructed as a pilot facility, used to verify that adequate seawater supply could be produced from beach wells, and to test the use of beach injection wells for the disposal of brine. [...]

This plant is considered an available supply in the context of this UWMP, and SB 610 and 221. It is currently idle. However, the supply from the plant could be restored to function, if necessary. [...]

Under the RUWAP, MCWD evaluated replacing the pilot plant with a larger facility capable of producing up to 3,000 AFY of potable water per year. [...] In the final EIR for the RUWAP, the desalination portion was reduced to 1,500 AFY, with 1,200 AFY for the Ord Community and 300 AFY to replace the existing Central Marina plant.”

Pure Water Monterey Indirect Potable Reuse (IPR): MIW is constructing an advanced water treatment facility that will produce recycled water meeting potable water standards, and constructing injection wells in the Seaside Groundwater Basin to store that water, after being conveyed through the RUWAP pipeline. The stored water will be extracted at other wells owned by Cal-Am for use on the Monterey Peninsula (indirect potable reuse under the Pure Water Monterey Project).

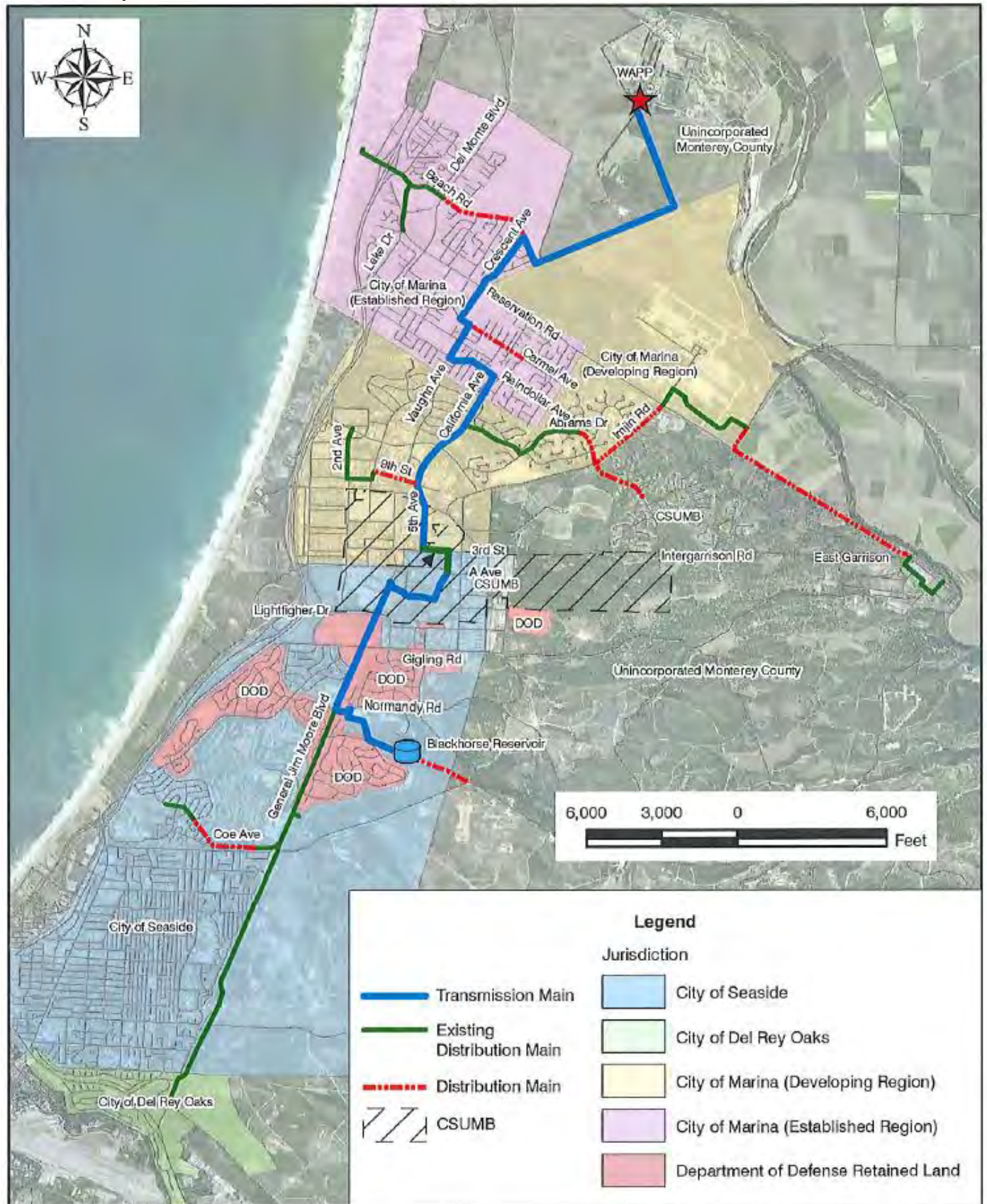
Seaside Groundwater Basin

MCWD’s Ord Community service area is currently located outside its District boundaries. MCWD is currently proposing a sphere of influence amendment and annexation that would bring certain developed and entitled-for-development portions of the Ord Community into MCWD’s boundaries. A portion of this proposal area, within the City of Seaside, overlies part of the Seaside groundwater basin. Historically, the Seaside groundwater basin has been considered to be hydrologically separate from the Salinas valley basin. However, the MCWRA includes the Seaside groundwater basin within the Pressure subarea of the SVGB, and the State classifies the now-designated Seaside Subbasin as part of the SVGB.

As a State-adjudicated overdrafted groundwater basin prior to the 2014 advent of SGMA, the Seaside basin is exempt from SGMA’s substantive requirements. The Seaside Groundwater Basin Watermaster regulates groundwater withdrawals and replenishment in the Seaside groundwater basin. The Watermaster was created to assist in the administration and enforcement of a 2006 Monterey County Superior Court

decision that adjudicated the basin and the Watermaster is subject to the continuing jurisdiction of the Superior Court.

Figure 4: Regional Urban Water Augmentation Project (RUWAP) recycled water transmission and distribution system



The Watermaster consists of nine representatives: Cal-Am Water, the Cities of Seaside, Sand City, Monterey, and Del Rey Oaks, MPWMD, and MCWRA may each appoint one representative. A designated landowner group may appoint one representative each from its Coastal and Laguna Seca subareas.

MPWMD is the entity with responsibility for regulating the distribution of water within the MPWMD's jurisdictional boundary within the Seaside groundwater basin. Areas within the MPWMD jurisdictional boundary are within some portions of the areas proposed for annexation by MCWD. No new or relocated MCWD wells will be allowed in the cities of Seaside, Del Rey Oaks, or Monterey or in unincorporated areas overlying the Seaside groundwater basin. without the prior approval of the Seaside Watermaster.

MPWMD will continue to exert statutory authority over water resources within the MPWMD boundary, including MPWMD lands being annexed to MCWD. Under MPWMD Rule 20.C.11 (Exemptions for Water Distribution System Permit), a MPWMD Water Distribution System Permit is not required for a Water Distribution System that serves water to Parcels within the Former Fort Ord Lands within MPWMD, but does not derive water from the Seaside groundwater basin or the Carmel River basin. Annexation to MCWD will not alter or affect residents' existing MPWMD voting rights within the area being annexed to MCWD.

Wastewater

MCWD first became a provider of wastewater services in 1970. In that year the District constructed a wastewater treatment plant and a collection system. In 1991, the District constructed a pilot recycled water system, providing tertiary treated wastewater for irrigation of public landscaping and parks near the wastewater plant. Recycled water is an integral element of the District's long-term water supply strategy, as outlined above in the **Water Supply Augmentation** subsection.

The District joined the Monterey Regional Water Pollution Control Agency (now MIW) and, in 1992, connected to the regional treatment plant, allowing discontinuation of the District's treatment facilities. In 2018, the District conveyed approximately 2,200 acre-feet of sewage to MIW for treatment.

The U.S. Army on Fort Ord joined the Monterey Regional Water Pollution Control Agency in 1981, and connected to the regional system in 1984. In 1998, the District entered into an agreement with FORA to own and operate the wastewater facilities within the former Fort Ord.

Central Marina: In Central Marina there are five wastewater lift stations and approximately 40 miles of sewer pipelines. Except for the MIW lift station located at the intersection of Seaside Court and Reservation Road, all lift stations and sewer pipelines are operated and maintained by MCWD.

Ord Community: The wastewater facilities of the former Fort Ord were constructed over its years as an active military installation, primarily between the early 1940's through the mid 1990's. Construction, operation and maintenance of the wastewater collection system facilities were the responsibility of the U.S. Army until 1998. Deeds to the system were conveyed to the District in 2001. The wastewater collection system includes over 65 miles of gravity sewers and approximately seven miles of force mains. Sewer rates are higher within the former Fort Ord than within Central Marina, because of the need to renovate or rebuild much of the existing Army wastewater infrastructure to California standards. The 2005 *Ord Community Wastewater System Master Plan* included an assessment of the condition of pipeline segments and lift stations and a recommended capital improvement program. This program called for a total of almost \$12 million in improvements to meet the area's needs through 2025. Additional recommendations included the replacement of existing 4 and 6-inch diameter piping and additional flow monitoring.

SHARED FACILITIES & SERVICES

The District and the City of Marina have formed a “Joint City/District Committee” to provide formal interaction between District directors and city council members. The committee intends to facilitate coordination in working with large scale development projects, facilitating a sharing of local government resources, and improving regional planning. This committee meets monthly in the city council chambers.

The District is a voting member of Monterey One Water (MIW), a joint powers authority composed of six cities, four special districts, the County of Monterey, and the U.S. Army. These agencies have joined together to comprehensively address regional wastewater treatment needs. While MCWD is responsible for the collection of wastewater and the maintenance of the sewer system, MIW is responsible for pumping the wastewater from MCWD’s service areas to the regional treatment plant and treating the wastewater.

MCWD does not share boundaries with any wholesale or retail water providers along its western, northern, or eastern boundaries. Along its southern boundary, it does share boundaries with the City of Seaside’s municipal water system and the private California American Water Company system. In 2010, the District constructed a potable water pipeline in General Jim Moore Blvd which is shared with Cal-Am. for Cal-Am/MPWMD’s Carmel River ASR project. There have been discussions between the District and the City of Seaside about interconnecting the two systems near Seaside High School for use in the case of an emergency.

The District has worked with the Monterey Peninsula Water Management District in the development of that agency’s Pure Water Monterey Indirect Potable Reuse Project within the Seaside Groundwater Basin. Please see the FACILITIES AND OPERATIONS – WATER AND WASTEWATER section, above, for additional discussion of the Pure Water Monterey Indirect Potable Reuse Project and MPWMD.

The 1998 service agreement with FORA assumed MCWD would provide both water and wastewater collection service to all of development parcels within the former Fort Ord. However, development parcels south of Seaside’s Coe Avenue and Eucalyptus Road are uphill of Seaside County Sanitation District’s service area, and would therefore be more easily served by SCSD. The Del Rey Oaks development parcels were annexed into the SCSD Service Area in 1998. MCWD has discussed the joint use of facilities with SCSD. This joint use would allow wastewater to flow by gravity into the existing Seaside system to optimize the system’s energy efficiency and to avoid unnecessary lift station construction and operation.

MCWD has close relationships with several other special districts and cities within the area. The agencies will utilize each other’s staff and equipment, as needed. These relationships reduce costs as they eliminate the need to hire outside contractors, and provide improved and expedited service to agency customers. Key relationships are with the City of Marina (public works), City of Seaside (public works), Monterey One Water, Castroville Community Services District, and Carmel Area Wastewater District. The MCWD Groundwater Sustainability Agency is working with the Salinas Valley Basin GSA on developing a groundwater management plan; please see the **Sustainable Groundwater Management Act (SGMA)** subsection, above, for additional discussion.

MCWD has two main shared facilities:

- Potable water pipeline in General Jim Moore Blvd, south of Coe Avenue – The pipeline is owned by MCWD and shared with Cal-Am under a “water wheeling agreement” allowing the MCWD system to transport Cal-Am’s Carmel River ASR water both to and from the Seaside Subbasin.
- Recycled water transmission pipeline crossing through Marina and Seaside – The pipeline is owned by MCWD and shared with MIW under the Pure Water Monterey delivery and supply agreement.

Governance

MCWD is governed by a five-member board of directors who are elected at large from within the District boundaries to staggered four-year terms. Recent elections have been contested with spirited campaigns.

The board meets in the Marina city council chambers on the first and third Monday of the month, with the first monthly meeting reserved for workshops and special meetings. Other special public hearings and neighborhood meetings are held periodically on specific issues. Until 2013, District board meetings were held on the first and third Mondays of the month in the District offices at 11 Reservation Road in Marina. While this room is accessible to people with physical disabilities, public seating is limited. To allow for more attendance and public participation, the board moved its meeting location to the Marina city council chambers.

Representation for Residents of the Former Fort Ord: Being outside MCWD's current district boundaries, MCWD ratepayers are currently ineligible to vote for, or serve as, MCWD board members. This circumstance has been an acute source of concern about equitable representation among Ord Community residents for many years, and was also identified in LAFCO's first (2006) MSR for the District. Achieving direct Ord Community representation on the MCWD board is one of several motivating factors that District representatives have identified for submitting the current Ord Community sphere and annexation proposal. The District's application for LAFCO states "The primary purpose of the project is to provide a fair governance structure for those receiving water and wastewater service from the District."

Bringing the Ord Community into the District, as proposed, will significantly alter the District's current population. MCWD estimates that its 2015 overall service population was approximately 32,375 people, of which 17,703 lived within Central Marina (i.e. within current District boundaries), with the other 14,672 in the Ord Community. Based on those numbers, and given the growth that has taken place in the Ord Community since 2015 – particularly in East Garrison and several residential developments in the Marina portion of Fort Ord) – the proposed annexation would immediately approximately double the current in-district population.

In the longer-term outlook, additional growth in the Ord Community beyond the scope of the current sphere/annexation proposal will likely outpace growth in Central Marina – which will consist primarily of Marina Station and possibly the currently unincorporated Armstrong/RAMCO parcels, north of Marina – further increasing the Ord Community proportion of MCWD's overall population. The District's 2015 Urban Water management Plan projected that the Ord Community population will outnumber the Central Marina population by 2020 (see Table 2 in the **Population and Growth** section, above), suggesting that the shift in the majority of total served population may have already occurred.

County Registrar of Voters records indicate that, as of early February 2019, there were 9,161 registered voters within existing MCWD boundaries (i.e. Central Marina) and 6,816 registered voters in the Ord Community area that the District is currently proposing to annex. On that basis, to date, the population shift to an Ord Community majority within MCWD's overall service area, described in the preceding paragraph, is not yet reflected in the voter numbers. The current voter split between Central Marina and Ord would be approximately 57%/43% if the annexation were currently effect. However, many new residents (voters) are currently moving into the Ord Community as new housing units are being completed, while no such change appears to be occurring in Central Marina.

If the proposed sphere amendment and annexation are approved, registered voters residing in Seaside and unincorporated County portions of the proposal area – both existing residents and future residents of not-yet-built/occupied units on the annexed parcels – will become eligible to vote for, and serve, as District directors. This circumstance is a departure from past practice; until now, all eligible MCWD voters have been City of Marina residents. The jurisdictional expansion of the voter base, beyond Marina, will create the potential for different board representation and other changes in the District's political culture over time.

As stated above, MCWD is governed by a five-member board of directors, elected at large (i.e., MCWD does not have election districts). The District is not planning any changes to its existing board structure at this time. Some types of special districts have flexibility in the number of board directors, and use that flexibility to add director seats when annexing significant new territory. Under State law, MCWD is a “County Water District” organized pursuant to, and subject to the requirements of, California Water Code, Division 12. Section 30500 of this statute specifies that each water district shall have a board of five directors.

Note: While residents of the former Fort Ord are not represented on the District Board of Directors, since 1997 they have received some representation through FORA’s Water and Wastewater Oversight Committee (WWOC). The primary function of the WWOC is to meet and confer with District staff in the development of operating and capital budgets and the corresponding customer rate structures. The WWOC is composed of staff representatives from the County of Monterey, CSUMB, the UC MBEST Center, and the Cities of Del Rey Oaks, Marina, Monterey and Seaside.

Transparency and Accountability

In 2013, the District board began a review of the District’s policies and practices. As part of this review, the District held a strategic planning workshop in April 2013. The purpose of this Saturday workshop was to consider the District’s mission, vision and core values statements, and to discuss a five-year strategy for the District. The most recent strategic plan update was in September 2017

The board of directors is guided by a 16-page Board of Directors Procedures Manual that consolidates policies and procedures approved by the board. Per the manual, board members receive compensation for his/her services at a rate of \$50 for attending each Board meeting. No compensation will be paid to any director for attending other types of meetings such as standing, special or ad-hoc committees. Directors shall be reimbursed for actual necessary expenses incurred in the performance of official business of the District consistent with the reimbursement schedules and policies of the District for District employees.

Board meetings are open and accessible and are publicly noticed in accordance with the Brown Act. Each board meeting has a time on the agenda reserved for public comments. The board limits closed session discussions to issues allowed by State law. The board’s procedures manual states that notice of public meetings is to be posted at the 11 Reservation Road District office and at the City of Marina’s offices (i.e., outside the City Council chambers)

Directors are required by the procedures manual, and by State law, to receive ethics training at least every two years. Limitations on public gifts are outlined and directors are referred to State Fair Political Practices Committee Documents for detailed information. Directors submit Form 700 Statements of Economic Interests as required by the State.

The District’s web site contains thorough information concerning District services. In addition to meeting agendas and agenda materials, the website provides District financial information, the quarterly newsletter, annual financial audits, and copies of District resolutions, codes, and ordinances., and answers to frequently asked questions regarding water quality, conservation and billing.

MCWD customers receive an annual consumer confidence report and are provided with information on how to contact the District with further questions or comments. The District collects customer comment cards on an on-going basis. Periodic customer satisfaction surveys are conducted by an education and outreach consultant. The most recent survey was in 2016.

In recent years, MCWD’s role in developing a regional solution to Monterey Peninsula water shortages has increased public awareness of the District beyond Marina. District Board Meetings are videotaped and broadcasted on public access television.

Staffing and Regulatory Oversight

Staffing

The District has 38 full-time, permanent staff positions. The management team includes:

- General Manager
- District Engineer
- Human Resources/Risk Administrator
- Operations and Maintenance superintendent
- Director of Administrative Services
- Water Resources Manager

MCWD policies require the general manager to be a licensed civil engineer. The State Water Resources Control Board also requires that the District Engineer be a licensed civil engineer. The MCWD engineering staff currently includes two additional licensed civil engineers.

The District is proactive in maintaining skills through staff training. Training provided for MCWD employees during the last two years include:

- For system operators: Asbestos pipe handling, confined space entry, defensive driving, CPR, CCTV Operations, crane safety, respiratory fit testing, hearing protection and testing, fire extinguisher use, hazardous material spill response, and numerous other classes and seminars for water and wastewater operations along with weekly safety trainings.
- For all staff: Ethics, sexual harassment prevention, supervisor/leadership training, on-line topics through ACWA Target Solutions.
- For finance staff: Generally Accepted Accounting Principles (GAAP) annually

Regulatory Oversight

MCWD's water system is permitted and regulated by the SWRCB Division of Drinking Water. The District's water system staff prepares monthly reports and an annual report to the DDW. The DDW also performs an annual inspection of the water facilities each year. Domestic Water Supply permits are updated whenever significant changes to the water system are done. Otherwise, permits stay active and unchanged. MCWD's permit issued July 20, 2007 was last amended December 12, 2012. MCWD has had no water system violations in the past five years.

The water and sewer systems are subject to the California Code of Regulations, Titles 17 and 22, which derive from the Federal Clean Water Act and Safe Drinking Water Act. MCWD has had 40 reportable sewer spills in the last five years, each addressed at the time of the occurrence. There are no outstanding administrative actions.

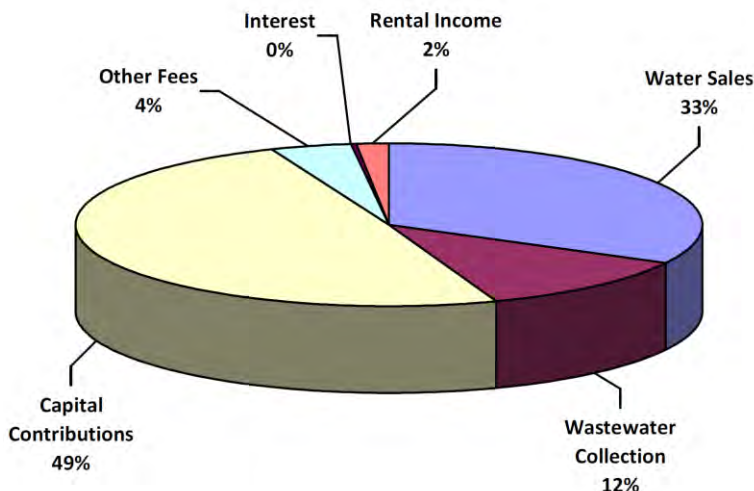
Monthly water quality reports are sent to the State DDW, which annually performs a site inspection of all potable water facilities. Sewer system overflows are also reported to the SWRCB when they occur. Internal evaluations are done on both water and wastewater. The District has a Sewer System Management Plan that is audited annually.

In addition to external oversight, MCWD internally tracks various metrics for its water and wastewater services. Some examples for water service include potable water in gallons pumped from wells, consumer consumption, customer complaints, chlorine levels, ground water levels, and operator certifications. For sewer services, some examples include sewer flows to the regional treatment plant, sanitary sewer overflows, customer complaints, inspection reports and operator certifications. All activities, whether preventative or reactive, are tracked via work orders in the District's computer maintenance management system.

FINANCES

Revenues

MCWD finances its water sales and wastewater collection operations through user fees – i.e. water and sewer ratepayer fees – and other income such as capital contributions (largely grant funds received for the RUWAP project described in the **Water Supply Augmentation** section of this report). Total revenue for fiscal year 2017-2018 was \$33.0 million, up \$12.1 million or 57.7% from the prior year. The District receives no property tax revenue.



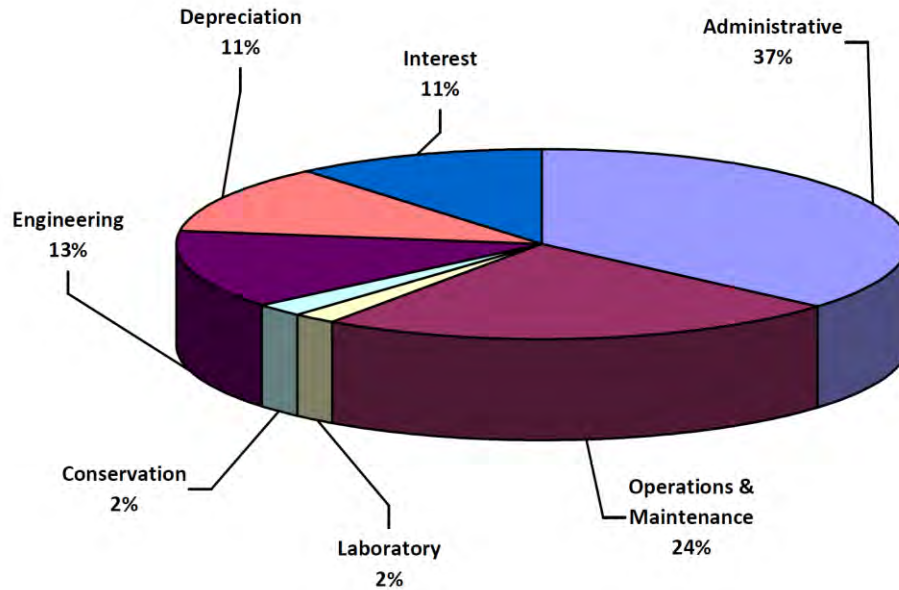
Operating revenues and total revenues have increased in each of the last three fiscal years.

	June 30		
	2018	2017	2016
<u>Operating Revenues:</u>			
Water sales	\$ 10,844,656	\$ 9,486,324	\$ 8,620,556
Wastewater collection	3,828,160	3,450,138	3,116,103
Other services & fees	1,345,278	748,872	363,606
Total Operating Revenues	16,018,094	13,685,334	12,100,265
<u>Nonoperating Revenues:</u>			
Rental income	519,024	566,651	764,986
Interest earned	132,986	64,012	618,904
Total Nonoperating Revenues	652,010	630,663	1,383,890
<u>Capital Contributions:</u>	16,364,028	6,630,732	2,948,012
Total Revenues	\$ 33,034,132	\$ 20,946,729	\$ 16,432,167

Note: The pie charts and tables in this section are derived from the District's Comprehensive Annual Financial Report for the fiscal years ended June 30, 2018 and 2017

Expenses

Total expenses for FY 2017-2018 were \$13.5 million, which is an increase of \$0.8 million or 6.2% from the previous fiscal year. Administrative expenses increased \$0.7 million and engineering expenses increased \$0.2 million coupled with a decrease of \$0.1 million in depreciation expense from the prior year.



In the last three completed fiscal years, operating expenses have trended upward while total expenses have remained fairly constant.

	June 30		
	2018	2017	2016
<u>Operating Expenses:</u>			
Administrative	\$ 4,907,644	\$ 4,220,398	\$ 3,118,186
Operations and maintenance	3,181,860	3,173,240	3,140,765
Laboratory	251,818	256,607	238,256
Conservation	301,155	304,338	376,383
Engineering	1,822,501	1,656,803	1,494,965
Depreciation	1,555,935	1,615,194	1,579,973
Total Operating Expenses	<u>12,020,913</u>	<u>11,226,580</u>	<u>9,948,528</u>
<u>Nonoperating Expenses:</u>			
Interest expense	1,510,940	1,511,925	2,954,075
Investment loss	-	-	474,892
Bond issuance costs	-	-	268,534
Total Nonoperating Expenses	<u>1,510,940</u>	<u>1,511,925</u>	<u>3,697,501</u>
Total Expenses	<u>\$ 13,531,853</u>	<u>\$ 12,738,505</u>	<u>\$ 13,646,029</u>

Net Annual District Income and Net Position

The District’s annual net income equals revenues minus expenses. That figure, plus one-time capital contributions – such as grant funds and connection fees – constitutes the annual change in the District’s net position. Net position is the difference in value between an agency’s assets and liabilities.

As shown below, in the last three fiscal years the sum of the District’s income and capital contributions has been positive, yielding an increased net position. This increase is primarily driven by capital contributions and the District’s investments in its capital assets. The District’s assets and liabilities are discussed in more detail below, and are also summarized in Appendix C.

	June 30		
	2018	2017	2016
Beginning Net Position, as restated	\$ 150,229,879	\$ 143,032,654	\$ 140,246,516
Income before contributions	3,138,251	1,577,492	(161,874)
Capital contributions	16,364,028	6,630,732	2,948,012
Change in net position	19,502,279	8,208,224	2,786,138
Ending Net Position	\$ 169,732,158	\$ 151,240,878	\$ 143,032,654

Assets and Liabilities

As shown in the table above, MCWD has a net position – i.e. assets net of liabilities – of approximately \$169.7 million.

The District’s total assets are \$231.9 million, the majority of which represents capital assets of \$203 million. Capital assets includes land, water/wastewater rights, easements, transmission and distribution systems, wells, tanks, reservoirs, pumps, buildings and structures, equipment, vehicles and construction in progress. (These physical assets have financial value but are not available for spending). Cash, investments, accounts receivable, and other assets make up the balance of about \$28.9 million.

Liabilities are approximately \$62.2 million, of which \$19.6 million is “current” (short-term) in nature, primarily accounts payable and a line of credit. Non-current liabilities of \$42.6 million include \$34.4 million in long-term debt associated with the District’s capital improvement projects. Non-current liabilities also include approximately \$6 million in aggregate net pension liability and Other Post-Employment Benefit (OPEB) liability related to the District’s participation in the California Public Employees’ Retirement System (CalPERS).

MCWD maintains a strongly positive net position. However, most of the District’s non-capital assets are restricted for certain specified purposes, as further discussed in the Reserves subsection, below.

Reserves

The MCWD board of directors has an adopted policy of maintaining reserve funds. The policy states:

“The District manages its reserves to (i) permit funding consistent with its annually updated five-year capital improvement program and five year rate study financial plan; and (ii) avoid significant rate fluctuations due to changes in cash flow requirements. The ability of the District to maintain reserve funds is a critical factor in providing reliable service, mitigating rate increases and ensuring overall financial strength.”

The District has established the following categorization of reserve funds:

- Restricted funds – comprised of proceeds from the sale of bonds, financial contributions from other public agencies, and monies collected from developers to pay for the new facilities necessary to deliver water and wastewater service to newly developed property
- Board-designated funds – comprised of the Rate Stabilization, Capital Replacement and Improvement, Emergency, Administrative & General, and Operating Reserve funds

The policy sets specific dollar-amount target levels for some of the board-designated funds. MCWD staff states that, in cases where the policies establish target levels, the levels are generally being met. The District monitors its operating reserve based on a maximum level of 50% of operating costs. At mid-year FY 2018-2019, the District’s operating reserve balance was 97% of maximum target level. Per the District’s FY 2018/2019 Mid-Year Report, the District has \$6.5 million in unrestricted operating reserves.

District Budget and Financial Planning

The District board of directors annually prepares and adopts an operating budget and updates its five-year Capital Improvement Program (CIP). A CIP is a short-range plan that identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan. The budget is a detailed annual operating plan that identifies estimated costs and revenues. The budget includes the projects, services, and activities to be carried out during the year, along with available revenues. Per the 1998 Facilities Agreement between FORA and MCWD, FORA must annually approve the Ord Community-related elements of the budget.

The adopted MCWD budget anticipates approximately \$40.1 million in revenues and expenses. The budget outlines over \$25 million in capital improvement projects. The budget also relies on a net transfer of approximately \$1.5 million from reserves to cover anticipated expenditures. Budget control is maintained through a quarterly comparison of actual expenditures with appropriations which is reviewed by the Board of Directors. The General Manager has the authority to transfer appropriations between activities, although Board approval is required for an overall increase in appropriations and changes in the CIP.

In addition to the CIP, development of the District’s annual budget is guided in part by:

- A five-year rate study and financial plan, adopted by the board in January 2018, which identifies resources needed for properly funding District operations and the CIP through fiscal year 2023, and
- A February 2018 cost allocation plan providing recommendations as to how MCWD overhead costs should be allocated among MCWD’s four primary cost centers (Central Marina water and sewer, Ord Community water and sewer)

The availability of revenues to fund the budget depends partly on water sales and wastewater service fees; as discussed in the **Revenues** subsection above, these two categories make up the bulk of the District’s operating revenues. Central Marina and Ord Community rates are calculated and accounted for separately, due to the systems’ differing needs and related expenditure needs. As described in the budget, “The District maintains separate cost centers to ensure that revenues and expenses are appropriately segregated and maintained for the Marina systems, the Ord Community systems, and the accruing costs for the Regional Urban Water Augmentation Project (RUWAP).”

User rates are established through rate studies which are completed every five years, most recently in 2018, as noted above. Based on the 2018 rate study, the District conducted a Proposition 218 ratepayer notification process and adopted rate increases in 2018 for both the Marina and Ord Community service areas for fiscal years 2019 through 2023.

MCWD strives to be cost-effective and reduce expenses for the District and ratepayers. Some ongoing examples provided by MCWD representatives include competitive bidding for capital projects and major purchases; asset management using Computerized maintenance management system software, preventive maintenance for fleet vehicles and pump stations, and obtainment of grants and low-interest loans for capital projects and groundwater sustainability studies. The District’s finances are professionally audited by a qualified accounting firm every two years, in accordance with State law and best practices.

FUTURE CHALLENGES AND OPPORTUNITIES

Alleviating Seawater Intrusion; Achieving Sustainable Groundwater Yield; Diversification of Water Sources: The longstanding problem of seawater intrusion into the Salinas valley groundwater basin, stemming from decades of basin overdraft by agricultural and domestic water users, poses an ongoing threat to MCWD's potable water supply. Working in conjunction with the SVBGSA, MCWRA, MIW, MPWMD, and Seaside Watermaster, the District is committed to implementing SGMA's statewide mandates to achieve sustainable groundwater yields within the Monterey Subbasin and the adjoining 180/400 Foot Aquifer Subbasin, while at the same time taking proactive measures to augment and diversify its water supply with sources other than groundwater. In addition to providing recycled water for MCWD users, the District's RUWAP recycled water transmission pipeline system will provide benefits beyond the District by also serving the MIW Pure Water Monterey Project. As an official Groundwater Sustainability Agency in the State of California, MCWD is committed to completion of a Groundwater Sustainability Plan by 2022 for the Monterey Subbasin and as separate plan by January 2020 for the 180/400-foot basin. In concert with these Groundwater Sustainability Plans, MCWD is currently analyzing various new water source projects to provide the necessary supplies to meet existing potable and recycled water allocations for the jurisdictions it serves. These new water sources include recycled water and stormwater (for percolation, injection, or direct use as allowed) and desal (ocean or brackish groundwater). MCWD has rights to all wastewater flows from MCWD to MIW, which can be returned to MCWD as advanced treated recycled water. MCWD is committed to using these rights for the purpose of providing the necessary water supplies to those jurisdictions it serves.

Cal-Am desalination plant: In a related matter, MCWD has serious concerns about the planned Cal-Am desalination plant (Monterey Peninsula Water Supply Project, or MPWSP). If constructed, this facility will provide augmented potable water to the Monterey Peninsula. The Cal-Am project includes a system of subsurface slant wells to take in a mix of seawater, brackish groundwater, and potable groundwater. The proponent's preferred site for the subsurface slant wells is the CEMEX property located north of the District boundary, within the City of Marina. The District's stated position is that the slant wells will further draw down groundwater levels and increase seawater intrusion in the critically overdrafted 180/400-Foot Aquifer Subbasin and the adjacent Monterey Subbasin, thus threatening MCWD's groundwater supply. The California Public Utilities Commission (CPUC) recently approved a Certificate of Public Convenience and Necessity for the project; however, the project must still obtain various permits and approvals before it is fully approved as a project for construction. MCWD has commenced California Supreme Court litigation challenging the CPUC's decisions under the California Constitution, the Public Utilities Code, and California Environmental Quality Act. The City of Marina has also commenced Supreme Court litigation challenging the CPUC's approval of this project. In addition, the District believes the project may be subject to additional challenges regarding water rights, compliance with the Sustainable Groundwater Management Act, and compliance with the Central Coast Regional Water Quality Control Board Basin Plan.

Cal-Am has applied to the City of Marina for a Coastal Development Permit for the MPWSP. On February 14, 2019, the City's Planning Commission made an initial determination to deny the CDP on the grounds the MPWSP is not consistent with the City's Local Coastal Program, directed staff to prepare findings denying the Cal-Am's application, and continued the hearing to March 7, 2019. On March 7, 2019, the Planning Commission adopted findings denying Cal-Am's CDP application based on its direction to City Staff at the February 14, 2014 meeting. Cal-Am can appeal the Planning Commission's decision to the City Council.

Expanding the MCWD voter base: Achieving MCWD voting rights for Ord Community residents has been a long-term objective that the District's current sphere amendment and annexation proposal is now addressing. Bringing the Ord Community into the District will provide full and equitable voting rights for all District residents. However, this welcomed change will also immediately nearly double the current number of in-district voters, as well as greatly expanding the geographical extent of the voter base. While the District embraces this shift and has had many years to plan for its implementation, the sheer scope of this change is significant, following many years of few jurisdictional boundary changes. The increased

number of voters will also make future District elections more expensive to conduct. It should be noted that the District has held Proposition 218 hearings to adopt new water and wastewater rates for the Marina and Ord Communities. This process required MCWD to contact all property owners served by the District (both inside and outside of its current boundaries) to inform them of public hearings and to obtain protest votes on proposed new rates. This was most recently done in March 2018 and included a similar, if not the exact same, customer base that is now proposed to be annexed into the District.

Aging infrastructure: Like many other public agencies, MCWD faces challenges related to aging and outdated infrastructure. Particularly in MCWD's situation, the Ord Community (former Army) public water and wastewater systems that the District received from FORA in 2001 have required substantial reinvestment and improvements. The District has determined that its existing total reservoir storage capacity of 11.2 million gallons is short of the projected build-out need of 19.7 million gallons. It was also determined that approximately half of the existing storage facilities, pipelines and pumping facilities need to be replaced because these facilities are reaching the end of their service life. This has been documented by a number of sources including master plans, condition assessments and evaluations.



DETERMINATIONS

MUNICIPAL SERVICE REVIEW DETERMINATIONS – per Government Code section 56430

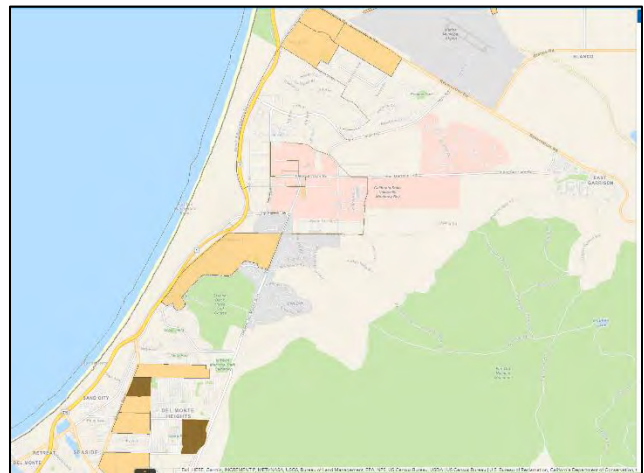
1. Growth and Population Projections for the Affected Area

The Marina Coast Water District’s existing sphere of influence includes most of the City of Marina’s sphere, excluding that portion of the city that was previously within Fort Ord and the CEMEX property. Future population growth in the District’s existing sphere is likely to be modest, with the potential exception of the Marina Station development. Substantial growth is anticipated within areas of the former Fort Ord that the District has served extraterritorially since the 1990s and is now proposing to annex.

Based on the District’s estimates and 2010 census data, MCWD has a current in-district population of approximately 18,000, and a total served population (including in the Ord Community, outside the District boundaries) of over 30,000. The Association of Monterey Bay Area Governments (AMBAG) does not prepare a specific population projections for special districts. However, projections for the City of Marina may provide a reasonable proxy for MCWD growth, particularly in light of the District’s current proposal to annex large portions of the developed and developing Ord Community parcels in Marina, Seaside, and the unincorporated county (primarily East Garrison). AMBAG projects that the overall City of Marina will grow from 20,500 in 2015 to 30,500 in 2040 (a 49% total growth rate in that period, compared to 16% for the County as a whole). As of 2016, the District’s own growth projections, which include Marina plus all of the Ord Community, anticipate an even higher overall rate of increase from 32,300 in 2015 to 70,200 in 2035.

2. The Location and Characteristics of Any Disadvantaged Unincorporated Communities (“DUCs”) Within or Contiguous to the Sphere of Influence

State law defines DUCs as unincorporated communities with an annual median household income that is less than 80 percent of the statewide annual median household income. Census block group data available through the California Department of Water Resources indicates that several areas within the District’s existing and proposed sphere are below 80% of the statewide median income. However, these areas – shown in beige and brown on the map at right – are within the jurisdictional boundaries of Marina or Seaside, i.e. they are not unincorporated. These are areas that are also already currently served by the District, whether or not they are located within District boundaries. There are no identified unserved or underserved DUCs within the District’s Sphere of Influence or contiguous to it.



3. Present and Planned Capacity of Public Facilities, Adequacy of Public Services, and Infrastructure Needs and Deficiencies (Including Needs or Deficiencies Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection in Any Disadvantaged Unincorporated Communities Within, or Contiguous to, the Sphere of Influence)

The District has established itself as a capable provider of water and wastewater services within its existing boundaries and within the former Fort Ord areas now proposed for annexation. The District has constructed, acquired and adequately maintains the water supply and wastewater infrastructure. Concerns regarding the adequacy of the regional water supply will continue throughout the greater

Monterey Peninsula area and the Salinas groundwater basin, and will continue to be a constraint on future development.

4. Financial Ability of Agency to Provide Services

The District has demonstrated a financial ability to provide services within its boundaries and the former Fort Ord. The District has historically maintained a positive balance of revenues over expenses. It budgets revenues and expenses annually and concurrently updates its capital improvements plan. Its financial status is reviewed annually by professionally prepared audits. This service review's Finance section outlines relevant financial information for the District, and demonstrates the District's financial solvency.

5. Status of, and Opportunities for, Shared Facilities

The District is a member of the joint powers authority Monterey One Water (MIW, formerly the MRWPCA). The eleven-member MIW operates the regional treatment plant, treating wastewater collected by the member agencies.

The District has discussed interconnections with water systems to the south operated by the City of Seaside and the California American Water Company (Cal Am). The District has also discussed cooperative agreements with the Seaside County Sanitation District.

6. Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

Registered voters within the District elect directors on an at-large basis. Elections are frequently contested and spirited. The District maintains an informative website and meets the requirements of State law for transparency, accountability and ethics as outlined in this review. Approval of this District's current proposal will bring District ratepayers in the former Fort Ord into MCWD's boundaries, giving them voting rights in District governance and increasing public awareness of District operations and activities.

7. Any Other Matter Related to Effective or Efficient Service Delivery, As Required by Commission Policy

LAFCO has reviewed its local policies and there are no other pertinent matters.

SPHERE OF INFLUENCE DETERMINATIONS – per Government Code section 56425(e)

Based on the recommended determinations in this section, and the information in this study, this study provides support for the recommended Sphere of Influence expansion for Marina Coast Water District.

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

MCWD's existing sphere and boundaries, largely mirroring those of the City of Marina, encompass a wide range of land uses, including open spaces and agricultural land. The primary agricultural area within the District's sphere is the overall area formerly known as Armstrong Ranch. A 320-acre portion of this site is already within the City of Marina and is planned for mixed-use development. The majority of the other Armstrong Ranch parcels, an approximately 1,200-acre area – similar in size to central Marina – were purchased by RAMCO Enterprises, L.P. in 2017. Since the purchase, much of that area has been converted from grazing lands to strawberries and other row crops. The RAMCO-owned parcels are within both MCWD's and the City's existing sphere. They are not proposed for annexation at the present time. In 2000, a successful ballot measure imposed a growth moratorium on the parcels now owned by RAMCO. The moratorium is set to expire in 2020.

MCWD's proposed sphere and annexation area contains no agricultural or open space lands. The proposal area consists of existing developed lands (with existing MCWD ratepayers) and other lands designated for, and largely already entitled for, various types of development.

2. The Present and Probable Need for Public Facilities and Services in the Area

MCWD's operations and activities meet the existing and proposed boundary expansion area's need for water and wastewater services. With an expanding population, particularly in the Ord Community, the need for these services will continue to incrementally expand. The District maintains and continues to invest in infrastructure to serve its existing and future customers.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

MCWD has consistently demonstrated capacity to provide water and wastewater services to customers in both its existing and proposed sphere. The District actively plans and budgets for system enhancements to ensure continuity of these services for current and future customers.

The Salinas valley groundwater basin has a long-term problem with seawater intrusion due to overdrafting of groundwater. The District currently relies 100% on groundwater for its public water supply. All of MCWD's water supply wells overlie the Monterey Subbasin of the Salinas basin, and will continue to pump from the Monterey Subbasin in the future. MCWD is taking active measures to diversify its water supply through conservation, recycled water, and desalination, thereby reducing reliance on groundwater pumping. The District has been designated by the State as an exclusive Groundwater Sustainability Agency (GSA) within portions of the Monterey Subbasin and the adjoining 180/400 Foot Aquifer Subbasin. The District, in coordination with the Salinas Valley Basin GSA, is the lead agency in preparing the Groundwater Sustainability Plan (GS Plan) for the Monterey Subbasin in compliance with the Sustainable Groundwater Management Act. The GS Plan will, among other requirements, identify the sustainable yield, the sustainability goal, and the sustainable groundwater management program for the Monterey Subbasin. The GS Plan is required to be adopted no later than January 31, 2022. [A1]

~~The District currently relies on groundwater for its public water supply. All of MCWD's water supply wells overlie the Salinas basin, and will continue to do so in the future. MCWD is taking active measures to diversify its water supply through conservation, recycled water, and desalination, thereby reducing reliance on groundwater pumping. The District is also committed to complying with recent statewide mandates to reduce groundwater pumping to long-term supportable levels under the Sustainable Groundwater Management Act.~~

MCWD has limited its current sphere of influence amendment and annexation proposal area to only include areas with existing water connections or approved development entitlements. This limited scope of the proposal area reduces the proposal's potential impacts on groundwater resources. However, groundwater overdrafting and seawater intrusion in the Salinas valley groundwater basin will remain a significant issue affecting the District's provision of a sustainable water to its served communities.

4. The Existence of Any Social or Economic Communities of Interest in the Area, if the Commission Determines That They Are Relevant to the Agency

There are no social or economic communities of interest in the area that have been determined to be relevant to the District.

APPENDICES

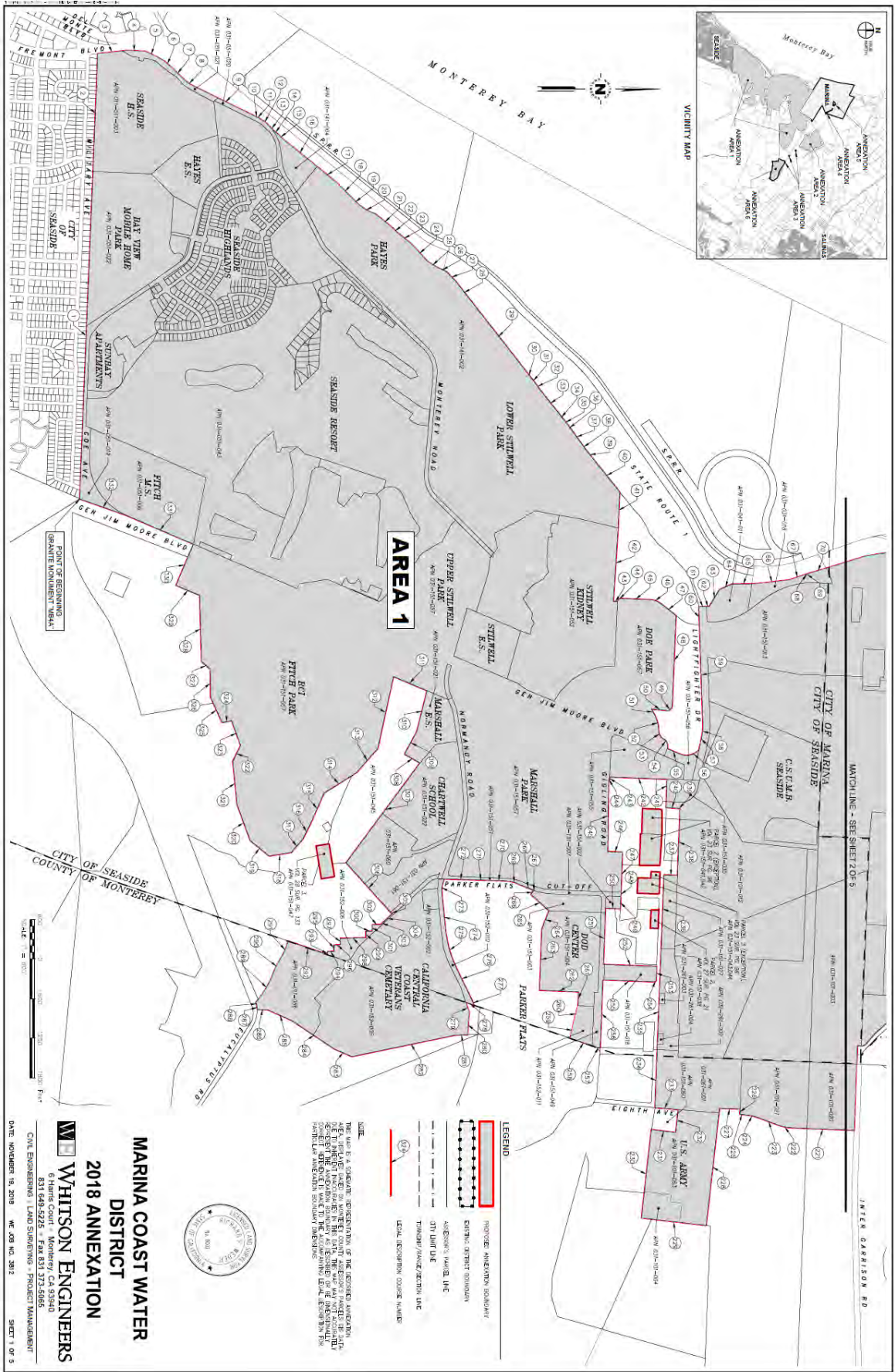
A) MCWD SPHERE AMENDMENT AND ANNEXATION PROPOSAL MAPS

In April 2018, MCWD submitted a sphere of influence amendment and annexation application for a large portion of the District's Ord Community current extraterritorial service area in Marina, Seaside, and the unincorporated county. The proposal area included parcels where district services are currently being provided, or are anticipated to be provided in connection with development projects in the foreseeable future.

In March 2018, before the application had been formally submitted to LAFCO, LandWatch Monterey County and Keep Fort Ord Wild each filed lawsuits against MCWD, as the lead agency for this proposal under the California Environmental Quality Act. The suits primarily asserted that the proposed annexation would cause significant and unmitigated environmental impacts by facilitating increased groundwater pumping from the Salinas valley groundwater basin.

In September 2018, MCWD, LandWatch, and Keep Fort Ord Wild entered into a settlement agreement resolving both lawsuits. As part of the agreement, MCWD agreed to remove 27 parcels, or portions of parcels, from its sphere/annexation proposal. The removed parcels generally either contain infrastructure but are not anticipated for development, or are anticipated for development to occur in a longer timeframe and have no existing entitlements – for example, in the Seaside Campus Town Specific Plan area, and certain parcels in the UC MBEST center. Parcels in the latter category will be proposed for annexation to MCWD at a later date, in conjunction with a specific development project.

Areas included in the current MCWD proposal are shown on the following pages.



MARINA COAST WATER DISTRICT
2018 ANNEXATION

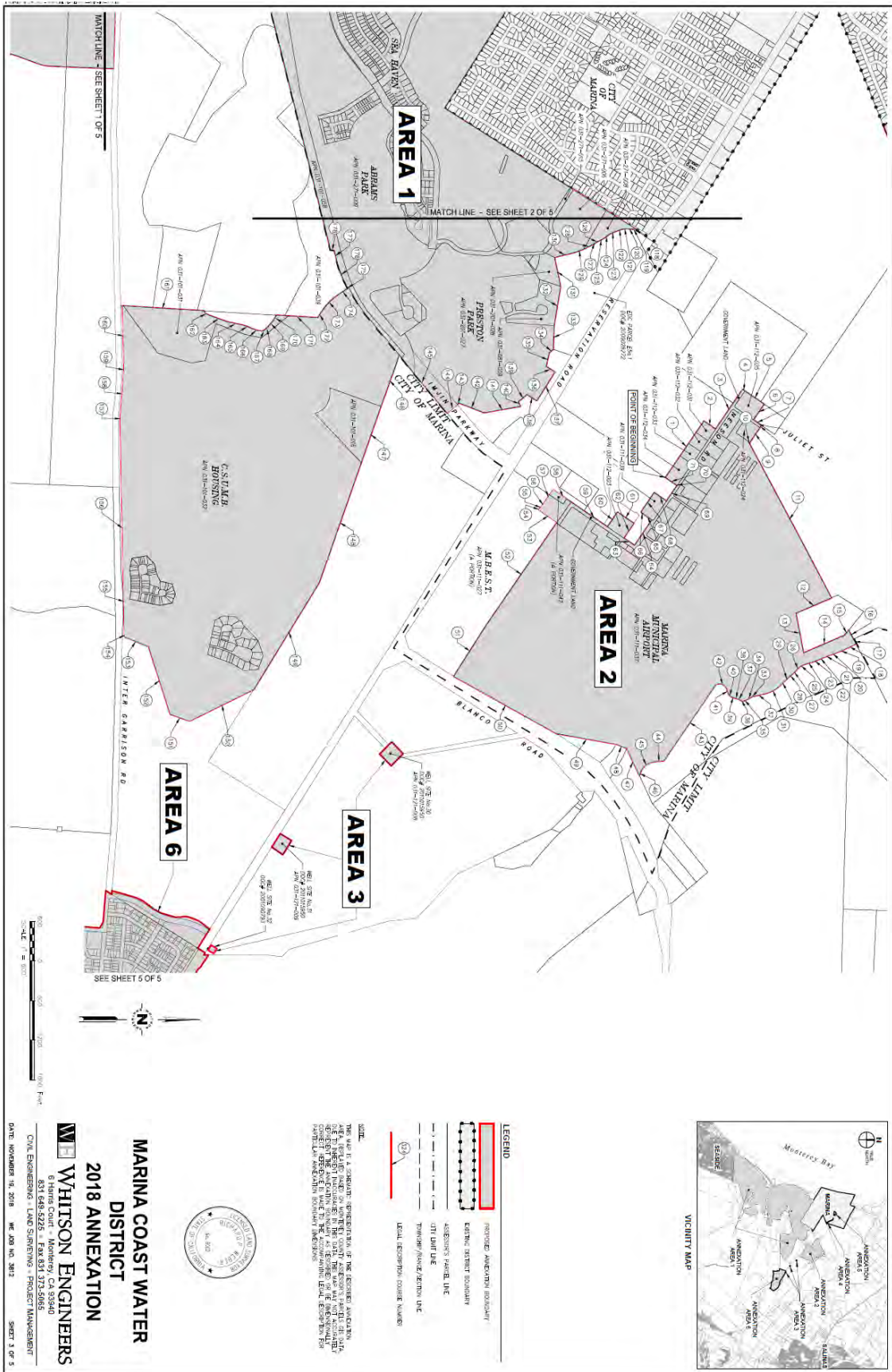
WHITSON ENGINEERS
 6 FUTURE COURT, MONTEREY, CA 93940
 CIVIL ENGINEERING, LAND SURVEYING, PROJECT MANAGEMENT

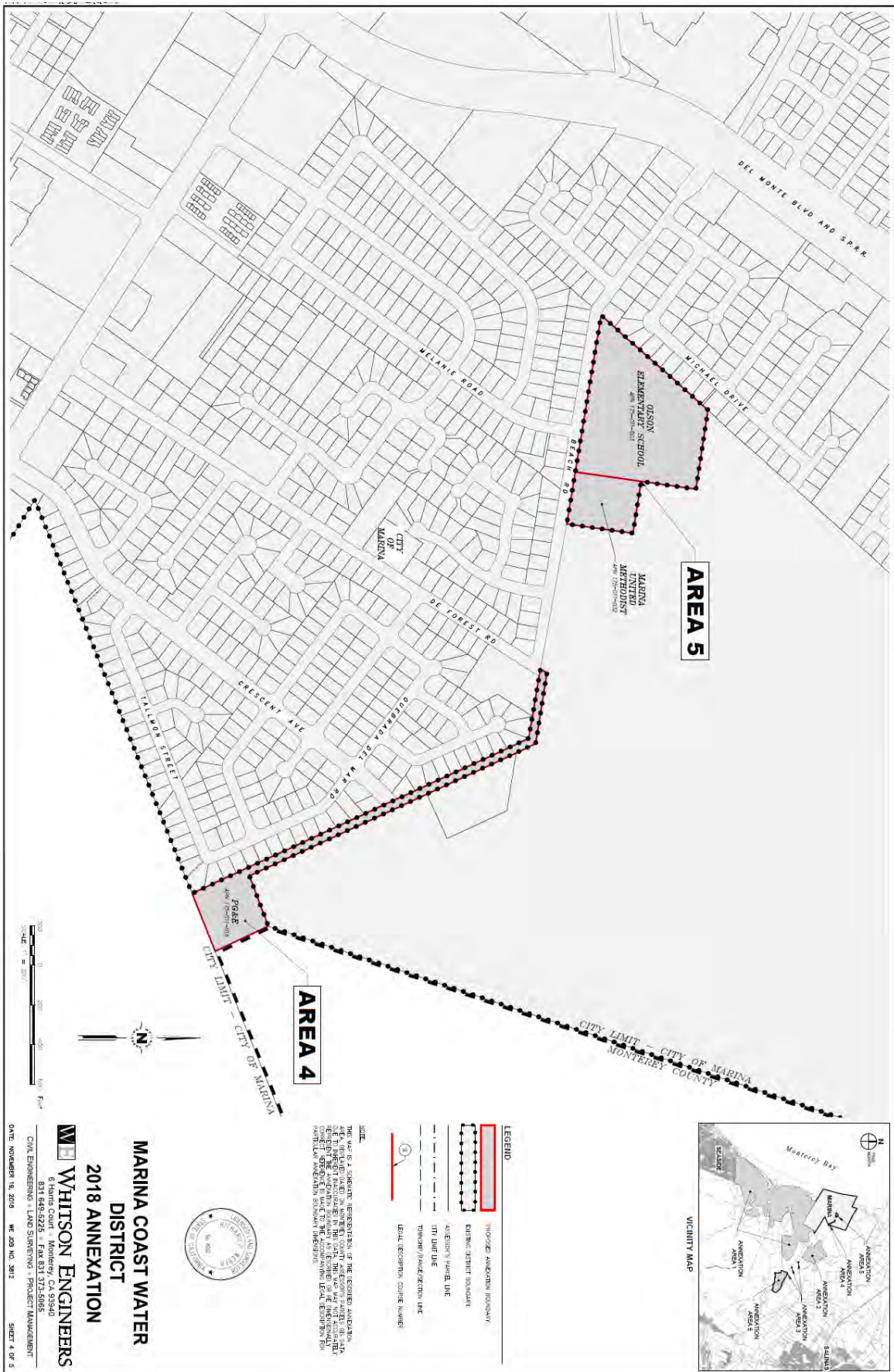
DATE: NOVEMBER 19, 2018 WE JOB NO. 3812 SHEET 1 OF 5

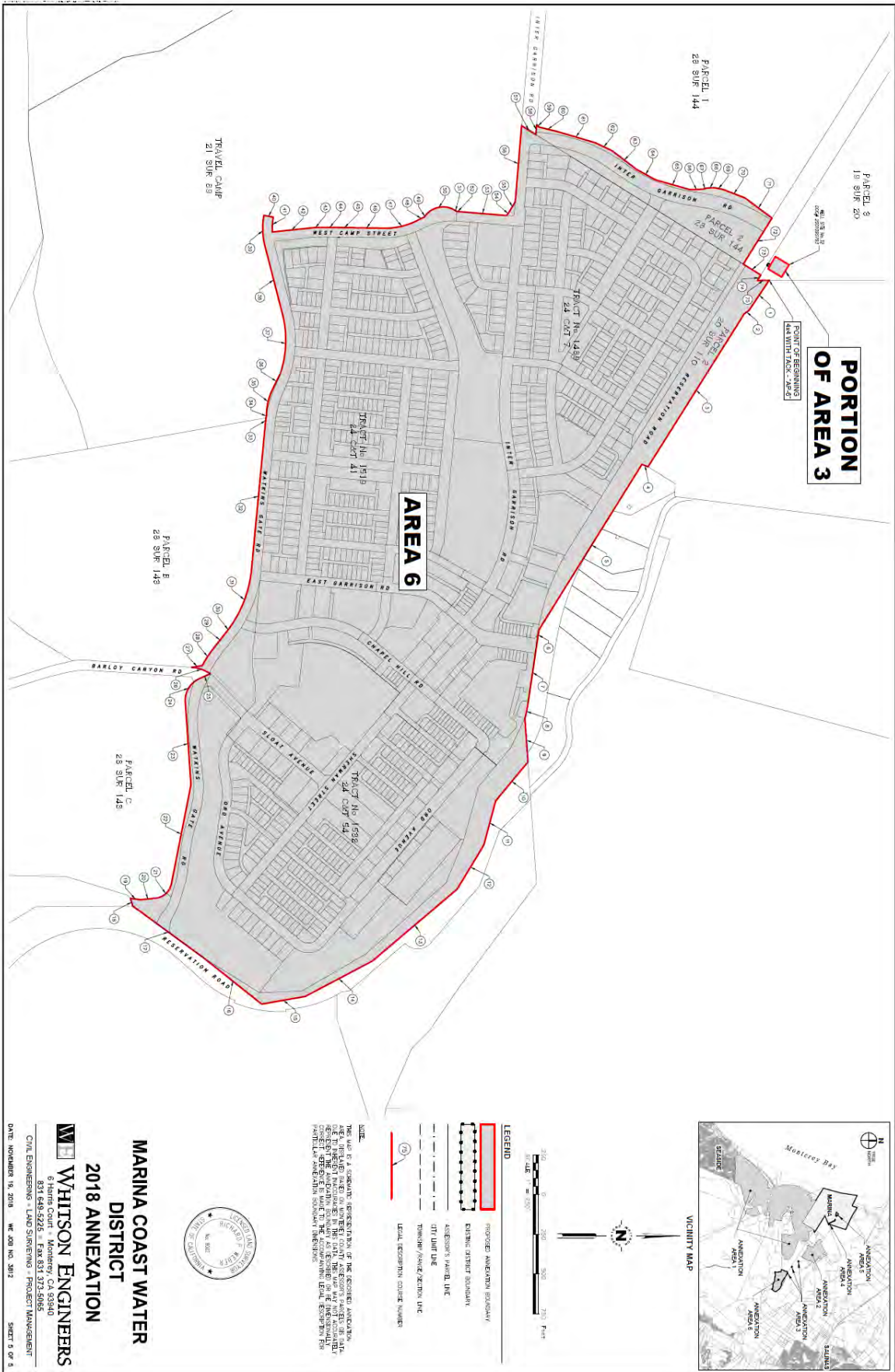
LEGEND

- Proposed Annexation Boundary
- Existing Street Boundary
- Assessor's Parcel ID's
- 311 Line
- Tinshaw/Map/Section Line
- Legal Description Corner Marker

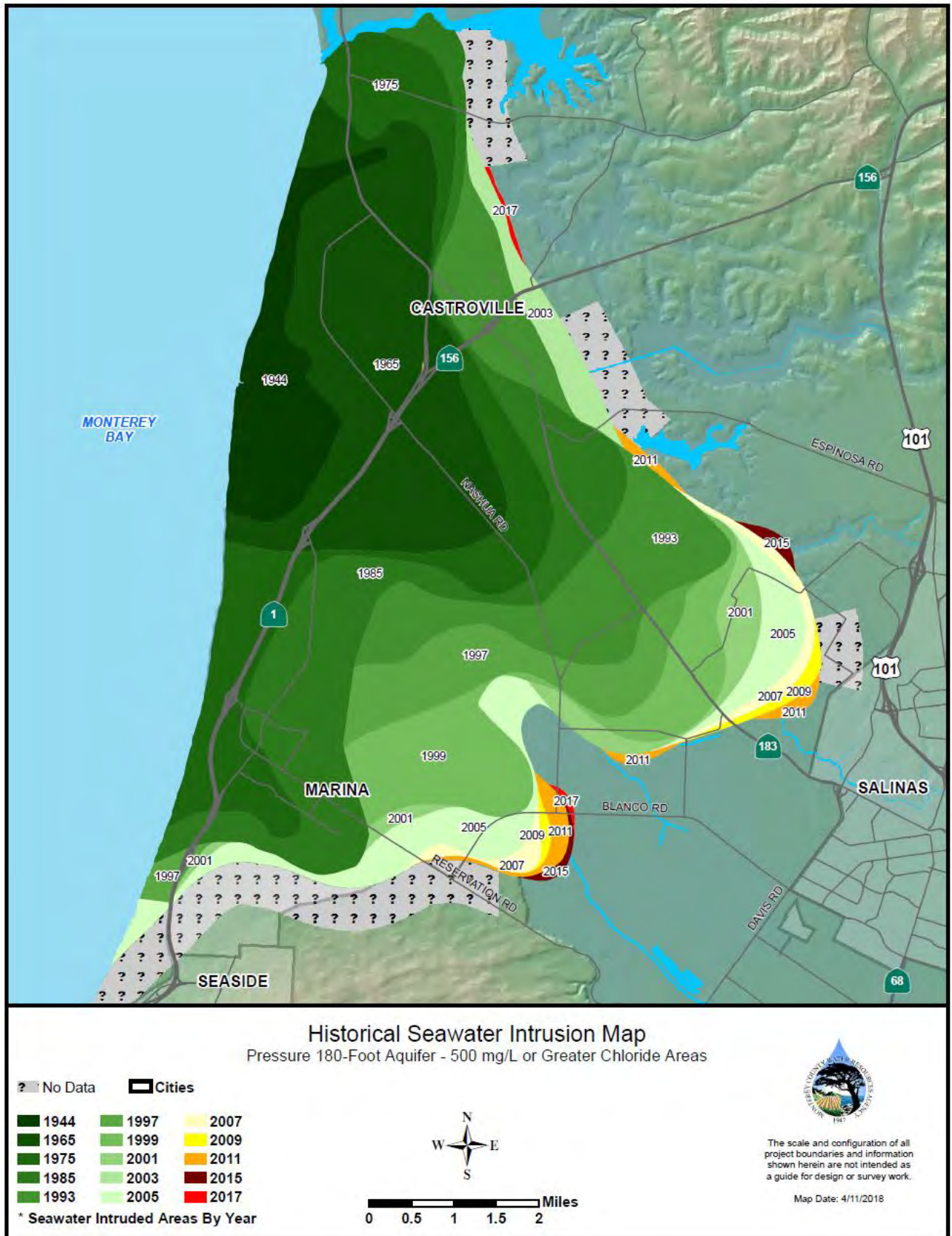
NOTE:
 THIS MAP IS A LEGAL INSTRUMENT OF THE DISTRICT AND SHALL BE FILED IN THE PUBLIC RECORDS OF MONTEREY COUNTY. THE DISTRICT'S LIABILITY IS LIMITED TO THE INFORMATION PROVIDED HEREON. THE DISTRICT DOES NOT WARRANT THE ACCURACY OF THE INFORMATION PROVIDED HEREON. THE DISTRICT SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING CONSEQUENTIAL DAMAGES, ARISING OUT OF OR FROM THE USE OF THIS MAP. THE DISTRICT SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING CONSEQUENTIAL DAMAGES, ARISING OUT OF OR FROM THE USE OF THIS MAP.

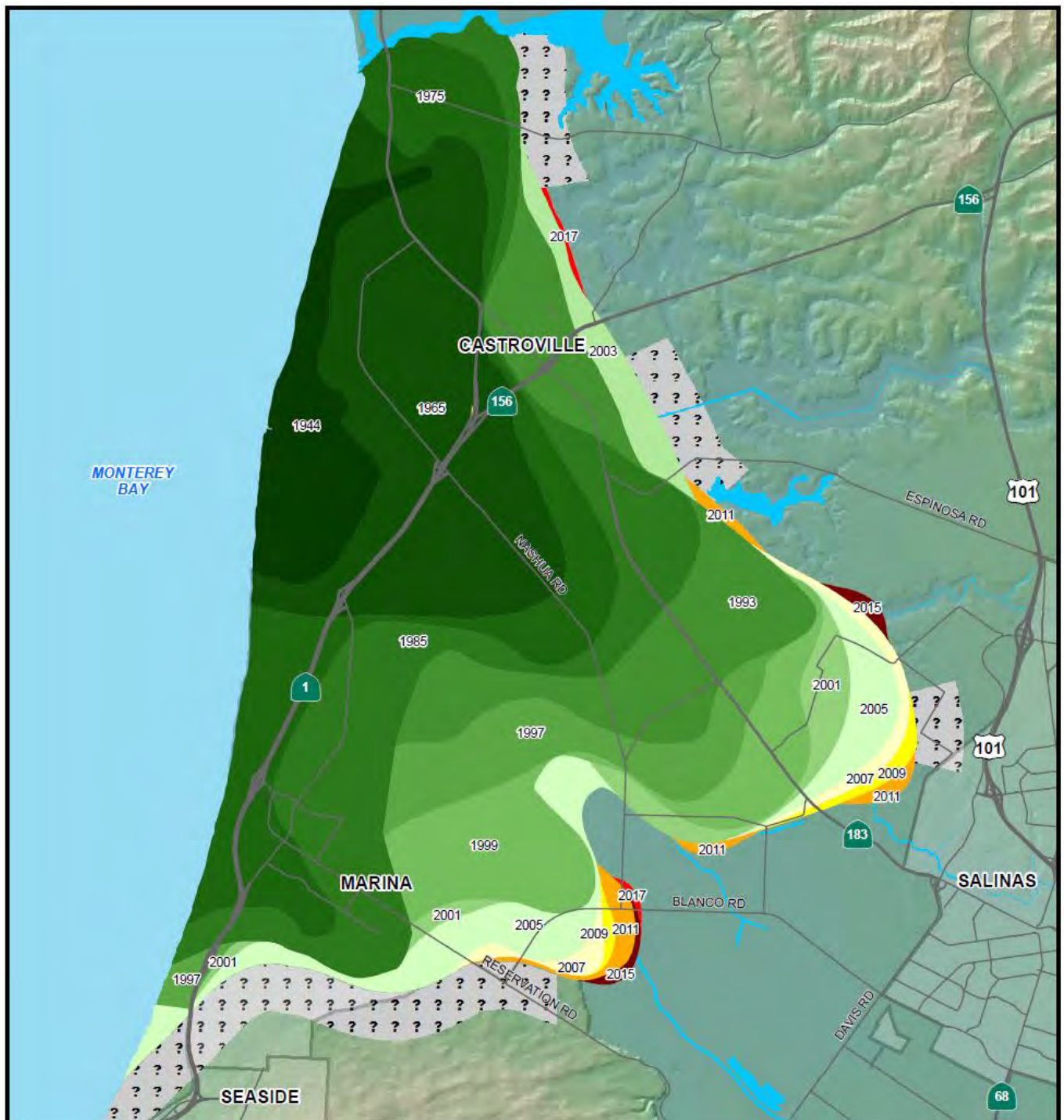






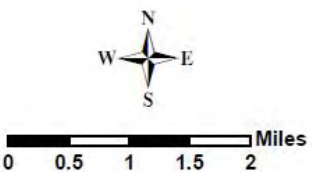
B) SALINAS VALLEY GROUNDWATER BASIN HISTORIC SEAWATER INTRUSION MAPS (MCWRA, 2018)





Historical Seawater Intrusion Map
 Pressure 180-Foot Aquifer - 500 mg/L or Greater Chloride Areas

- | | | |
|---------|--------|------|
| No Data | Cities | |
| 1944 | 1997 | 2007 |
| 1965 | 1999 | 2009 |
| 1975 | 2001 | 2011 |
| 1985 | 2003 | 2015 |
| 1993 | 2005 | 2017 |
- * Seawater Intruded Areas By Year




The scale and configuration of all project boundaries and information shown herein are not intended as a guide for design or survey work.

Map Date: 4/11/2018

C) MCWD STATEMENTS OF NET POSITION AS OF JUNE 30, 2017 AND 2016

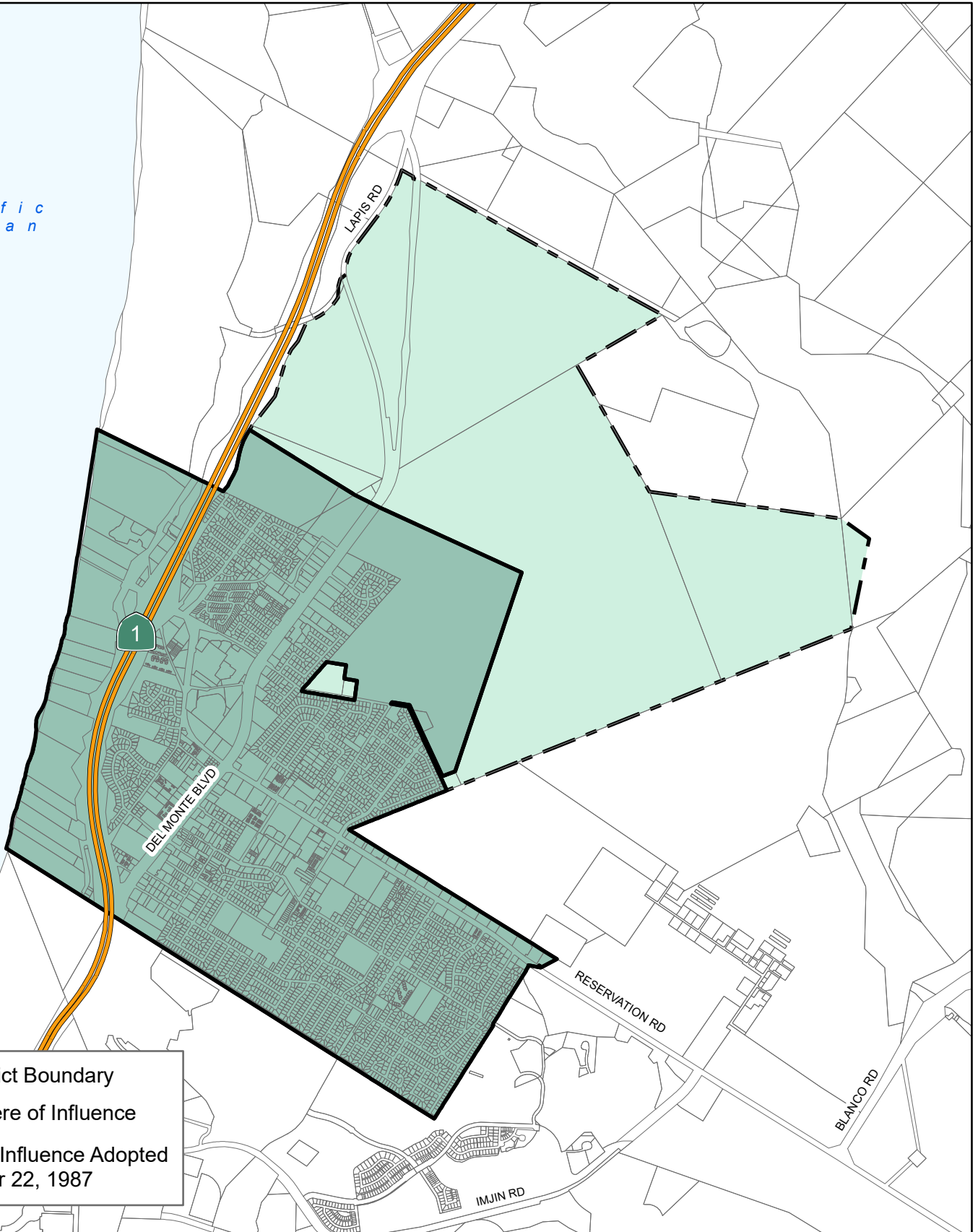
**MARINA COAST WATER DISTRICT
Statements of Net Position
June 30, 2017 and 2016**



	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash and investments	\$ 5,441,967	\$ 3,041,635
Accounts receivable, net	1,935,454	1,308,453
Interest receivable	17,324	10,168
Other receivable	405,055	553,850
Inventories	137,284	109,000
Deposits	3,612	3,612
Prepaid items	82,446	54,938
Total current assets	<u>8,023,142</u>	<u>5,081,656</u>
Noncurrent assets:		
Restricted cash and investments	12,381,748	13,371,324
Capital assets, net	178,427,499	175,903,182
Total noncurrent assets	<u>190,809,247</u>	<u>189,274,506</u>
TOTAL ASSETS	<u>198,832,389</u>	<u>194,356,162</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	606,888	591,435
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>606,888</u>	<u>591,435</u>
LIABILITIES		
Current liabilities:		
Accounts payable	787,245	1,686,910
Accrued expenses	95,064	338,825
Interest payable	195,434	129,104
Line of credit	-	654,400
Customer deposits payable	1,159,499	1,720,077
Current portion of long-term debt	1,861,722	1,714,393
Other current liabilities	9,198	10,529
Total current liabilities	<u>4,108,162</u>	<u>6,254,238</u>
Noncurrent liabilities:		
Long-term debt	36,441,094	38,349,077
Net OPEB obligation	1,044,423	883,924
Aggregate net pension liability	2,424,531	1,635,836
Other noncurrent liability	3,000,000	3,000,000
Total noncurrent liabilities	<u>42,910,048</u>	<u>43,868,837</u>
TOTAL LIABILITIES	<u>47,018,210</u>	<u>50,123,075</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	480,668	1,057,371
Deferred gains on refunding debt	699,521	734,497
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,180,189</u>	<u>1,791,868</u>
NET POSITION		
Net investment in capital assets	139,827,693	135,455,049
Restricted for debt service	850,404	849,786
Unrestricted	10,562,781	6,727,819
TOTAL NET POSITION	<u>\$ 151,240,878</u>	<u>\$ 143,032,654</u>

D) INFORMATION SOURCES AND ACKNOWLEDGEMENTS

Information that LAFCO received from MCWD district representatives was of key importance in developing this study. District staff and consultants met with LAFCO staff and provided copies of audits, financial statements, budgets, policies and procedures, agendas, and fee schedules. LAFCO's earlier Municipal Service Review and Sphere of Influence Study provided additional background information about the district. LAFCO staff also referred to the Association of Monterey Bay Area Governments (AMBAG) 2018 Regional Growth Forecast, published in June 2018.

Pacific
Ocean



-  District Boundary
-  Sphere of Influence

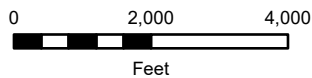
Sphere of Influence Adopted
September 22, 1987

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

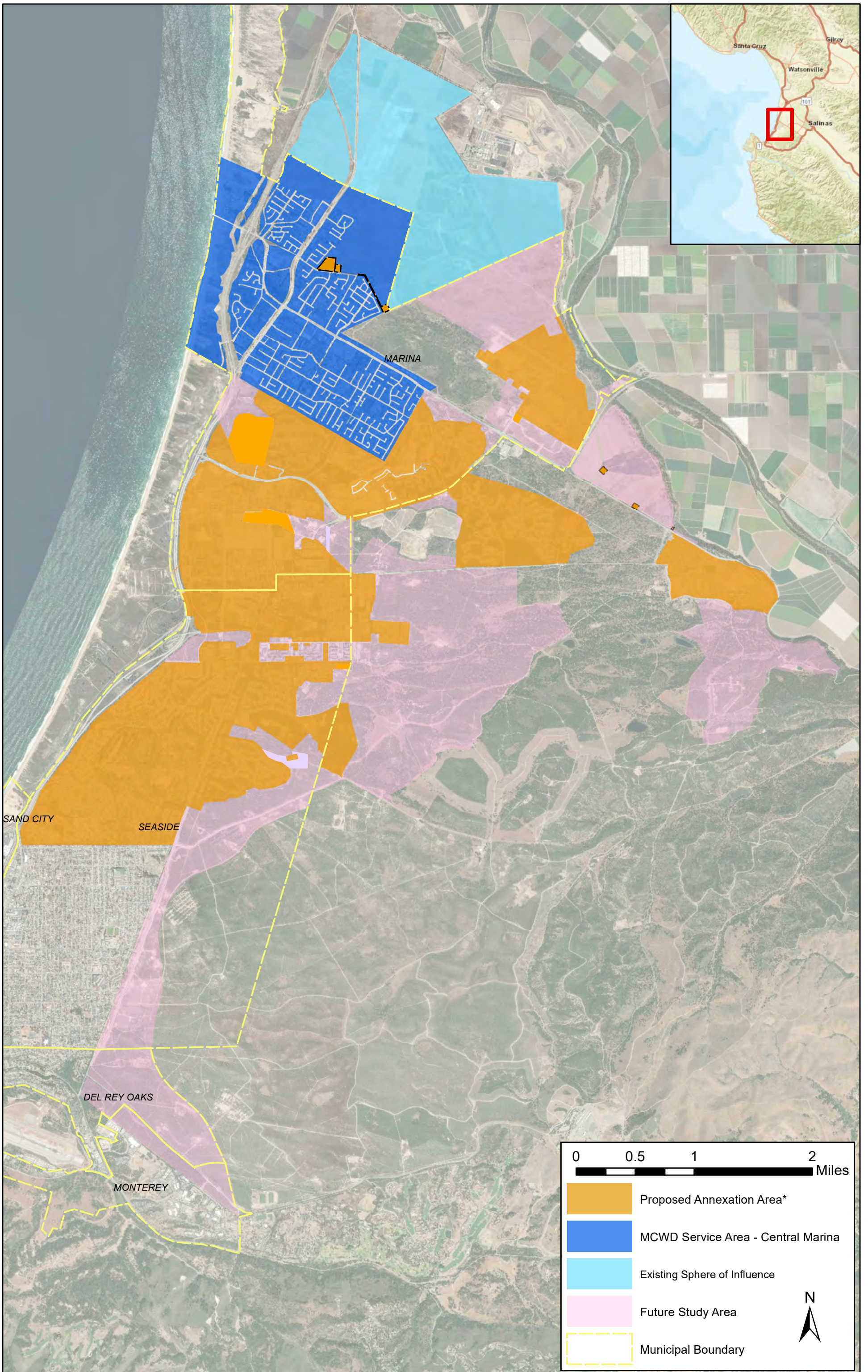
132 W. Gabilan St., Suite 102
Salinas, CA 93901
FAX (831) 754-5831



COUNTY WATER DISTRICTS

**MARINA COAST
WATER DISTRICT**

(Last LAFCO- Approved change: 9/22/08)
(Map Produced 9/6/12)



Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-B

Meeting Date: March 18, 2019

Prepared By: Derek Cray

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2019-17 to Approve the 2019 Maintenance Management Plan

Staff Recommendation: The Board of Directors approve the 2019 Maintenance Management Plan.

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 Marina Coast Water District (District) operates the water, wastewater and recycled water for Central Marina and the Ord Communities. The Operations and Maintenance department for the District maintains all the Districts assets as it relates to water, sewer, and recycled water. Having a maintenance management plan helps to identify key assets to be maintained, as well as the equipment and staffing levels required to adequately maintain the assets.

Discussion/Analysis: The District is actively trying to incorporate all existing assets into the District's GIS and Computer Maintenance Management System. This will allow staff to more accurately track assets and be able to setup a preventative maintenance management plan against them. Preventative maintenance is key in reducing and preventing critical failures and prolonging the life of an asset to its full useful lifespan. This plan helps set forth the equipment and staffing levels required in order to properly maintain the District's assets.

This plan should be reviewed and updated annually since the District's assets are constantly changing and an increasing amount is being added on an ongoing basis. By having a working document, it can set forth staffing and equipment needs necessary to ensure the District's assets are properly maintained, which will assist in accurately budgeting for the Operations and Maintenance Department for future years.

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: None

Other Considerations: None

Material Included for Information/Consideration: Resolution No. 2019-17; and, a copy of the 2019 Maintenance Management Plan.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____

Abstained _____

Noes _____

Absent _____

March 18, 2019

Resolution No. 2019 - 17
Resolution of the Board of Directors
Marina Coast Water District
Approving the 2019 Maintenance Management Plan

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 18, 2019 at 211 Hillcrest Avenue, Marina, California.

WHEREAS, the District’s Operations and Maintenance Department actively maintains all of the District’s assets in regards to its water, wastewater and recycled water infrastructure; and,

WHEREAS, the District’s assets are being updated into the District’s GIS and Computer Maintenance Management System (CMMS) on an ongoing basis; and,

WHEREAS, having the District’s assets attributed in the GIS allows the District to utilize its CMMS to actively track repairs, predict failures, and setup preventative maintenance programs against them; and,

WHEREAS, having a maintenance management plan in place will help assist the District in determining the needs for equipment and staffing to adequately maintain the District’s assets; and,

WHEREAS, the 2019 Maintenance Management plan should be a working document and reviewed and updated annually to allow for better management of funds and resources to maintain the District’s assets.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Marina Coast Water District does hereby approve Resolution No. 2019-17 to adopt the 2019 Maintenance Management Plan.

PASSED AND ADOPTED on March 18, 2019 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. 2019-17 adopted March 18, 2019.

Keith Van Der Maaten, Secretary



MARINA COAST WATER DISTRICT MAINTENANCE MANAGEMENT PLAN 2019





Marina Coast Water District
Maintenance Management Plan

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Section 1. Background

Marina Coast Water District (MCWD or District) is a public, Special District located in Marina, California. It was formed in 1960 under the name Marina County Water District and in 1994 switched to its current name, Marina Coast Water District to avoid confusion with the county government. MCWD operates both water and wastewater for the Central Marina and Ord communities. In 1997, MCWD contracted with the United States Army to operate its water and wastewater systems. The systems were officially transferred over to MCWD in 2001 and the Central Marina and Ord Community water systems were interconnected to serve as one system in 2005. Beginning in 2018, construction began on a joint project with MCWD and Monterey One Water to build the Regional Urban Water Augmentation Project (RUWAP) pipeline and Blackhorse Storage Reservoir. This project will serve MCWD customers with advanced purified water, filtered from the Monterey One Treatment facility for recycle water use. The RUWAP pipeline will also serve as a transmission source for aquifer recharge through the Monterey Peninsula Management District's injection wells.

Section 2. System Overview

Water System

MCWD operates and maintains 162 miles of pipe ranging in size from 2"- 48". Distribution pipeline material is comprised of: PVC plastic, steel, ductile iron and asbestos cement. The system is comprised of 8 potable production wells ranging in pumping rates of 1,400 gallons per minute (GPM) to 2,400 GPM, 8 storage tank sites ranging in capacity of .17 million gallons (MG) to 2.0 MG and 6 pumping stations to move water to each of these storage tanks. MCWD has 5 pressure zones within its service area from A zone, which is the lowest in elevation, to E zone which sits at the highest point in the Ord Community. Pressure is maintained throughout the zones by utilizing 18 pressure reducing valves to maintain an average system pressure within MCWD distribution system of 60 pounds per square inch (PSI). There are also 5 interties throughout the system that allow water to move between Central Marina and Ord based on demand. These interties help give the system more capacity and redundancy.

Sewer System

MCWD operates and maintains approximately 143.6 miles of sewer gravity mains ranging in size from 4" to 72" and approximately 6.4 mile of force mains ranging in size from 4" to 42". The sewer system pipeline is comprised of: PVC plastic, steel, ductile iron, asbestos cement and vitrified clay pipe. MCWD has 20 sewer lift stations that move wastewater from lower to higher elevations. Peak flows from the sewer lift stations range from .02 million gallons per day (MGD) to 2.20 MGD.

Recycle Water System

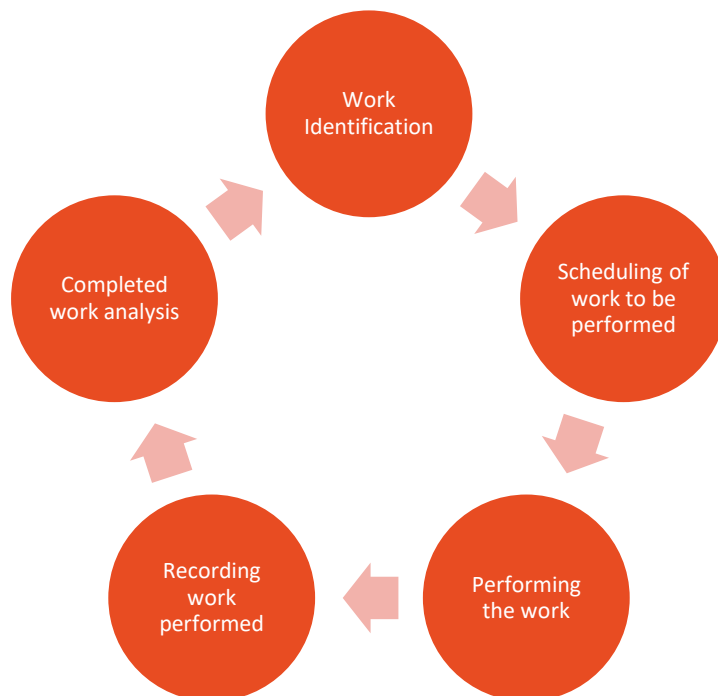
The District owns and operates an existing non-potable, recycle water system comprised of approximately 13.4 miles of pressurized pipe, ranging in size from 4"-30". The material is comprised of mostly PVC plastic. In 2018, approximately 7.6 miles of 24" ductile iron recycle transmission main was installed as part of a joint effort between Monterey One Water and Marina Coast Water District. This pipeline connects the Monterey One Advanced Wastewater Treatment Plant to the Blackhorse Reservoir, and will serve recycled water for the District's customers soon. This pipeline will also be used for ground water recharge through indirect potable reuse for Cal Am and the Monterey Peninsula Management District. Currently, the District is in design for the recycle water distribution lines which will connect with the District's recycle water transmission line to provide high quality recycle water to its customers soon.

Section 3. Maintenance Management System

A maintenance management system is critical in keeping the District's assets maintained which will allow them to reach their useful life. A critical part in maintaining assets is having a system in place to be able to manage them. The District maintains its assets through a computer maintenance management system (CMMS). This program allows users to schedule work and see work history that was performed on the asset in the past.

Work flow of a maintenance management systems is a cyclical process comprised of five main components. Figure 1 below represents the five main components within the work flow of a maintenance management system.

Figure 1



Work identification: Work identification can be realized either preventatively or through a reactive based nature. Ideally, the District should have a goal of higher work identification through preventative means instead of when issues arise (reactive). Preventative maintenance is also key in reducing premature failure on the District's assets, thus reducing the number of hours of reactive work.

Scheduling of work to be performed: The District schedules work two ways: either through its Computer Maintenance Management Program (CMMS) first which will then schedule a work order (WO) to an assigned staff member, or the work is completed and then entered into the CMMS after completion. Ideally, work should be entered into the CMMS system prior to start so that the supervisor can efficiently schedule the Operations staff to allow for maximum efficiency of staff time. However, there are often critical breaks without any notice, which requires staff to attend to those issues immediately thus bypassing the CMMS scheduling preferred business model.

Performing of work: District staff perform a wide variety of work to maintain the water, wastewater and recycle water systems. Work is performed out in the field utilizing labor, equipment and materials.

Recording work performed: Recording work performed by District staff is critical in being able to analyze the performance of the asset and to be able to better predict possible future failures the asset may have. Recording of work through the District's CMMS also allows staff to be able to track labor, equipment, and material costs for the purposes of billing. The CMMS program also has the capability of a "storeroom" function to allow for inventory management, however this function still needs to be implemented.

Completed work analysis:

Completed work analysis allows the District to evaluate the assets, determine the costs to maintain them appropriately, and assess the condition of the asset to determine potential critical failures or when the asset has reached its end of useful life.

Section 4. MCWD Computer Maintenance Management System (CMMS)

The District utilizes Cityworks for its CMMS program. Cityworks went through a major upgrade and overhaul in mid-year of 2018. It was upgraded from version 2013 to Server 15.2.6. The update brought in new user graphical user interface (GUI), better integration of the District's GIS, mobile access and the ability to track inventory through the Storeroom function. This upgrade also now allows Operators to perform inspections on District facilities and create preventative maintenance work orders on District assets. Two future integrations planned to help assist the District in giving conditioning scores and better retention of records include: integration of closed-circuit television through the District's POSM software for sewer line inspections and water valve turning through the District's iWater software. Currently, the District utilizes the different software independently of Cityworks and integrating the two together would eliminate the need to replicate the data into Cityworks and would allow the District to perform condition assessment of the sewer lines and water valves through Cityworks.

Water Linear Assets- Mains and Hydrant Lines

The following Table 1 represents all the data within the District’s GIS system regarding water mains. Included under the water main footage is hydrant lines. This is because the District owns most of these lines comprised of 6” piping all the way to the fire hydrant. Due to a lack of Army records, nearly 81 percent of the District’s water system pipe material is unknown. Although, through operational history of fixing water leaks, and installing valves and mains, it is with a fair amount of certainty that most of the unknown water mains are comprised of asbestos cement pipe material.

Table 1

<i>Pipe Material</i>	<i>Pipe Diameter</i>	<i>Length in Feet</i>	<i>Length in Miles</i>
Unknown		feet	miles
	0.75	1067	0.20
	1	3,327	0.63
	1.25	1881	0.35
	2	36,825	6.97
	2.5	3,368	0.63
	3	16,931	3.20
	4	35,647	6.75
	6	251,492	47.63
	8	281,172	53.25
	10	40,971	7.75
	12	120,138	22.75
	14	4256	0.80
	16	42,735	8.09
	18	29,340	5.55
	20	8,426	1.59
	24	30,634	5.80
	27	8,405	1.59
	unknown	2,875	0.54
	Total	919,491	174.14
Asbestos Cement			
	6	70	0.01
	8	12435	2.35
	10	1112	0.21
	12	3616	0.68
	14	240	0.04
	16	20	0.00
	total	17493	3.31
C-900			
	1	379	0.07
	1.5	664	0.12
	2	13,155	2.49
2.5	4,465	0.84	

	4	690	0.13
	6	23,773	4.50
	8	56,967	10.78
	10	13,684	2.59
	12	17,352	3.28
	16	3,571	0.67
	18	278	0.05
	20	8,207	1.55
	24	5,597	1.05
	30	1,679	0.31
	total	150,461	28.49
Ductile iron	4	86	0.01
	8	2,043	0.38
	10	104	0.01
	12	257	0.04
	30	131	0.02
	unknown	422	0.07
	total	3,043	0.57
	steel	unknown	50,115
total		50,115	9.49
Grand Total		1,140,603	216.02

Water Main Isolation Valves

The following Table 2 represents the number of water main isolation valves within the District and is classified by size of pipe. There are 2,631 valves within the District which do not have an attributed size to them.

Table 2

<i>Pipe Diameter</i>	Number of Valves
1.5	3
2	23
2.5	7
3	12
4	49
6	709
8	433
10	20
12	143
14	1
15	1
16	13
18	6
20	6
24	6
unknown	2,631
Grand Total	4,063

Sewer Linear Assets- Mains

The following Tables, 3 and 4, represent all the data within the District’s GIS system regarding sewer gravity mains and sewer force mains respectively. Due to a lack of pipe material in the District’s GIS system nearly all sewer system pipe material is undocumented.

SEWER GRAVITY MAINS

Table 3

<i>Pipe Material</i>	Pipe Diameter	Length in Feet	Length in Miles
unknown	4	21,503	4.07
	6	278,147	52.68
	8	333,074	63.08
	10	42,988	8.14
	12	29,724	5.63
	14	669	0.13
	15	34,100	6.46
	18	13,899	2.63
	21	1,415	0.27
	24	3,375	0.64
	27	4,379	0.83
	30	4,326	0.82
	54	1,190	0.23
	72	486	0.09
	unknown	28,733	5.44
total	798,007	151.14	
PVC	unknown	16,620	3.15
	total	16,620	3.15
grand total	814,627	154.29	

SEWER FORCE MAINS

Table 4

<i>Pipe Material</i>	Pipe Diameter	Length in Feet	Length in Miles
Unknown	4	4,706	0.89
	6	3,914	0.74
	8	5,069	0.96
	10	19,763	3.74
	12	420	0.08
	15	349	0.07
	18	1,459	0.28

27	40	0.01
42	849	0.16
unknown	7,884	1.49
total	44,453	8.42

Section 7. Lifespan and when to Repair, Replace, or Rehabilitate Water and Sewer Mains?

The lifespan of water and sewer mains are between 50-100 years depending on the material. Corrosion can often shorten the designed full lifespan drastically. Corrosion can be from either external or internal factors. External factors include soil conditions. The more corrosive a soil is the quicker certain materials of pipe will corrode. The water quality can cause pipes to deteriorate from the inside. For water mains, soft water tends to be more corrosive as found in surface water. The District’s water is solely reliant on groundwater which is moderately hard and scale forming. With regards to sewer, the presence of hydrogen sulfide can cause a rapid increase in corrosion on the inside of sewer pipes. The following Table 5 is typical life expectancy for the District’s most commonly used pipe.

Table 5

Pipe Material	Life Expectancy
Asbestos Cement (AC)	70 Years
Polyvinyl Chloride (PVC)	100 Years
Ductile Iron	70 Years
Clay	50 Years

The decision to renovate water mains by either replacing, repairing, or rehabilitating primarily depends on three different reasons:

1. Water Quality Issues- As water mains deteriorate, they can cause water quality issues. These water quality issues can either be harmful to consumers by harboring harmful bacteria, or they may just affect the aesthetics of the water such as taste, color and odor.
2. Decrease capacity- As water mains corrode and tuberculate, it can decrease the interior diameter and smoothness of the pipe, thus reducing the original capacity of the main. Also, as development increases in an area, it may be necessary to increase pipe size in order to meet demand and fire flows.
3. Pipeline failures- Pipeline failures can be costly to the District. Two main occurrences of cost from a pipeline failure are:
 - a. Actual cost to repair the pipeline- Labor, material and time used to repair the main, and;
 - b. District liability- potential claims against the District for property damage caused water leaks.

The decision to renovate sewer mains by either replacing, repairing or rehabilitating, primarily depends on two different reasons:

1. A need for increase capacity- Since sewer mains can be cleaned, they do not decrease in interior diameter such as water mains. However, the increase in development may require an increase in pipe size to be able to handle peak flows.
2. Pipe failures- Pipeline failures can cause property damage and environmental damage. Cost from sanitary sewer failures, resulting in overflows can result in cost to the district by:
 - a. Actual cost to repair the pipeline- labor, material and time used to repair the main, and;
 - b. District liability- potential claims against the District for property damage caused sewer overflow.
 - c. Fines- The State can levy heavy fines dependent on the amount and location of the sewer overflow. All overflows are required to be reported to the Waterboards and are entered into a database.

Section 8. Preventative Maintenance on Linear Assets

The following tables represent the required type of preventative maintenance, number of staff required, and total annual hours required to maintain the District’s linear assets.

Water Main Preventative Maintenance

Water Main Valve Exercising- Exercising water valves is a preventative maintenance program that is crucial to allow staff to isolate sections of main either for routine purposes or during an emergency such as a water main break. This program can prevent costly claims against the District when emergency water leaks are unable to shut down quickly due to broken or leaking valves. Water main valve exercising will lead to additional staff work in replacing valves that are broken. The District currently owns a valve exercising truck. This truck is equipped with software that has the ability to import data into a CMMS program to allow for tracking of work history done against the valve and valve attributes.

Number or Staff Required	Total Work Hours per year Needed
1	2,080

Directional Flushing- Directional flushing is used to improve water quality within the Distribution system. A program should be implemented to address the entire distribution system. This program requires mainline valves to be isolated in order to move water to create enough velocity to scrub the interior walls of the pipe.

Number or Staff Required	Total Work Hours per year Needed
4	480

Dead End Flushing- Water mains that are not in a grid or loop system that have dead ends can cause water quality issues from stagnant water. Operators utilize 2” blow offs at the end of these lines to flush and bring in fresh water. All dead-end lines should be flushed at a minimum of once a year.

Number or Staff Required	Total Work Hours per year Needed
1	120

Sewer Main Preventative Maintenance

Hydro cleaning Sewer Mains- Cleaning sewer mains using a “jetter” vehicle helps keep sewers flowing and reduces sewer main blockages. Jetting an entire system should be done at least once annually. Lines that have been more problematic are put on a “MCWD Trouble Spot” list and are jetted more frequently. Due to the constant traffic control needed and operation of the jetter truck, two operators are required when jetting sewer mains.

Number or Staff Required	Total Work Hours per year Needed
2	4,160

TV Sewer Line Inspections- Televising sewer lines help to locate areas that need repair and can help prevent catastrophic failure by finding problems and fixing them before complete failure occurs. MCWD utilizes Cityworks which will incorporate, in the future, conditioning data of sewer lines which can then assess the priority of replacement and repairs of sewer mains. MCWD should try to inspect at least 25% of their system annually.

Number or Staff Required	Total Work Hours per year Needed
2	4,160

Total Staff Hours
11,000

Section 9. Water and Sewer Vertical Assets

The District's vertical assets are the most easily accessible and maintainable assets. Unlike linear assets, vertical assets are typically above ground. The District's vertical assets are comprised within four categories: wells sites, water pump stations, water storage tanks and sewer pump stations. Within each respective category there are many sub or child assets. These assets are the most maintenance intensive and critical assets in keeping water and sewer flowing to the linear mains. In mid-year of 2018, as part of the CMMS upgrade, the new version of Cityworks allows staff to attribute and track vertical assets, complete work orders and setup preventative maintenance programs against them. Setting up a preventative maintenance on the District's vertical assets is key in reducing costs and prolonging the life of the equipment.

Water Well Sites

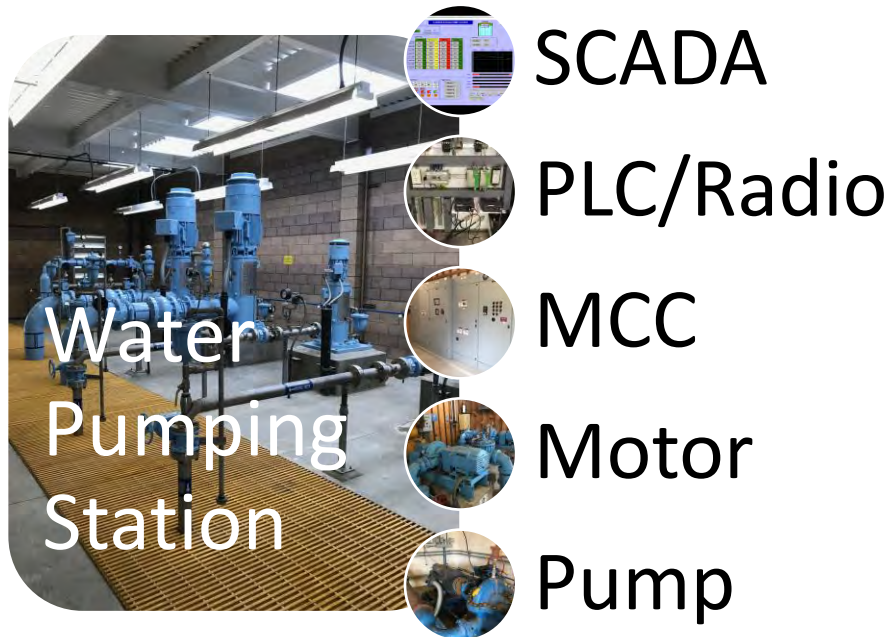


The District is comprised of 8 potable well sites. These well sites are the District's sole source of water and are critical in keeping the District's water system pressurized. When a well site goes down for repair, it potentially can cause a huge impact to the system. Each well site has many sub vertical assets that must be maintained in order to keep the well working properly. The following Table 6 lists all main assets for the wells along with the total quantity within the District and the typical life expectancy of the asset.

Table 6

Equipment	Total Quantity in the District	Life expectancy (years)
Pump House	7	20-50
Well Casing	8	25-75 depending on material
Well Column	8	25-75 depending on material
Vertical Turbine Pump	8	15
Vertical Turbine Motor	8	7-15
MCC Building	8	15-20
MCC	8	35
Well Level Transducers	5	5
Flow Meter	8	20
Pressure Switch	8	15
Pressure Transducer	2	7-10
Pump Control Valve	8	20
PLC	8	12
RADIO	17	15
Standby Generator	2	25
Automatic Transfer Switch	2	25
Angle Drive Standby Motor	2	25
Chlorine Pump	8	10
Chlorine Tank	3	15
Chlorine Analyzer	3	5-7
Conductivity Analyzer	2	5-7

Water Pumping Stations

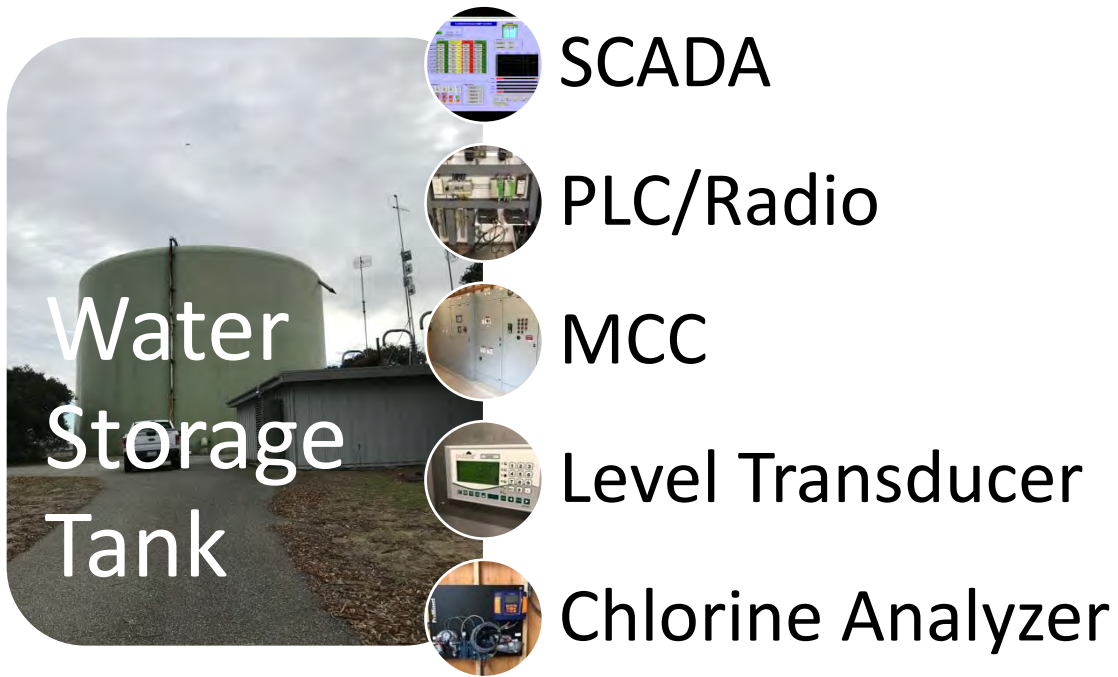


The District is comprised of 6 potable water pumping stations. These stations either pump water from one pressure zone tank to another, or they pump directly into the system. Each of these pump stations are critical in maintaining adequate water through the District’s five different pressure zones. Two of the five sites pump directly into the District’s distribution system to maintain adequate pressure, while the other three sites are used to fill water storage tanks in other pressure zones. The following Table 7 lists all the main assets for the water pump stations.

Table 7

Equipment	Total Quantity in the District	Life expectancy
Horizontal Motor	15	7-15
Vertical Turbine Motor	6	7-15
Centrifugal Pump	15	15
Vertical Turbine Pump	6	15
MCC Building	5	30
MCC	8	15-50
Flow Meter	6	20
Pressure Switch	5	15
Pressure Transducer	3	7-10
PLC	6	15
RADIO	7	15
Standby Generator	3	25
Automatic Transfer Switch	3	25
Pump Control Valve	9	20

Water Storage Tanks



The District has 8 potable water storage tanks and 1 non-potable storage tank. These tanks play a critical role in maintaining pressure in the distribution system and providing enough storage to meet peak and fire flow demands. Table 8 lists all the main assets for the District’s storage tank sites.

Table 8

Equipment	Total Quantity in the District	Life expectancy (years)
Storage Tank	8	60-100
Shutoff Valves	10	50
Chlorine Analyzer	1	10
Flow Meter	5	20
Level Transducer	10	7-10
Solar Panels	2	20

Sewer Pump Stations

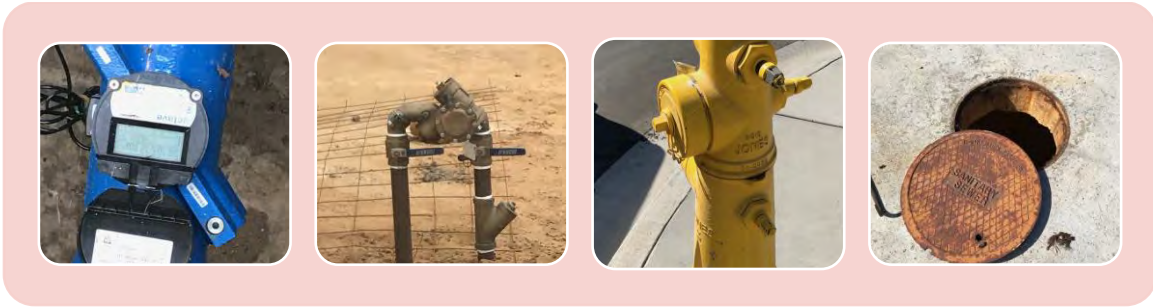


The District is comprised of 20 sewer lift stations that pump sewage from a lower elevation to a higher one, where it will then transition back to gravity. These lift stations are critical in keeping sewage flowing to the Monterey One Regional Wastewater Treatment Plant. The following Table 9 lists all the main assets of the District’s sewer lift stations.

Table 9

Equipment	Total Quantity in the District	Life expectancy (years)
Submersible Motor	33	15-20
Non-Submersible Motor	8	15-20
Centrifugal pump	41	15-20
Pump House	3	20-50
MCC Building	1	20-50
MCC	20	15-50
Wet Well Level Transducers	18	7-10
Flow Meter	1	15-20
Floats	43	3-5
PLC	18	15
Radio	19	15
Standby Generator	17	25
Automatic Transfer Switch	17	25

Water and Sewer System Miscellaneous Vertical Assets



Meters

Backflows

Fire
Hydrants

Manholes

The District maintains numerous other vertical assets not necessarily linked to pumping stations but are critical infrastructure required to keep the both the water and wastewater systems running. Some of the main vertical assets are meters, backflows, fire hydrants and manholes. The following tables depict the amount of each respected assets as listed in the District’s GIS system.

Number of Meters
8,938

Number of Fire Hydrants
1,535

Number of Manholes
2,565

Number of MCWD Backflows
102

Section 10. Preventative Maintenance on Vertical Assets

The following tables represent the needed type of preventative maintenance, number of staff required, and total annual hours required to maintain the District's vertical assets.

Vertical Assets Preventative Maintenance

Pressure Reducing Valve (PRV) maintenance- Pressure reducing valves are a critical component for MCWD's water system. They regulate pressure within the 5 different pressure zones. If a PRV station lacks maintenance, it could potentially fail causing high water pressure to be delivered to customer's homes. This could result in bursting of water mains and homeowner's private water lines. Maintenance should be done annually, and it should include exercising the valves, flushing them out, checking the sensing lines, adjusting pressure to MCWD standard and replacing any components that have failed or look like they are about to fail.

Number or Staff Required	Total Work Hours per year Needed
2	80

Air Relief Valve Maintenance- Air relief valves should be exercised annually to help prevent premature failure. These devices are utilized to release trapped air within water distribution lines, which can lead to an airlock or water hammer. On sewer lines, air pockets can harbor corrosive gasses causing potential pipeline failures.

Number or Staff Required	Total Work Hours per year Needed
1	60

Fire Hydrant Maintenance- Fire hydrant maintenance includes: exercising each port opening to ensure full operation, greasing the caps and stems, touch up painting and flushing water through each port. This program will also create additional work when deficiencies are found on hydrants. These will then need to be put on a repair or replacement list.

Number or Staff Required	Total Work Hours per year Needed
1	480

Flow Meter Calibration- Flow meters calibration should be done annually per State mandates. This ensures all meters are within industry standards. There are 12 potable flow meters to be done a year.

Number or Staff Required	Total Work Hours per year Needed
1	18

Reservoir Inspections- Per the State Waterboards, the District is required to inspect all the tops of each reservoir and operate each isolation valve attached to the reservoir twice annually. Due to the hazards of high elevation, two staff members are required.

Number or Staff Required	Total Work Hours per year Needed
2	36

Motor PM- Motor PM includes annual oil changes, greasing, and megger testing at all water and wastewater pumping stations. Wastewater submersible pumps are required to be pulled from each wetwell in order to perform any PM on them.

Number or Staff Required	Total Work Hours per year Needed
2	320

MCC Maintenance- This includes cleaning of electrical components to prevent premature failure, checking tightness of fittings and performing thermal imaging of panels for any hot spots.

Number or Staff Required	Total Work Hours per year Needed
1	600

Sewer Pump Station Float Maintenance- Staff needs to clean buildup of grease off floats and ensure floats are working periodically to ensure redundancy in the system. When it is found that floats are no longer working, replacements should be installed immediately.

Number or Staff Required	Total Work Hours per year Needed
2	120

Water Quality Analyzer Maintenance- This maintenance includes replacing and wiring in new probe sensors, changing membrane caps and calibration and verification of instrument.

Number or Staff Required	Total Work Hours per year Needed
1	64

Pump Efficiency Testing- Pump efficiency testing is done by looking at the flow rate of your pump, the electrical draw and then calculating the efficiency of the motor and the pump. Doing this annually will help determine when to make adjustments, repairs or replacements of pumps or motors in order to reduce electrical costs.

Number or Staff Required	Total Work Hours per year Needed
2	160

Storage Reservoir Cleaning and Inspections- Staff should drain and physically inspect and clean storage reservoirs every few years if a tank is able to be removed from service. Currently, staff utilize divers to come in every 5 years to inspect and clean the storage reservoirs. There are currently 8 potable reservoirs and 1 non potable reservoir in the system.

Number or Staff Required	Total Work Hours per year Needed
4	640

*Time is for 2 reservoirs to be inspected each year.

Total Staff Hours
2578

Section 11. Preventative Maintenance Breakdown Summary for Operations Staff and Maintenance Staff

Operations Staff

Job	Equipment needed	# of Staff Required	Frequency	Total Hours Needed Per Staff Member	Total Hours
Water Main Valve Exercising	Valve Truck	1	Year Round	2,080	2,080
Directional Flushing	Valve Truck Pickup Trucks	4	Once a Year	120	480
Dead End Flushing	Pickup Trucks	1	Once a Year	120	120
Hydro Cleaning Sewer Mains	Vactor Jetter	2	Year Round	2,080	4,160
CCTV Sewer Mains	CCTV Van	2	Year Round	2,080	4,160
PRV Maintenance	Pickup Trucks Atmospheric Tester	2	Once a Year	40	80

Air Relief Valve Maintenance	Pickup Trucks	1	Once a Year	60	60
Fire Hydrant Maintenance	Pickup Trucks	1	Once a Year	480	480
Reservoir Inspections	Pickup Trucks, Fall Protection	2	Twice a Year	18	36
Storage Reservoir Cleaning and Inspections	Pickup Trucks, Fall Protection, Atmospheric Tester	4	2 Tanks a Year	160	640
Total					12,296

Electrical/Mechanical Staff

Job	Equipment Needed	# of Staff Required	Frequency	Total Hours Per Staff Member	Total Hours
MCC Maintenance	Pickup Truck, Electrical Tester	1	Annually	600	600
Sewer Pump Station Float Maintenance	Pickup Trucks, Electrical Tester	2	Annually	60	120
Water Quality Analyzer Maintenance	Pickup Truck, Electrical Tester	1	Quarterly	64	64
Pump Efficiency Testing	Pickup Trucks, Electrical Tester, Clamp on Flow Meter	2	Annually	80	160
Motor PM	Pickup Trucks,	2	Annually	160	320
Flow Meter Calibrations	Pickup Truck	1	Annually	18	18
Total					1282

Section 12. Other Operator Duties

Focusing staff time on preventative maintenance is ideal to reduce failures and prolong assets within the District, however there are instances when staff is pulled off of preventative maintenance due to reactive issues that are more pressing and need immediate attention. Examples of reactive issues would be: water main leaks, service line leaks, sewer overflows, and pump station failures to name a few. Also, staff work on other duties not necessarily classified as preventative or reactive but necessary in order to keep the systems running. Below are duties that staff work on that reduces the number of staff hours allocated for preventative maintenance.

Water Rounds- Water rounds are comprised of a certified operator, checking each of our potable pumping and storage facilities. This is done daily and is a requirement per our Drinking Water Permit. Also, once a week typically on Mondays, the operator will run all the potable well sites and take general mineral/physical samples from each to ensure that the wells are to MCWD standards. Rounds also include running standby generators at each site monthly, checking and calibrating online water quality analyzers, recording pumping levels, flows, performing chemical dosage drawdowns, and maintaining CL2 pumps and levels.

Number or Staff Required	Total Work Hours per Year Needed
1	2,080

Distribution Samples- 40 bacteriologic samples per month are required by the State to be taken throughout the MCWD's distribution system to provide confirmation that safe drinking water is being provided to customers. This task is done on Monday or Tuesday following a District approved holiday.

Number or Staff Required	Total Work Hours per year Needed
1	260

Backflow Program- MCWD maintains a backflow program which consists of maintaining, testing and repairing MCWD owned backflows as well as ensuring all private backflows are tested and maintained. This program also conducts cross connections surveys to determine the degree of hazard and whether a backflow prevention assembly needs to be installed.

Number or Staff Required	Total Work Hours per year Needed
1	1,040

USA Markings- MCWD must mark all their underground utilities whenever a contractor calls in for an underground service alert (USA) to prevent them from damaging our lines. The volume of markings depends on the current construction demand and the size of the job.

Number or Staff Required	Total Work Hours per year Needed
1	1,040

Sewer Rounds- Sewer rounds are comprised of an operator checking each of our sewer lift stations and the abandoned Ord sewer treatment plant. This work should be done daily to ensure each lift station is properly functioning. Rounds also include running standby generators at each site monthly, recording pumping levels, flows, and washing and pumping down the inside of each wetwell to prevent excess grease from forming.

Number or Staff Required	Total Work Hours per Year Needed
1	2,080

Fats, Oil, Grease (FOG) Inspections- FOG inspections are done bi-annually at 102 different locations. The purpose of these inspections is to ensure that businesses are staying compliant with their grease interceptors/traps. Keeping businesses in compliance helps reduce the amount of grease within MCWD sewer mains, thus reducing SSO's.

Number or Staff Required	Total Work Hours per year Needed
1	240

Purchase orders- Currently an Operator does all purchasing and PO's for Operations and Maintenance.

Number or Staff Required	Total Work Hours per year Needed
1	312

Vehicle Maintenance- Operators are to maintain each of their own vehicles for cleanliness and to ensure that they are properly stocked. Also, the Operators will maintain the District's small and heavy equipment as well. O & M is responsible for the fleet of the District's 21 light and small duty vehicles and 10 larger duty and heavy equipment.

Number or Staff Required	Total Work Hours per year Needed
11	832

Lot Maintenance- The District still maintains old well lots and other vacant lots which they must routinely spray, pick up garbage, and maintain throughout the year.

Number or Staff Required	Total Work Hours per year Needed
1	160

Beach Sand- Operators at least quarterly must move sand that accumulates at the Beach office with a Skid Steer. They use a broom attachment to sweep up the parking lot area, to maintain a slip free environment.

Number or Staff Required	Total Work Hours per year Needed
1	128

Total Staff Hours
8172

Section 13. Total Hours Needed for Preventative and Other Duties Excluding Reactive Tasks

Total Staff Hours Required	Total number of System Operators	Total Number of Maintenance Mechanics
20,460	10	
1,290		1

Section 14. Current Approved Positions

The following table 10 represent the current funded position within the Operations and Maintenance Department as of March 2019.

Table 10

POSITION	FUNDED AMOUNT
OPERATIONS AND MAINTENANCE MANAGER	1
OPERATIONS AND MAINTENANCE SUPERVISOR	1
ELECTRICAL/MECHANICAL FIELD SUPERVISOR	1
SYSTEM OPERATOR III	1
SYSTEM OPERATOR I/II	11
GRAND TOTAL	15

Section 15. District Large Fleet and Equipment

It takes specialized equipment in order to maintain a water and sewer system. Equipment such as combination-hydro cleaners and valve turning machines are used for both preventative and reactive maintenance work. The following Table 11 shows the District's large fleet and heavy equipment with regards to the age, lifespan and typical replacement costs.

Table 1

Vehicle	Year	Lifespan	Replacement Cost
Ford CCTV Van	2015	10-15	\$175,000
Ford F-550 Valve Truck	2011	15	\$150,000
International Camel Jetter	2008	15	\$300,000
International Vactor Combination Hydro-Cleaner	2003	15	\$475,000
Caterpillar 414E Loader	2007	15-20	\$125,000
Caterpillar 416C Backhoe	1999	15-20	\$125,000
Ford F450 Dump Truck	2004	10-15	\$75,000
Ford F250 Crane Truck	2005	10-15	\$75,000
Caterpillar DP25 Forklift	1998	25	\$25,000
John Deere 329D Skid Steer	2012	15-20	\$75,000

Section 16. Capital Equipment/CIP

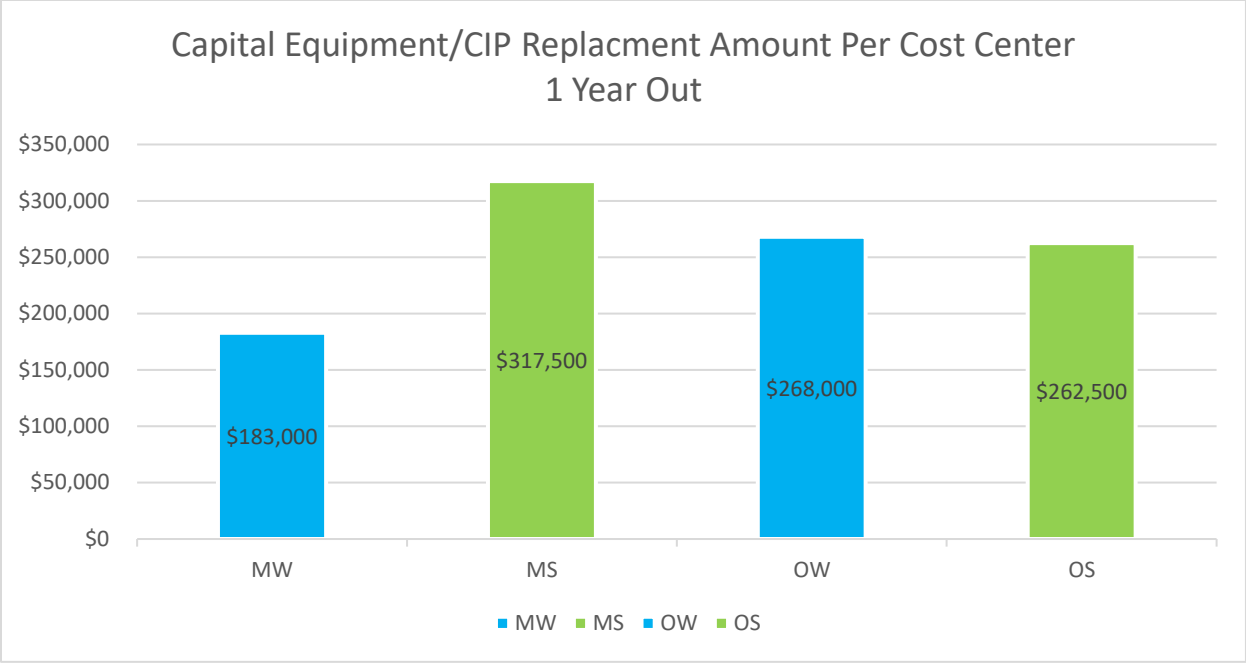
The following Tables 12 and 13 details what capital equipment/CIP should be replaced or installed for the water and sewer systems within each cost center. Table 12 represents an immediate need and should be replaced, repaired or rehabilitated within the next year. Table 13 is a projection for years 2-5.

1 Year Out

Table 12

Equipment	Location	Reason	Cost Center	Estimate Cost
Vactor		Reached useful lifespan, critical piece of equipment	MW,MS, OW,OS	\$480,000
Standby Generator/Auto Transfer Switch	East Garrison Lift Station	No standby generator currently	OS	\$107,500
Standby Generator/Auto Transfer Switch	Dunes Lift Station	No standby generator currently	OS	\$107,500

Standby Generator/Auto transfer switch	Crescent Lift Station	No standby generator currently	MS	\$35,000
Double Wall Containment Tank	East Garrison Lift Station	Tank is currently a single wall. Need to replace with double wall for safety	OS	\$20,000
Hypo Tank Replacement	Well 10	Reached end of useful life	MW	\$10,000
Hypo Tank Replacement	Well 11	Reached end of useful life	MW	\$10,000
Hypo Tank Replacement	Well 12	Reached end of useful life	MW	\$10,000
Hypo Tank Replacement	Int. Tank	Reached end of useful life	OW	\$10,000
Mag Meters with Modbus Out	All Wells and inerties	Current meters are propeller. Mag are more accurate and allow integration with SCADA through modbus	MW,OW	\$66,000
Diesel Tank	Giggling Lift Station	Diesel tank has reached its useful lifespan	OS	\$15,000
Diesel Tank	Booker Lift Station	Diesel tank has reached its useful lifespan	MS	\$15,000
MCC and Pump Replacement	D Booster	One pump is currently undersized and needs to be replaced	OW	\$65,000
Dunes Flygt Pump and Pedestal Replacement	Dunes Lift Station	Pumps and Pedestal have reached their useful life	MS	\$40,000
Conductivity Analyzers	Wells 29,30,31,34, WG	To monitor for salt water intrusion	OW	\$40,000

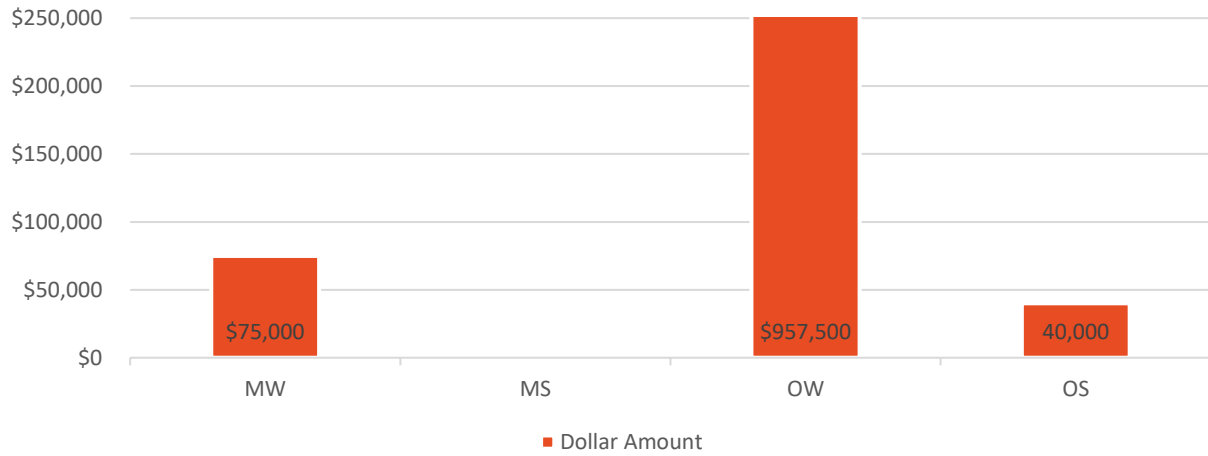


2-5 Years Out

Table 13

Equipment	Location	Reason	Cost Center	Estimate Cost
MCC Panel Replacement	Whittenmyer Lift Station	MCC panel has reached its useful lifespan	OS	\$20,000
New Flygt Pumps	Hodges Lift Station	Pumps have reached its useful life	OS	\$20,000
Large Mag Meter	D Booster	Current meter does not work	OW	\$7,500
(3) pump and motor replacements	Reservoir 2	Original pump and motors, one does not currently work	MW	\$75,000
Remove angle drive, install Generator/Auto Transfer Switch	Well 30,31	No auto backup power	OW	\$600,000
Standby Generator	Well 34	No auto backup power	OW	\$150,000
Standby Generator/Auto Transfer Switch	Well 29	No auto backup power	OW	\$200,000

Capital Equipment Replacment/CIP Amount Per Cost Center 2-5 Years Out



Section 17. MCWD Staffing Levels Compared to other Public Agencies

The following Tables 14 and 15 represent staffing levels of other agencies compared to MCWD. These agencies were chosen as they were used recently in a 2018 class and compensation comparative with the District. The data was compiled using each agency's information located on their respective website, regarding staffing levels and their system sizes and configurations. Data was pulled by looking through their adopted budget, organizational charts, system information pages and their consumer confidence reports. Comparing staffing levels to other agencies is a complicated task, since no agency's system is alike. Included in the tables are the number of pumping facilities each agency has as well as if there is a Water Treatment Plant. The agencies that do have a Water Treatment Plant have dedicated treatment plant staff. However, these staff members typically also take care of the agencies other production facilities (well sites, pumping stations, storage reservoirs). MCWD does not currently have a Water Treatment Plant, but the District's System Operators do take care the District's water wells and pumping facilities. A common method when comparing staffing levels is to look at staffing levels in relationship to the total length of mains. Since each agency has a wide variety of job descriptions, jobs were grouped for the ease of comparing into seven categories: Managers, Superintendents, Supervisors, Collections Operators, Electrical/Mechanical staff, Field Maintenance, and System Operators. System Operators are combined with Distribution and Treatment since treatment staff in these compared agencies work on distribution production sites. MCWD's System Operators are unique as they perform a very wide range of duties: Water Distribution/Production, Collection Systems Operations and maintenance. Due to their unique classification for the use of comparing, the District's System Operators are all grouped into the column, System Operators.

When comparing total staff with the length of pipe, MCWD is approximately 9 miles of pipe per employee over the average of all compared agencies. This equates to approximately a shortage of 13 staff members to equate to the average of one staff member per 11 miles of pipe.

Table 14

Agency	Miles of H2O Pipe	Miles of Sewer Pipe	Total miles of pipe	Number of Wells	Number of Storage Reservoirs	Number of Pump Stations	Has Treatment Plant	Number of Sewer Lift Stations
Goleta Water District	270	0	270	9	8	*	Yes	0
Montecito Water District	114	0	114	12	*	3	No	0
North Marin Water District	342	5	347	3	58	39	Yes	0
San Lorenzo Valley Water District	185	0	185	7	46	*	Yes	0
Soquel Creek Water District	166	0	166	17	18	*	Yes	0
South Coast Water District	158	140	298	0	13	9	No	13
Yorba Linda Water District	160	286	428	10	14	12	No	1
Average	199.29	59.00	258.29	8.29	26.17	15.75		2
Marina Coast Water District	162	150	312	8	8	6	No	20

*Unable to find data

Table 15

Agency	O & M Managers	Superintendents	O & M Supervisors	Collections Operators	Elect/Mech	Field Maintenance	System Operators (treatment or Distribution)	Total Employees	miles of pipe per employee
Goleta Water District	1	2				13	11	27	10.00
Montecito Water District	1	2	0			7	4	14	8.14
North Marin Water District		2				11	13	26	13.35
San Lorenzo Valley Water District	1	0	2		2	7	7	19	9.74
Soquel Creek Water District	1	0	2		1	6	4	14	11.86
South Coast Water District	1	0	2	11	3		10	27	11.04
Yorba Linda Water District	1	2	0		2	25	5	35	12.23
Average	1.00	1.14	1.20	11.00	2	11.50	7.71	23.14	11.16
Marina Coast Water District	1	0	1		1		12	15	20.80

Section 18. Recommendations

Asset Management Improvements

Due to the amount of missing data for the District's assets, it is recommended that the District continue to actively attribute their assets within the GIS and CMMS to allow staff to actively track assets, and setup a preventative maintenance and replacement program against them. Linear assets are going to be much more time intensive to attribute and may take years to complete since they are not easily able to be visually inspected. Staff is currently working on incorporating all major vertical assets within the District's GIS. Once all vertical assets are in the District's GIS, it is recommended that the District setup an asset management plan to address maintenance and replacement of the District's assets. This plan will help to extend the life of assets to their full usefulness and will help to create a schedule for replacements of assets that are near the end of their useful life or are potentially about to critically fail.

Staffing Levels to Maintain District Assets

Currently, Operations and Maintenance has 14 field personnel which includes 2 working Supervisors, the Operations and Maintenance Supervisor and the Electrical/Mechanical Field Supervisor. Preventative and other required duties require 10 System Operators and 1 Electrical/Mechanical worker for a total of 11 staff members. When factoring in time off allowed for staff, there must be a deduction of approximately one full time position as staff take over 2080 hours combined within a calendar year. This leaves the District with a staff of 13 to handle all duties, preventative and reactive. At these levels, it leaves the department with only two extra staff members to work on special projects and any reactive repairs. Due to the age of the system, staff is working almost daily on a reactive repair. Therefore, it is my recommendation that over the course of the next three years adding (4) four additional System Operators I/II and (1) one additional Electrical/Mechanical I/II within the following time schedule:

Fiscal Year 19/20	1 System Operator I/II
Fiscal Year 20/21	1 Electrical Mechanical I/II 1 System Operator I/II
Fiscal Year 21/22	2 System Operator I/II

This would bring the District closer to the typical range of other Cities and District's personnel levels and would ensure the District has enough staff to properly maintain the water and wastewater systems.

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: March 18, 2019

Prepared By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2019-18 to Amend a Professional Services Agreement with MWH Constructors for Regional Urban Water Augmentation Project Construction Management Services

Staff Recommendation: Staff recommends that the Board of Directors adopt Resolution No. 2019-18 to Amend a Professional Services Agreement with MWH Constructors for Regional Urban Water Augmentation Project Construction Management Services to add \$83,459 to the total dollar amount for a not-to-exceed amount of \$1,343,326 and authorize the General Manager to take all actions and 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.*

On August 21, 2017, the District Board of Directors awarded a Professional Services Agreement to MWH Constructors (MWHC) for Construction Management Services on the Regional Urban Water Augmentation Project by Resolution No. 2017-55. A Notice to Proceed issued to the contractor, Mountain Cascade, Inc. (MCI), set a construction start date of November 9, 2017 with completion by December 24, 2018. The project was substantially completed January 31, 2019 with final completion pending punch-list items and two change orders for additional work.

The first change order is for tree replacement along the pipeline between Marshall School and the Blackhorse Reservoir. Tree replacement is also required at California State University Monterey Bay but the work will not be performed by MCI. The second change order is for installation of a mixing system in the Blackhorse Reservoir required by the California State Department of Drinking Water. It is currently in design with installation scheduled for April.

Discussion and Analysis: Additional services by MWHC for the extended construction completion date totals \$82,459. MWH has submitted a scope of work cost proposal detailing the additional services and signed Amendment 1 that is included as Attachment 1.

Environmental Review Compliance: None for the contract amendment.

Financial Impact: X Yes No Funding Source/Recap: Funded through the FY 2018/2019 Engineering Capital Improvement Budget For the Regional Urban Water Augmentation Project.

Other Considerations: Provide staff direction for revisions to the proposed amendment.

March 18, 2019

Resolution No. 2019-18
Resolution of the Board of Directors
Marina Coast Water District
Approving Amendment No. 1 to the Professional Services Agreement with
MWH Constructors for Regional Urban Water Augmentation Project
Construction Management Services

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 18, 2019, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, MWH Constructors is providing Construction Management Professional Services for the Regional Urban Water Augmentation Project (RUWAP); and,

WHEREAS, a Notice to Proceed issued to the contractor, Mountain Cascade, Inc. (MCI), set a construction start date of November 9, 2017 with completion by December 24, 2018; and,

WHEREAS, the project was substantially completed January 31, 2019 with final completion pending punch-list items and two change orders for additional work; and,

WHEREAS, construction change order work will extend the construction schedule and require additional services of MWH Constructors through April; and,

WHEREAS, MWH Constructors is knowledgeable and experienced with the construction management of the RUWAP; and,

WHEREAS, MWH Constructors has proposed a scope of fees for completion of the Construction Management Services for completion of the project and staff agrees that the proposal is reasonable.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve Amendment No. 1 to the Professional Services Agreement with MWH Constructors for Regional Urban Water Augmentation Project Construction Management Services to add \$83,459 to the total dollar amount for a not-to-exceed amount of \$1,343,326 and authorize 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 March 18, 2019 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. 2019-18 Adopted March 18, 2019.

Keith Van Der Maaten, Secretary

**AMENDMENT TO THE
PROFESSIONAL SERVICES AGREEMENT BETWEEN
MARINA COAST WATER DISTRICT
AND
MWH CONSTRUCTORS, INC.
FOR THE REGIONAL URBAN WATER AUGMENTATION PROJECT
CONSTRUCTION MANAGEMENT SERVICES**

AMENDMENT NO. 1

The Professional Services Agreement between the Marina Coast Water District (DISTRICT) and MWH Constructors, Inc. (CONSULTANT), for The Regional Urban Water Augmentation Project (RUWAP) Construction Management Services dated September 14, 2017 (AGREEMENT), is hereby amended.

The undersigned CONSULTANT agrees to furnish the following as a modification to the original Scope:

The scope and fee for this amendment is incorporated into the contract document as Attachment A1. The scope generally may be described as extension of time for completion of the project through April 2019 to cover construction management for punch list work including but not limited to tree restoration and the addition of a Tideflex Mixing System to the Blackhorse Reservoir. The basis of payment for the work conducted under this amendment is an hourly charge rate multiplied by the actual hours directly chargeable to the project with a not-to-exceed value for the amendment of \$83,459.00.

With this amendment, the contract values and completion date are understood to be:

Original Contract Value: \$ 1,259,867.00

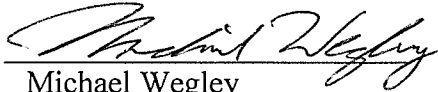
Amendment No.1 Value: \$ 83,459.00

New Contract Value w/ Amendment No. 1: \$ 1,343,326.00

New Completion Date: April 30, 2019 (approx.)

All other articles of the AGREEMENT remain the same.

DISTRICT and CONSULTANT have caused the Agreement to be amended by representatives duly authorized to act, all as of the effective date of _____.

Prepared by:  Date: March 7, 2019
Michael Wegley
District Engineer

Accepted: Marina Coast Water District

CONSULTANT
MWH Constructors

By _____
Keith Van Der Maaten

By  _____

Title _____
General Manager

Title CONSTRUCTION MANAGER

ATTACHMENT A1

MWH Constructors, Inc
Scope of Work and Fee Estimate
For Amendment 1



March 1, 2019

MCWD RUWAP Project

Mike Wegley, P.E.
District Engineer
Marina Coast Water District
2840 4th Ave
Marina, CA 93933

Re: Agreement for Professional Services – Contract No. 2017-55
Proposed Amendment No. 1

Dear Mr. Wegley,

An amendment to the Agreement for Professional Services – Contract No. 2017-55 (PSA) between Marina Coast Water District (MCWD) and MWH Constructors (MWHC) in the amount of \$ 83,459 is need as budgeted funds have been exceeded as of the current invoice for the month of January 2019.

The PSA for MWHC's services on the RUWAP project for \$1,259,867.00 was estimated to cover Construction Management Services through October 2018. The budgeted amount actually covered Construction Management Services through December 2018. However, due to added scope of work the extension of the project completion date is projected to be March/April of 2019. Added construction work for this period includes tree restoration and the addition of a Tideflex Mixing System to the Blackhorse Reservoir.

The requested amendment will cover expected costs through April 2019 for contract administration, inspection and project closeout services on the RUWAP. Attached is a projected budget and the basis for the requested amendment.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Jensen', is written over a white background.

Brian Jensen
Construction Manager

Marina Coast Water District
Agenda Transmittal

Agenda Item: 9-D

Meeting Date: March 18, 2019

Prepared By: Paula Riso

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2019-19 to Approve Revisions to the Board Procedures Manual

Staff Recommendation: The Board of Directors approve the latest revisions to the Board Procedures Manual (BPM) due to the restructuring of the Water Conservation Commission.

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.*

In September 2018, the Board approved the restructure of the Water Conservation Commission (WCC) to improve the effectiveness of the Commission through implementation of more formal and professional proceedings; clarification of roles, responsibilities, objectives, and goals; establishing necessary 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: When the WCC was restructured in September 2018, the Board also approved revised Procedures and Guidelines for them to follow. Section 12 of the BPM includes the WCC which must be updated to include the new structure. Staff is providing a copy of the BPM in track-change showing the proposed revisions due to the restructuring of the WCC as well as a final version with the revisions accepted (pages 6, 7 and 8 of the BPM).

Environmental Review Compliance: None required.

Financial Impact: Yes No Funding Source/Recap: None

Other Considerations: The Board of Directors can approve the suggested changes, or they can request that the BPM be brought back for further revisions.

Material Included for Information/Consideration: Resolution No. 2019-19; the BPM with revisions in track change; and, the BPM with the changes accepted.

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

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

March 18, 2019

Resolution No. 2019-19
Resolution of the Board of Directors
Marina Coast Water District
Amending the Board Procedures Manual

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on March 18, 2019 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, in September 2018, the Board approved the restructure of the Water Conservation Commission (WCC) to improve the effectiveness of the Commission through implementation of more formal and professional proceedings; clarification of roles, responsibilities, objectives, and goals; establishing necessary 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; and,

WHEREAS, as part of the restructure, the Board also approved revised WCC Procedures and Guidelines for them to follow; and,

WHEREAS, the suggested revisions to the BPM have been reviewed and approved by Legal Counsel.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby approve the suggested revisions and updates to the Board Procedures Manual and directs staff to finalize the revisions.

PASSED AND ADOPTED on March 18, 2019 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. 2019-19 adopted March 18, 2019.

Keith Van Der Maaten, Secretary

Marina Coast Water District



Board Procedures Manual

Amended ~~July 5, 2016~~ March 18, 2019

Marina Coast Water District
Board Procedures Manual

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Board Procedures Manual Revision Record

08-28-02 Added Section 11-E

“Absence from a Committee: If a committee member’s schedule in any given month precludes that director from attending a regularly scheduled committee meeting, that director will ask the alternate committee member to attend the meeting. If the alternate committee member can not attend the regularly scheduled meeting, the two primary committee members will then select a special committee meeting date and time. If the two primary committee members’ schedules can not accommodate the scheduling of a special meeting date/time, the committee chair will contact the alternate committee member in an attempt to have two directors available for the meeting.”

03-10-09 Revisions were made to Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 20, 21, 27, 28, 30, 32, 33, 34, 35, 37, 39, 45, and 46.

Sections 11 – 46 were renumbered.

Section 14 was moved to Section 11.

Section 12 was moved to Section 43.

Section 13 was moved to Section 44.

Sections 21, 33, and 34 were removed.

09-13-11 Revisions to Sections 3, 5, 7P, 9, 9G, 9I, 9J, 11, 12A, 14, 14D, 16, 17, 27, and 40.

Section 17 was removed.

Sections 18 – 43 were renumbered.

An Appendix with Resolution No. 98-1 was added to the end of the document.

11-08-11 Revision was made to Section 1.

Section 43 was added.

11-13-12 Revision was made to Section 12-B1 Water Conservation Commission.

- 12-02-13 Revision was made to Section 16 including title.
- 06-02-14 Revision was made to Section 42.
- 01-05-15 Revision was made to Section 12-B1 Water Conservation Commission.
- 04-20-15 Revisions were made to Sections 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34, 37, 38, 39, 40, 41, 42 – Section 31 was deleted and the subsequent Sections were renumbered.
- 07-05-16 Revisions were made to Sections 1, 2, 3, 4, 6, 7, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 22, 23, 24, 25, 28, 29, 30, 31, 32, 33, 34, 37, 40, 41, 42 – Section 31 was deleted and the subsequent Sections were renumbered.
- 03-18-19 Revisions were made to Section 12-B and 12-B1 regarding the Water Conservation Commission.

1. Purpose of Board Procedures Manual.

The purpose of this Board Procedures Manual is to describe the procedures approved by the Board of Directors to be used in the conduct of Board business. The intent of these procedures is to:

- Provide for the fair and efficient consideration of board decisions;
- To ensure that the public is informed of the matters coming before the Board;
- To ensure that the public has an opportunity to witness and comment upon the deliberations of the Board; and
- To encourage proper public involvement in the Board's decision making.

Each Director, upon assuming office, shall be given a copy of this Board Procedures Manual, and shall be asked to comply with the policies and procedures in this Board Procedures Manual.

2. District Mission.

The Marina Coast Water District Board of Directors has adopted the following 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.

3. Authority.

The Board of Directors is the governing body of the District. It derives its authority from the County Water District Law (Division 12, Part 3 sections 30000 et seq. of the Water Code of the State of California; and, Division 2, Part 1, Chapter 4, Article 2, sections 53630 et seq. of the Government Code of the State of California). The District was formed in 1960 and has provided water and wastewater services within its service area since that time.

Apart from his/her normal function as a member of the Board, a Director have no individual authority. As single individuals, Directors may not commit the District to any policy, act, or expenditure.

Directors do not represent any fractional segment of the community but represent the entire service area as a whole.

4. Governing Laws and Rules.

The Board of Directors will conduct all meetings of the Board and meetings of committees of the Board in accordance with the Ralph M. Brown Act, California's Open Meeting Law. The Board conducts its meetings "guided but not bound by" Rosenberg's Rules of Order (as published by the California League of Cities) as to those situations not specifically addressed by an applicable law or statute. Directors must become familiar with the Brown Act, Rosenberg's Rules of Order, the conflict of interest laws, the County Water District Law, and all other laws applicable to the District, in order to effectively execute their duties.

5. Harassment-Free Work Environment.

Each Director shall act to provide a District work environment and a Boardroom free of harassment, disrespectful or other unprofessional conduct. The District's policy is more fully set forth in the Marina Coast Water District Employee Handbook, and each Director should become familiar with the Employee Handbook and the harassment rules contained therein.

6. Attendance at Board and Committee Meetings.

Directors are expected to carry out their responsibilities to the best of their abilities. In order to accomplish this goal, directors should be present for scheduled meetings of the Board, special meetings, meetings of board committees, and District events. If a Director cannot attend a regular Board meeting for any one of the following reasons, that absence shall be deemed excused: illness or injury, family emergencies, or a Director's regular job duties. If a Director does not attend a regular Board meeting for any other reason unless the Director's absence is approved by vote of the other Directors, then the Director's absence shall be deemed an unexcused absence. A Director having three (3) or more consecutive unexcused absences shall be deemed to be in violation of Board Policy and subject to Board action pursuant to Section 42.

7. Duties of the Directors Acting as Members of the District Board of Directors.

The duties of the directors include:

- A. setting policies, procedures, goals, directions, and adopting rules and regulations for the governance of the District;
- B. taking action only by the affirmative vote of at least a majority of the directors on ordinances, resolutions and motions;
- C. safeguarding the assets of the District and maintaining the District's financial stability;
- D. assuring that the District is well managed;
- E. assuring the District is responsive to the interests of the voters and the needs of the persons served by the District;
- F. assuring that the actions of the Board and of each director and the actions of all employees of the District conform to all federal, state, and local statutes and ordinances, and to the ordinances, rules, regulations and policies of the District;
- G. assuring that each employee of the District and each constituent of the District is treated courteously and fairly by the District, and that privacy rights of District employees and constituents are safeguarded in accordance with law;
- H. making reasonable and diligent inquiry of competent, qualified and reliable advisors and other sources to obtain sufficient information for informed and timely decisions and judgments;

I. assisting the General Manager by looking at problems from broader points of view, and providing outside perspective and guidance;

J. appointing the persons to serve as the District's General Manager and Secretary to the Board, the District's Legal Counsel, the independent Auditor, and such other attorneys, and consultants as the Board determines are necessary or convenient to be appointed by the Board for the business of the District. Each such appointed person shall serve at the pleasure of the Board;

K. establishing rules for and assuring the effective conduct of the Board's proceedings, and adjourning meetings of the Board by 10 p.m. unless the meeting is extended by Board action;

L. preparing for and attending all regular and special meetings of the Board and assigned committees of the Board, unless excused by the Board for good reason;

M. appointing persons to the District's Joint District-City Committee, Water Conservation Commission, and such other committees as the Board determines;

N. nominating and electing representatives and alternates to outside boards, committees, and other bodies for which the District is entitled to appoint one or more representatives;

O. preparing for and attending all regular and special meetings of boards, committees, and other bodies to which the Board elects a director as the District's representative, or arranging for attendance by an alternate, if the director cannot attend and if the Board has selected an alternate;

P. assuring that the conduct of the District's business is open and public and that actions and records of the District are taken and held in confidence only as permitted by law, including: Article I, Section 3 of the California Constitution; the Ralph M. Brown Act, Govt. Code sections 54950 and following; the Public Records Act; Govt. Code sections 6250 and following; and as necessary to safeguard the assets of the District and to protect the rights of the District's employees;

Q. protecting confidential information of the District, its officers and employees from unauthorized disclosure and dissemination;

R. reporting any question or doubt about the possibility of the creation of the perception of a conflict of interest to the District Counsel and avoiding any possible conflicts of interest; and,

S. completing and documenting training for Directors in: exercising oversight and supervision of management; the roles and responsibilities of Directors; how to understand budgets; how to monitor budget compliance; and how to work together as a team in problem solving.

8. Prohibited Service.

A director is prohibited by law from being employed by or entering into any contract with the District while serving on the Board. Water Code Section 30541 also prohibits a director from serving as the General Manager, Secretary, Treasurer, or Auditor.

9. Duties of the President.

The Board of Directors shall have a President who is elected by the Board from among the five directors. The President shall be elected annually in the month of December but not before any newly elected or reelected director(s) have taken office. No Director shall serve more than three (3) consecutive years as President. If a majority of the directors cannot agree on who should be the new President, then the existing President shall remain President until the issue can be resolved. The President's responsibilities include:

A. presiding over all meetings of the Board, with guidance from Rosenberg's Rules of Order, including:

(1). announcing each item of business on the agenda and the action recommended by staff;

(2). calling for motions;

(3). calling for public participation during meetings when appropriate;

(4). determining questions of order and enforcing rules of the Board;

(5). stating the motion and announcing its passage or failure;

(6). adjourning any regular or special Board meeting which is still in progress at 10 p.m., unless the meeting is extended by Board action; and,

(7). reviewing and approving the agenda in conjunction with the Vice President and the General Manager or Secretary of the Board. The final approval shall be made by the President (when there is not consensus on the agenda items). However, a majority of the Board may also order the placement of an item on the agenda.

B. appointing members to Ad Hoc Committees of the Board;

C. serving on committees and commissions as appointed by the Board;

D. setting the time and place for any special meeting of the Board, except a special meeting called by a majority of the Board;

E. adjourning meetings of the Board;

F. representing the District at public events;

G. serving as public spokesperson of the District, along with the General Manager;

H. signing all contracts on behalf of the District, except as the Board alternatively authorizes the General Manager or other person, subject to limitations and conditions as the Board may determine;

I. assist with the orientation of new Board members as they are elected or appointed to the Board of Directors; and,

J. upon advice from District Legal Counsel, and approved by the Board, gives direction to outside legal counsel on matters where the General Manager should not direct counsel as he or she is the subject of a legal issue.

10. Duties of the Vice-President.

This Board of Directors shall have one Vice-President who shall be elected by the Board from among the five (5) directors at the same time as the President is elected. The Vice-President shall be elected annually in the month of December but not before any newly elected or reelected director(s) have taken office. It is the Board's policy to rotate the office of Vice-President among the Board members. However, no director shall serve more than three (3) consecutive years as Vice President. If a majority of the directors cannot agree on who should be the new Vice President, then the existing Vice President shall continue in office until the issue can be resolved. The Vice-President's responsibilities include:

A. performing all the duties of the President during any absence of the President; and,

B. if for any reason the office of President is vacant, acting in the place of the President until a new President is elected.

11. Orientation, Training and Preparation of Directors.

Each new director, upon assuming his or her duties, will be provided a comprehensive District orientation by the General Manager and Board President. The Board shall strive to develop and maintain a superior level of competence and preparation among its members through a process of continuing training, education and preparation.

Directors may schedule to attend, on behalf of the District, such educational programs, conferences, and meetings to the extent funds are allocated in annual Budgets. Attendance will be scheduled through the General Manager. Travel done by Directors will comply with the District's travel policies. Directors shall endeavor to be reasonably frugal with their expenditures of District travel funds.

Any Director may request attendance either by email, phone or written requests, preferably three weeks before the deadline for early registration or accommodation discount. If funds are budgeted and available, the Management Services Administrator shall register the Director for attendance, book travel, accommodation and meals and pay all costs accordingly. If funds are not available, the General Manager shall place an item on the earliest possible Board agenda (and preferably before the deadline(s) for early registration discount(s)) to request the Board approval for such

expenditure. Within 72 hours after the registration is complete, the Management Services Administrator shall email the Director(s) all the completed registration forms, and accommodation and traveling details. After these travel arrangements are made, if the Director(s) can no longer attend the meeting or conference, the Director(s) shall notify the General Manager within 24 hours of such event so that the Management Services Administrator can cancel the registration, accommodation and traveling arrangements. If such cancellation is not possible, the General Manager shall inform the Board to determine if it is possible that another Director could attend. The District will not pay for training or conferences that the Director personally pays up for but does not attend. If the Director(s) prefers to personally pay for some or all of the costs related to the trip, the General Manager shall, upon request of the Director(s), promptly reimburse the Director(s) for those costs authorized in the District's travel policy. Receipts for all travel, meal, hotel expenses shall be given to the Management Services Administrator as soon as possible upon return.

The General Manager will from time to time provide the Directors with a list of such conferences or meetings so that the Board may consider individual or collective attendance.

12. Board Committees, Commissions and Negotiators.

A. Committee and Commission Actions. Committee and Commission actions shall be governed by the provisions of the California Water Code and all other applicable California Codes as well as District policies, rules, and regulations. The Board may adopt rules for the governance of any committee consistent with the provisions of the California Codes. Committees have no legal authority to act for the Board or the District except with prior Board approval, but shall report their findings and recommendations to the Board for action. All committees and commissions of the Board are advisory in nature and are authorized only to provide recommendations to the whole Board. Committees and commissions are evaluated periodically by the Board based on their necessity and value to District business.

B. Standing Committees. District standing committees shall be the Water Conservation Commission, the Joint City-District Committee, the Executive Committee, the Budget and Personnel Committee, and the Community Outreach Committee. ~~Except for the Water Conservation Commission, each committee shall consist of two Directors and such other persons as the Board may appoint, except the Water Conservation Committee which shall have one director appointed as a liaison and one appointed as an alternate.~~ Standing Committees constitute legislative bodies for the purposes of the Brown Act. ~~Public members of the Water Conservation Commission shall be appointed for terms of two years. Appointed Ppublic members of any Standing eCommittees shall not may receive confidential information of the District and shall not may participate in closed sessions meetings except upon advice from Legal Counsel so long as they have received prior training on the safeguarding of confidential information.~~ Each director shall serve on one or more standing committees.

(1). Water Conservation Commission: The Board will select ~~a one~~ Director ~~and an alternate Director~~ to serve ~~as a Board Liaison to on~~ the Water Conservation Commission; ~~and one Director as an alternate, but neither shall serve as members of the Commission. There shall be one (1) voting position on the Commission for a member of the City Council of the City of Marina.~~ The Board will appoint ~~seven five (75)~~ members of the public, ~~or more as desired by the Board, from~~ who reside within the Central Marina or Ord Community service area ~~served by the~~

~~District (either annexed or served by contract); for terms of two years. The members of the Water Conservation Commission shall have the duties and responsibilities as set forth in the Water Conservation Commission Procedures and Guidelines as may be amended from time to time by the Board.~~

~~(a)~~

~~Review water conservation ordinances and policies and advise the Board in matters related to conservation and water usage by customers of the District;~~

~~(b) Review and advise the Board concerning refinements/adjustments to the water conservation program, specifically conservation Best Management Practice implementation, outreach and educational programs, the conservation budget, and water loss programs and conservation within the larger Water Resources Programs;~~

~~(c) Review and advise the Board on the District's Water Shortage Contingency Plan, Conservation Ordinance, and conservation provisions of the District Code;~~

~~Review and advise the Board on equipment and technologies that promote water conservation;~~

~~Review conservation outreach activities and get Board approval on an annual event calendar for actions to inform the public about the District's conservation activities.~~

~~Annually review and evaluate current and past water consumption for each service area, water conservation ordinances and policies and recommend changes to the Board in matters related to conservation and water usage by the customers of the District;~~

~~(b) Review, evaluate and make recommendations, at least annually, to the Board concerning refinements/adjustments to the water conservation program, specifically conservation Best Management Practice implementation, outreach and educational programs, within and outside District service areas, the conservation budget, and overall District conservation resources;~~

~~(c) Review and make recommendations to the Board on customer appeals to the District's Water Shortage Contingency Plan, Conservation Ordinance, and conservation provisions of the District Code;~~

~~(d) Review, evaluate and make recommendations to the Board on equipment and technologies that promote water conservation;~~

~~(e) Review periodic newsletters, Consumer Confidence Reports, and other conservation outreach activities and make recommendations to the Board for actions to inform the public about the District's conservation activities.~~

(2). Joint City-District Committee: The Board President or Vice President shall serve on this committee along with another Director. The duties and responsibilities of the Joint District - City Committee shall be:

(a) Communicating with the City of Marina Land Use Jurisdictions and maintaining a harmonious working relationship between the Board and the City officials and staff; and,

(b) Reporting to the Board its findings and recommend appropriate action with respect to any inter-agency matters.

(3). Executive Committee: The Board President and Vice President shall serve on this committee. This committee shall meet on an as-needed-basis to discuss topics of a general nature with the General Manager. The purpose of the Executive Committee is to provide the President and Vice President with a routine opportunity to discuss ideas, information flows, current and potential future projects and future agenda items with the General Manager and any staff members that the General Manager deems appropriate.

(4). Community Outreach Committee: The Board President shall select two Directors to serve on this committee. This committee shall meet on an as-needed-basis. The duties and responsibilities of the Community Outreach Committee shall be:

- (a) Provide ideas and recommendations to the Board regarding public information activities beyond the routine activities and reports required by law or existing District ordinances and policies;
- (b) Receive periodic reports from staff and consultants regarding District public information activities; and
- (c) Provide comments and recommendations to staff regarding draft public information products created by staff or consultants.

C. Ad Hoc Committees: An ad hoc committee is an advisory committee composed of less than a quorum of the Board. An ad hoc committee serves a limited or single purpose, is not perpetual, and will be dissolved once its specific task is completed, and whose meetings are not fixed by formal action of the Board. In accordance with Government Code Section 54952(b) ad hoc committees are not legislative bodies subject to the Brown Act. No staff or public members may be appointed to an ad hoc committee. The director or two directors comprising an ad hoc committee shall be appointed by the President of the Board. An ad hoc committee shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act on behalf of the Board and the District except such as specifically conferred by action of the Board.

D. Special Committees: Special committees are committees other than standing or ad hoc committees. Special committees are legislative bodies subject to the Brown Act. Special committees may be established by and its members may be appointed by the President of the Board or the Board for such special tasks as circumstances warrant. A special committee shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act on behalf of the Board and the District except such as specifically conferred by action of the

Board. Upon completion of the task for which appointed, a special committee shall be dissolved. Staff and public members may be appointed to a special committee.

E. Board-Appointed Negotiators: Under the Brown Act, the Board has the authority to appoint property negotiators, labor negotiators, and litigation representatives, which may include one or two directors or staff members. Such negotiators are authorized to meet in closed session with the Board. Property and labor negotiators are appointed in public session by the Board. Private meetings of such negotiators are not subject to the Brown Act. The negotiators may meet in closed session with the Board subject to compliance with applicable provisions of the Brown Act. See also Section 16.G. The role of the negotiator does not directly replace, limit, or change the administrative and operational responsibilities of the General Manager and staff to meet with staff from other agencies and to prepare the analysis, documentation, draft agreements, and other administrative tasks necessary to support the current and/or future negotiations and to represent the District as it's General Manager in the process.

F. Attendance and Vacancies: Any person serving on a standing or special committee must be prepared for and attend all committee meetings, unless excused for good reason. If a committee member fails to attend meetings of a committee and is not excused for good reason for two consecutive meetings, his or her position as a committee member shall be deemed vacant. In any committee, vacancies shall be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

G. Absence from a Committee: If a committee member's schedule in any given month precludes that director from attending a regularly scheduled committee meeting, that director will ask the alternate committee member to attend the meeting. If the alternate committee member cannot attend the regularly scheduled meeting, the two primary committee members will then select a special meeting date and time. If the two primary committee members' schedules cannot accommodate the scheduling of a special meeting date/time, the committee chair will contact the alternate committee member in an attempt to have two directors available for the meeting.

H. Referral to Committee: Matters may be referred to any committee through the Chair of the committee by the Board, by any director, or by any other person. Each Committee Chair shall discuss each referred matter with the committee.

13. Communications.

The Board and the individual board members will be committed to establishing and maintaining an environment that encourages the open exchange of ideas and information among Board members, the staff and the public, that is positive, honest, respectful, concise, understandable, responsive, and cost-efficient.

14. Code of Ethics.

AB 1234 requires agencies to provide mandatory ethics training and develop compensation and reimbursement regulations for their agencies. Board members are required to complete an ethics training course every two (2) years. Newly elected and/or appointed Board members are required to complete the course within one (1) year of being sworn in and then follow the two (2) year refresher course time frame. The District encourages training as soon as reasonably possible.

The Board of Directors is committed to providing excellence in legislative leadership that results in the provision of the highest quality services to its customers. The Board and its individual members are expected to maintain the highest ethical standards, to follow District policies and procedures, and to abide by all applicable local, state, and federal laws. Board member conduct should at all times enhance the integrity and Mission of the District, and the confidence the public has in the District. In order to assist in the governance of the behavior between and among members of the Board, the following rules shall be observed:

- A. The dignity, style, values and opinions of each director shall be respected.
- B. Responsiveness and attentive listening in communications is encouraged.
- C. The needs of the District's customers should be the priority of the Board.
- D. The primary responsibility of the Board is the formulation and evaluation of policy. All operational aspects of the District are the responsibility of the General Manager.
- E. Directors should commit themselves to emphasizing the positive.
- F. Directors shall commit themselves to focusing on issues and not on personalities.
- G. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree about ideas and opinions, but without being disagreeable. Once the Board takes action, directors shall commit to supporting said action and not to creating barriers to the implementation of the action. Board approved committee members must take action in support of the Board's decision and not take action based on an individual view, position, or prior voting history on a matter, or any other reason in conflict with the Board's direction.
- H. Any concerns regarding a safety hazard should be reported to the General Manager at the earliest possible moment. Emergency situations should be dealt with immediately by seeking appropriate assistance.
- I. In seeking clarification for policy-related concerns, especially those involving issues related to personnel matters, legal actions, property, finance, projects or programs, a Director should confer directly with the General.
- J. When approached by an employee of the District concerning specific District management or operations, Board members should direct all inquiries to the General Manager.
- K. The work of the District is a team effort. All individuals should work together in a collaborative way, assisting each other in the conduct of the District's affairs.
- L. Directors should develop a working relationship with the General Manager so that current issues, concerns and District projects can be discussed comfortably and openly. However, a Director does not have the power to individually direct the work of the General Manager or the District staff. Only the Board itself has the power to direct the work of the General Manager and only the General Manager has the power to direct the work of the District staff.
- M. Directors should function as part of the whole. Issues should be brought to the attention of the Board as a whole, rather than to individual members selectively.
- N. The Board as a whole is responsible for setting goals and objectives for the District in part by doing periodic strategic planning. Each Director is responsible for monitoring the District's progress in attaining these goals and objectives.
- O. Harassment, in any form, will not be tolerated.
- P. Directors shall protect confidential information of the District, its officers, employees, and customers from unauthorized disclosure or dissemination.

- Q. Directors shall avoid and report conflicts of interest.
- R. Directors should periodically avail themselves of available training for the exercise of oversight and supervision of management, the roles and responsibilities of Directors, how to understand budgets, how to monitor budget compliance, and how to work together as a team to solve problems.

15. Comments by Directors Concerning District Staff Members.

Board members shall refrain from publicly censuring or criticizing members of the District staff. Such criticism shall be given in private communications through the General Manager. Directors should also be aware that their free speech rights may be limited when it comes to certain information related to District staff. Examples of such information include employee medical information, employee disciplinary actions and specific compensation information regarding an employee. Directors should check with the General Manager before publically revealing any information regarding specific District staff members that might be considered negative, slanderous, disrespectful or discriminatory.

16. Board and Individual Director Consultations with, and Directions to, General Manager and Attorneys. Relationship and Authorities between General Manager and Legal Counsel and Special Legal Counsels.

- A. The Board and its members shall deal with the administrative services of the District only through the General Manager, and neither the Board nor any individual director shall give orders or instructions to any subordinate of the General Manager.
- B. Legal Counsel; Duties: The Board shall employ an individual or firm of attorneys licensed to practice law in the State of California, to advise and represent the District and to assure full compliance with the requirements of the District Enabling Act and applicable laws. Legal counsel shall serve at the pleasure and direction of the Board of Directors. The resolution appointing the Legal Counsel shall include terms of an agreed upon fee schedule. Legal Counsel shall be responsible for:
 - (1) Reviewing, preparing documents as requested by the Board, or by the General Manager pursuant to Water Code Section 30580, and making appropriate comment on matters or recommendations presented in written or oral form;
 - (2) Reviewing and preparing documents as requested by the Board in advance of meetings. The General Manager will request that Legal Counsel or Special Legal Counsel review and/or prepare notices, agendas, resolutions, ordinances, minutes, agreements, contracts and supporting materials pursuant to Water Code Section 30580;
 - (3) Attending each meeting of the Board, unless excused, in advance or during a meeting; and attending other meetings as authorized by the Board or directed by the General Manager; and,
 - (4) Attending Board Committee meetings, upon request of the General Manager or the Board, as well as attending other business meetings of

the District as requested by the Board.

- C. The Board of Directors shall appoint Special Legal Counsel to assist the Board and District when the Board determines that attorneys with specialized legal expertise are needed to represent or advise the Board and District staff. The legal services agreement with each Special Legal Counsel shall specify the scope of legal services to be provided.
- D. The Legal Counsel and Special Legal Counsels report to the Board as a whole. However, the Legal Counsel is available to each individual director for consultation regarding legal matters particular to that individual director's participation in matters where the individual director may have a conflict of interest. However, no attorney-client relationship shall be established with the individual director as a result of such consultation. An individual director (1) may not give direction to the Legal Counsel or any Special Legal Counsel without prior concurrence of the Board, and (2) may not request a legal opinion of the Legal Counsel or any Special Counsel without the prior concurrence of the Board, except as such requests relate to questions regarding that individual director's participation in board decisions. The Legal Counsel and Special Legal Counsels shall be available to the General Manager and District staff to the extent authorized by the Board or authorized by the General Manager pursuant to Water Code Section 30580, for consultation on applicable issues and activities within the scope of the applicable legal services agreement approved by the Board. The General Manager may approve legal work on urgent items that require legal action, wherein a Special meeting cannot be promptly scheduled, and then ratified at the next closed session by the Board, provided the costs incurred up to the Board closed session are less than \$3,000.
- E. Legal Counsel and Special Legal Counsels shall report directly to the Board and General Manager all potential legal problems and liabilities they notice or discover during their employment by the District. If the subject of the potential legal problem or liability is a Director or the General Manager, then the report shall be made to other than that Director or General Manager.
- F. Legal Counsel and Special Legal Counsels shall be available to answer questions from the Board during closed sessions. The General Manager shall copy all correspondences and communications to and from Legal Counsel and Special Counsels to the Board on all closed session items.
- G. The President or the Board may appoint one or two directors to an Ad Hoc Committee for each legal case. The Board may grant limited authority to the Ad Hoc Committees to direct Legal Counsel and Special Legal Counsels. The limited authority will be assigned and described by the Board in a resolution when any such Ad Hoc Committee is created. The Ad Hoc Committee shall report in closed session (if permitted) to the Board at the next Board meeting following any direction given by the Ad Hoc Committee to Legal Counsel and Special Legal Counsels and any other actions taken. See also Section 12.E.

- H. Legal Counsel and Special Legal Counsels shall notify the Board and the General Manager about important events, rulings or decisions made regarding the District's case(s). Legal Counsel and Special Legal Counsel shall endeavor to do so within 72 hours of such events, rulings or decisions.
- I. Legal Counsel and Special Legal Counsels shall email the entire Board and the General Manager, if the General Manager is not subject of the case, copies of all briefs, dockets, applicable court calendars, motions and filings submitted to the Court and all documents and notices received from the Court and opposing parties.
- J. Legal Counsel and Special Legal Counsels shall only perform work that has been authorized by the Board, or by the General Manager pursuant to Water Code Section 30580.

17. Conduct of Business.

- A. The Board of Directors shall comply with the Ralph M. Brown Act (Brown Act) that requires meetings of the Board of Directors to be open and public.
- B. Regular District Board meetings shall be held at the City of Marina's Council Chambers at 211 Hillcrest Avenue, Marina, CA, unless otherwise specified.
- C. The notice and agenda for each meeting of the Board or committees of the Board shall be posted at the District offices at 11 Reservation Road, Marina, CA, and the City of Marina offices at 211 Hillcrest Avenue, Marina, CA in accordance with the Brown Act.
- D. The General Manager shall submit the draft Board agenda to the Board President and Vice President for review and approval before posting such agenda. Either the Board President or Vice President can add any items to the final Board agenda. No item on the final Board agenda can be deleted without the approval of both the Board President and Vice President. If there is not consensus on the items, the President shall have the final say. Emergency matters can be added to the agenda without advanced request or notice.
- E. The agenda and agenda package for regular board meetings will be distributed to the Board and made available to the public on Wednesday in advance of the Board meeting on Monday or Tuesday if Monday is a holiday. The General Manager shall include all copies of contracts, proposals, agreements, plans, specifications, exhibits, attachments, test results, investigation reports, etc. in the agenda packet for the Board to review and approve.
- F. The General Manager shall request District Legal Counsel and/or Special Legal Counsel to review all proposed contracts, agreements, employment agreements, etc. and approve them before including in the Board agenda package. All staff reports shall contain background information, previous Board actions, adopted goals and objectives, concerned issues, recommendations by staff, funding sources and available fund in the

adopted budget. If options were evaluated, they should be included in the background, but not required for all staff reports.

- G. Teleconferencing may be used for any meeting if such request is made sufficiently in advance of the meeting to permit compliance with posting requirements under Government Code section 54953(b)(3). Agendas shall be posted at teleconference locations in a place most likely to be seen by the public and also at the specific area or areas where the meeting will be held.
- H. Any Board member may place a non-emergency item on the agenda by submitting it, in writing, to the General Manager, at least ten (10) days before the meeting, to provide enough time to include it in the agenda. Such requests shall explain the issue and provide a recommendation for Board action.

18. Directors Preparation for Meetings.

Board members are to prepare for all Board meetings. In preparing for meetings, directors shall identify the need to obtain any supplemental or clarifying information in order to better prepare or enhance their knowledge to improve the legislative decision-making process and communicate same to the General Manager. Board members are encouraged to do so as far in advance of the Board meeting as possible, to allow the General Manager time to provide the requested additional information. Any Director may elect NOT to receive materials or documents requested by any other Director.

19. Quorums.

In order to constitute a quorum of the Board, a majority of the Board members (three of the five directors) must be present at the designated meeting location authorized by the Brown Act. If a quorum is not present, no meeting shall take place. For quorums of board committees, a majority of committee members is required. For committees of two (2), both members are required to be present to constitute a quorum and hold a committee meeting. If a committee quorum is not present, the committee meeting can be adjourned to another time and the lack of a quorum will be reported to the Board.

20. Adjourned Meetings.

The Board of Directors may adjourn any regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may adjourn a meeting. If all members are absent, then the Secretary or the Secretary's designee shall comply with the procedure specified in the Brown Act. When an order of adjournment fails to state the hour at which the adjourned meeting is to be held, it shall be held at 6:00 p.m.

21. Special Meetings.

An emergency or special meeting may be called in accordance with the Brown Act.

22. Parliamentary Procedure.

A. Rules of Order. The presiding officer shall preserve order and decorum and shall decide on questions of order, subject to appeal to the Board. District Legal Counsel shall advise the President as Parliamentarian. The Board shall use Rosenberg’s Rules of Order and this Board procedures manual.

B. Non-Roll Call Votes. Following any non-roll call vote, the President shall announce the results of the vote, including the vote or abstention of each director present unless the vote is unanimous.

C. Roll Call Votes. After a motion has been made and duly seconded, any Board member may call for a roll call vote. Additionally, action on all District resolutions and ordinances and items that expend District funds shall be taken by a roll call vote.

23. Order of Business.

The regular order of business of the Board shall contain any or all of the following items:

- Call to Order
- Roll Call
- Public Comment on Closed Session Items
- Closed Session Items
- Reportable Actions Taken During Closed Session
- Pledge of Allegiance
- Oral Communications from the Public
- Special Presentations
- Public Hearings
- Consent Calendar
- Action Items
- Correspondence Received by the District, Directors and General Manager
- Informational Items
- Board Member Requests for Future Agenda Items
- Directors Comments
- Adjournment

The regular order of business may be changed by the President subject to the Board determining otherwise.

24. Board Actions.

All actions of the Board shall be in the form of an ordinance, resolution or motion.

A. Ordinances. The Board shall enact as ordinances any items of business presented to the Board and approved by the Board which:

- 1) Are required by law to be enacted as ordinances;
- 2) Repeal, supersede or amend an existing ordinance, except that the Board may adopt an ordinance authorizing that an existing ordinance may be repealed, superseded or amended by resolution;

- 3) Adopt a policy, rule or regulation to be enforced as a misdemeanor;
- 4) Relate to any other item of business which could be adopted as a resolution or motion which the Board determines to enact as an ordinance.
- 5) Each ordinance shall state whether it amends the District Code and, if so, which part or parts of the District Code the ordinance amends.

B. Resolutions. The Board shall adopt as resolutions, any items of business presented to the Board and approved by the Board which:

- 1) Are required by law to be adopted by resolution;
- 2) Supersede or amend an item previously adopted by resolution;
- 3) Interpret any ordinance;
- 4) Establish or change a policy, rule or regulation which does not need to be enforced as an ordinance;
- 5) Adopt procedures for the Board, Officers or Staff to use in implementing any ordinance;
- 6) Make a determination (Determination of Exemption, Negative Declaration or Environmental Impact Report) under the California Environmental Quality Act; 7) Adopt or amend a budget;
- 8) Approve any written contract;
- 9) Approve the acquisition or disposition of real property;
- 10) Approve the acquisition of personal property with a value of \$5,000 or more;
- 11) Approve the disposition of personal property;
- 12) Adopt or amend any plan for the District;
- 13) Adopt or amend authorized positions for the District; and
- 14) Relate to any other item of business which could be adopted as a motion and which the Board determines to adopt as a resolution.
- 15) All resolutions shall state whether the contents of the resolution will become a policy, rule or regulation of the Marina Coast Water District.

C. Motions. The Board shall adopt as motions, any items of business presented to the Board and approved by the Board which:

- 1) Are not required by law to be approved as an ordinance or resolution;
- 2) Are not enacted as ordinances or adopted as resolutions by the Board; and
- 3) Require an action of the Board.
- 4) If the Board so directs in its motion, a motion shall become a rule and regulation of the District; however, most rules and regulations of the District should be adopted either by resolution or ordinance.

D. Ordinances, Resolutions and Motions. All ordinances and resolutions shall be adopted by roll call vote. All motions to approve the expenditure or transfer of District funds and to approve personnel actions shall be adopted by roll call vote. All motions shall be reflected in the minutes of the Board, which shall state the contents of the motion, who made the motion, who seconded the motion and the ayes and noes on the vote.

25. Procedure for Action Items.

The Board shall act only by ordinance, resolution or motion. Except where action is taken by the unanimous vote of all directors present and voting, the ayes, noes, and abstentions shall be taken upon the passage of all ordinances, resolutions or motions and shall be entered in the minutes. Any member of the Board, including the President, can make a motion. Motions require a second. The President may vote on all motions unless disqualified or abstaining. The President shall not call for a vote on any motion until sufficient time has been allowed to permit any member of the Board to speak. Complex motions should generally be prepared in writing, and if it is necessary for the full understanding of the matter before the Board, the President shall restate the question prior to the vote. Common motions may be stated in abbreviated form and will be put into complete form in the minutes. Until the President states the question, the maker of the motion may modify their motion or withdraw it completely. It shall be the procedure of the Board, when considering all action items, to:

- (1) Receive a staff report on the item from the General Manager or the responsible staff person;
- (2) Allow Board members to ask clarifying questions of staff, through the President;
- (3) Receive public comment of the item;
- (4) Seek a motion and a second on a proposed action for the item;
- (5) Provide for Board discussion of the item; and
- (6) Conclude discussion/debate and consider taking action on the item through an appropriate motion. See also Section 28.B below if there is an applicant at the meeting.

26. Closed Sessions.

Closed sessions shall be agendized and conducted in accordance with the Brown Act. The most common purpose of a closed session is to avoid revealing confidential information that may, in specified circumstances, prejudice the legal or negotiating position of the Board or compromise the privacy interests of employees. Directors have a fiduciary duty to protect the confidentiality of closed session discussions. The California Attorney General has issued an opinion that includes sanctions that could apply to a person who discloses closed session information. For more detailed information on closed sessions see the *California Attorney General's web site and publications*.

27. Orderly Discussion.

In order to promote discussion of the issues before the Board, each member shall be recognized by the President before speaking. Notwithstanding any provision of this procedures manual, however, each member of the Board shall have the right to be heard within reason on any issue before the Board.

28. Process for Public Comment.

- A. The public will always be afforded the opportunity to be heard on any item not on the Board's agenda, at each meeting during the period provided for Public Comment. Unless otherwise authorized by a majority of the Board, speakers will be limited to four (4) minutes during Public Comment unless the majority of the Board authorizes a shorter or longer time limit depending upon the circumstances.

- B. For all items being considered by the Board on the agenda, after the staff presentation for any public hearing, action item, information item, or consent item, and after staff responds to any clarifying questions from Board members but prior to discussion by the Board, the President shall seek public input. If there is an applicant, the President shall first call upon the applicant to comment on the staff recommendation and to present additional information concerning the application. The President shall then ask for comments from the public. Unless otherwise authorized by a majority of the Board, speakers will be limited to four (4) minutes. The President may, in the interest of facilitating the business of the Board, and avoidance of repetition, limit the amount of time a person may use to address the Board. The President may close public comment at any time restricting further discussion to the Board level unless a majority of the Board wishes to hear from other persons. At the conclusion of the public comment, if there is an applicant, he/she shall be given the opportunity to respond to the comments received. All questions of staff from the public and Board members shall be addressed to the President. Staff responses to questions from the public shall ordinarily be made only after the public comment period has ended.

29. Limitations on Board/Staff Reports.

At each regular Board meeting, reports or comments by Board members shall be made under the Director's Comments and Reports. Reports or comments by staff members shall be made under Staff Reports or Informational Items. Any written report from a Board member shall be placed on the meeting agenda with prior consent of the President. Unless authorized by the President, each director's reports and comments shall not exceed five (5) minutes. The President, with consensus of the Board, may defer some or all Board reports until after the Board has taken action on any Deferred Consent Calendar Items. This may be done in the interest of facilitating the business of the Board, or as a courtesy to members of the public desiring to participate in Public Hearings or other Action Items which are also on the agenda.

30. Referrals.

Any matter coming before the Board may, if deemed necessary, be referred by the President, without Board action, to the General Manager, District Legal Counsel, Special Legal Counsel, or to any standing or special committee of the District. The matter shall be reported back to the Board at the next Board meeting by the General Manager, District Legal Counsel, Special Legal Counsel, or to any standing or special committee of the District on the status, responses, recommendations and/or plans to address the matter.

31. Conflict of Interest.

A director who has a disqualifying conflict of interest on any matter before the Board shall declare the nature of the conflict and it shall be reflected in the Board minutes. The Director shall not participate in the discussion of that agenda item; shall leave the Board chamber after making the declaration and before any discussion on the matter occurs; and shall not cast a vote on that matter. The minutes shall record a director's absence for any circumstance when a Director is not seated at the dais.

32. Minutes of Board and Board Committee Meetings.

The minutes of meetings of the Board and of board committees shall be action minutes that will accurately reflect actions of the Board and the committees and the vote taken on such actions and shall not be verbatim minutes of all matters discussed and comments made at Board or committee meetings. The minutes shall summarize the concerns and questions expressed by the public during public comment periods.

33. Notification of Absences of Directors.

If any member of the Board is unable to attend a meeting, that member shall, if possible, notify the Board President and the General Manager prior to the meeting.

34. Annual Meeting Schedule.

The Board shall determine at the beginning of each calendar year the dates for regular Board meetings and regular board committee meetings. Such annual schedule shall include vacation periods, if any, during which no regular meetings will be held.

35. Director's Legal Liabilities.

The District shall defend and indemnify directors from any claim, liability or demand that arises out of a director's performance of his/her duties or responsibilities as a director or officer of the District to the fullest extent permitted by law.

36. General Provisions.

Any of the policies or procedures in this procedures manual not required by law may be suspended by a majority of the Board. Any policy or procedure not required by law may be altered, amended or repealed by a majority of the Board at a duly authorized and noticed meeting.

37. Gifts.

Each Director shall comply with the Gift provision in the MCWD Employee Handbook. In addition, each Director shall comply with the limitations and restrictions on gifts, honoraria, travel, and loans as prescribed by the Political Reform Act (Gov. C. 81000 et seq.) and by the Fair Political Practices Commission (Title 2, CCR 18110 et seq.). If the MCWD Employee Handbook and the Political Reform Act/FPPC regulations conflict, the Director shall comply with the more restrictive requirement. The General Manager shall provide newly elected Director with the latest version of the Employee Handbook. Additionally, the General Manager shall provide all Directors with newly updated version of the Employee Handbook whenever it is updated.

38. Board Member Compensation.

Each member of the Board of Directors will receive compensation for his/her services at a rate of \$50 for attending each Board meeting. No compensation will be paid to any Director for attending other types of meetings such as standing, special or ad-hoc committees. Directors shall be reimbursed for actual necessary expenses incurred in the performance of official business of the District pursuant to assignment of the Board consistent with the reimbursement schedules and policies of the District.

39. Political Activity.

It is the policy of the District to prohibit Directors from engaging in political activities on the premises of the District, and to prohibit Directors, from using any District property equipment, machines or tools for any political activities or purposes except as a part of their duties as a member of the Board of Directors. All permitted political activities shall comply with all current Federal, State and local laws and regulations and District policies and procedures.

40. Payment of Bills.

By approving the fiscal year District Budget, the Board of Directors approves the categories and types of goods and services (including public works) that will be acquired or used by the District for that fiscal year. The actual purchase of those goods and services will comply with the District Procurement Policy that has been approved by the Board of Directors.

41. Director's Violation of Policies.

Whenever the District, a Director or the General Manager receives a complaint or concern regarding potential or alleged violation of policies by a Director or Directors, the matter shall be reported immediately to the Board President. If the President is the subject of the complaint, the matter shall be reported immediately to the Vice President. The Board President or Vice President shall immediately place the matter on the Board agenda for the Board to discuss the alleged violation(s) and take appropriate action. If the matter(s) is serious, the Board President or Vice President may call a special meeting to address the complaint. If a Director breaches any of the policies contained in Sections 5, 6, 8, 13, 14, 15, 16, 26, 38, and 40 the Board may, in addition to other consequences provided by law, publicly censure the offending Director and may as part of the censure take any or all of the following other actions, to be effective for a time determined by the Board:

- a) Remove the offending Director from committees and representative positions to which the Director has been appointed or designated by the Board or by the President,
- b) Prevent the offending Director from placing items on the agenda without the specific, advance authorization of the Board.

Appendix

Resolution No. 98-1 and Amendments

Marina Coast Water District
Staff Report

Agenda Item: 10-A

Meeting Date: March 18, 2019

Prepared By: Brian True

Reviewed By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Receive the Developer Account Update through December 31, 2018

Background: 5-Year Strategic Plan, Goal No. 2 – 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.

Staff provides quarterly reports to the Board on the status of the Development Accounts. The Board asked staff to improve the delinquent accounts and the process for managing development accounts.

Discussion/Analysis: This 2nd quarter (of the Fiscal Year - through December 31, 2018) Developer Account Update uses the current format for the Developer Deposit Balances sheet (attached) first presented to the Board in September 2016. The significant on-going developments were invoiced recently in order to maintain positive deposit balances.

There are several Development projects gaining momentum currently. Besides the City of Seaside's Main Gate and Campus Town projects, the Seaside Resort Hotel project (SSR III) has proposed to commence in April 2019. The Fort Ord Dunes State Parks project has been working with staff to bring an Infrastructure Agreement to the Board before Summer of 2019 and this is the same for the long-proposed Del Rey Oaks RV park project. Finally, Central Marina is seeing in-fill projects get underway. No fewer than three multi-family projects are undertaking their plan review process and another two are already under construction (including the Marina Drive Apartment project which is nearing completion).

Attachment: Developer Deposit Balances
Status Report on the Developer Account Reporting System

Developer Account Reporting System

A new project intake process is now in-place and being used. This has improved the communication between staff and prospective development customers; there is nothing ambiguous about completing the form and providing an associated payment. The next step with the form is the most challenging - to integrate the form's information fields with MCWD's existing database accounting tools such that the information contained in the new form will become part of the Developer Deposit Balances sheet (and others) in a seamless and automated manner between the Engineering, Customer Service, Operations and Finance Departments.

District staff is working on a reporting system (that will appear similar to the current Developer Deposit Balances sheet attached) that lists deposits and expenses only for resources utilized to conduct the planning, design, and installation of the proposed project's infrastructure separate from deposits and expenses for other development costs such as meter deposits. Earlier attempts to use existing modules and methods MCWD possesses were fruitless; the management results that needed to be achieved were not feasibly generated by the existing tools. The current report sheet employs a single-deposit-balance that yields a lack of clarity in the Developer Account reporting. The lack of clarity using the single-deposit-balance occurs because costs-to-connect for the large, on-going development projects are included as payments received. These payments, specifically for water meters and to commence sewer service, are generally so large as to blind the value that is really trying to be tracked (i.e. the internal costs for MCWD's labor and consultancies to work with the developers to achieve their objectives).

Keeping in mind that one of the overall objectives is to be able to report back to the development teams providing resources to MCWD (in return for MCWD's services on behalf their project) regarding the status and use of those provided resources, the challenge has been to get the two envisioned tools – the Project Application form and the Developer Account Balances sheet - to work together in an integrated and automated fashion. The output of these two tools will need to incorporate data/information from several sources over any given time period with the information being current (or timely) and precise. A bridge that might be generated using an existing IT platform may be the utilization of the current CitiWorks program being used by the O&M Department (mainly for work-orders) for the generation of detailed work-flow-processes. This may enable the sharing of data and information between IT tool platforms in a surprisingly straightforward manner. Meetings between staff are being conducted and forward progress is being made during each event; however, the task is daunting and will require many person-hours and much calendar-time to achieve.



Marina Coast Water District

Developer Deposit Balances

As of December 31, 2018

	(Deposits Received)		(Deposit Available)/ Balance Due	Activity Dates
Campus Town Project	(41,200.00)	-	(18,228.75)	January 2018 - December 2018
	PROJECT RESOURCES ARE IN-HAND; WSA AUTHORIZED BY MCWD BOARD; AWAITING RESULTS OF EIR			
CHISPA - Junsay Oaks	(75,083.85)		(18,981.48)	April 2012 - December 2018
	PROJECT IS BEING CONSTRUCTED			
CSUMB Academic III Project	(29,000.00)		5,877.60	January 2017 - December 2018
	CONSTRUCTION NEARLY COMPLETE			
CSUMB Charter School	(10,000.00)		12,437.76	January 2016 - December 2018
	PROJECT IS RETURNING TO ACTIVE STATUS; NEGATIVE BALANCE WILL BE CORRECTED PRIOR TO SIGNIFICANT STAFF EFFORTS			
CSUMB Student Union Project	(45,160.00)		(31,075.00)	January 2017 - December 2018
	CONSTRUCTION UNDERWAY; PROJECT RECENTLY INVOICED			
Cypress Gardens	(3,660.00)	-	2,310.70	May 2018 - December 2018
	LANDSCAPE REVIEW IN CENTRAL MARINA; POTENTIAL BILLING ERROR UNDER INVESTIGATION			
Cypress Knolls	(9,700.00)	-	(9,700.00)	Balance as of June 2010
	POLICY RE: 300-AFY EXISTING DESAL AGREEMENT IS THAT THE AGREEMENT IS NO LONGER IN-FORCE; STAFF WILL CLEAR VALUES FROM AFFECTED PROJECTS			
Dunes	(718,906.36)		(75,468.63)	July 2010 - December 2018
	DUNES 1B INFRASTRUCTURE ACCEPTED DURING DEC. 2018 BOARD MEETING			
Dunes - Residential	(3,828,027.16)		106,848.00	July 2015 - December 2018
	PROJECT RECENTLY INVOICED; DUNES 1C3 LARGELY INSTALLED - CLOSE-OUT PROCEDURE NEXT STEP			
Dunes - Restaurant Parcel	(45,136.00)		170.15	January 2015 - December 2017
	VARIANCE REQUEST HEARD ON JULY 17, 2017; ON-GOING TOPIC THAT WILL RETURN			
East Garrison	(10,249,103.50)		(274,035.64)	December 2011 - December 2018
	EAST GARRISON PHASE 3 (EG3) INFRASTRUCTURE OWNED BY MCWD; INVOICED WITH RESOURCES IN-HAND; NEXT STEP IS FINALIZING WITH MO. CO.			
ESTATE - Sea Haven	(10,000.00)	-	(7,282.00)	April 2018 - December 2018
	ON-GOING PROJECT WITHIN MARINA HEIGHTS; THIS PROJECT ELEMENT MAY BE COMBINED WITH LAYIA SOON			
FORA Surplus Area II Demolition Project	(3,800.00)	-	5,369.00	January 2018 - December 2018
	DEMOLISHING BUILDINGS IN PREPARATION FOR CAMPUS TOWN PROJECT; ACCOUNT IN GOOD STANDING - PAYMENT IN-HAND JAN. 2019			
Fort Ord Dunes State Park	(21,548.00)		(11,800.94)	July 2014 - December 2018
	PROJECT HAS RETURNED; NEXT STEP IS AGREEMENT			
GWTP Relocation	(5,400.00)		2,558.00	October 2016 - December 2018
	ON-GOING PROJECT; WATER/SEWER SERVICE TO NEW GROUNDWATER TREATMENT SITE			
LAYIA - Sea Haven	(1,628,283.00)		(41,276.90)	July 2016 - June 2018
	ON-GOING PROJECT WITHIN MARINA HEIGHTS			
Marina Drive Apartments	(2,000.00)		(1,179.55)	August 2018 - December 2018
	ON-GOING PROJECT IN CENTRAL MARINA			
Marina Heights (Sea Haven)	(127,923.68)		(81,160.31)	June 2010 - June 2018
	PROJECT IS ACTIVE; POLICY RE: 300-AFY EXISTING DESAL AGREEMENT IS THAT THE AGREEMENT IS NO LONGER IN-FORCE; STAFF WILL CLEAR VALUES FROM AFFECTED PROJECTS			
Marina HS Gymnasium	(871.00)		(871.00)	August 2018 - December 2018
	ON-GOING PROJECT			
Marina Station	(7,533.69)	-	(7,455.21)	July 2009 - January 2014
	THIS PENDING PROJECT REMAINS QUIET BUT IS RELATIVELY ENTITLED TO PROCEED; STAFF RECOMMENDS WAITING			
Promontory	(1,679,929.22)	-	(457.19)	January 2013 - June 2017
	PROJECT COMPLETE; REFUNDING BALANCE IN-PROCESS			
RCI	(515,182.64)	-	17,595.64	Balance as of July 2010
	TACIT AGREEMENT BY DEVELOPER TO MAKE SOME PAYMENT UPON START-UP OF NEXT DEVELOPMENT PHASE WITH THIS ACCOUNT			
RENASCI - Sea Haven	(627,379.00)		(116,705.75)	January 2017 - December 2018
	ON-GOING PROJECT WITHIN MARINA HEIGHTS			
Wathen Castanos Homes (Sea Haven)	(88,700.00)		(74,332.00)	July 2017 - December 2018
	BUILDER BUYING REMAINDER OF SEA HAVEN; ADVANCING SEA HAVEN 5A			
Seaside Main Gate Project	(28,500.00)	-	(10,107.20)	June 2018 - December 2018
	PROJECT UNDERWAY; WSA IS BEING AMENDED			



Marina Coast Water District

Developer Deposit Balances

As of December 31, 2018

	<u>(Deposits Received)</u>		<u>(Deposit Available)/ Balance Due</u>	<u>Activity Dates</u>
Seaside Resort	(79,875.11)		26,003.21	February 2007 - December 2018
		LAST PAYMENT RECEIVED MARCH 2017; HOA PAYING FOR LANDSCAPE CONNECTIONS AND WILL PROVIDE PAYMENT IN-FULL		
Seaside Resort II - Inn at Bayonet	(17,200.00)	-	(13,342.50)	July 2017 - December 2018
		PROJECT IS STANDING-BY; THIS ELEMENT MAY BE SUBSUMED BY THE SEASIDE RESORT HOTEL PROJECT (SSR III)		
Seaside Senior Living Project	(36,400.00)	-	(34,565.89)	January 2018 - June 2018
		PROJECT DESIGN UNDERWAY; POTENTIAL ASSISTANCE WITH MCWD CIP (ORD VILLAGE FM)		
Seaside Youth Hostel	(500.00)	-	5,492.30	July 2014 - June 2016
		ON-GOING PROJECT ON-HOLD (STATUS = UNDER PLAN REVIEW); STAFF WILL OBTAIN RESOURCES PRIOR TO ADVANCING PROJECT		
Seville Townhomes	(770.00)		(770.00)	July 2018 - December 2018
		PROJECT IN CENTRAL MARINA		
Springhill Suites	(678,454.00)		(48,721.15)	July 2014 - December 2017
		PROJECT COMPLETE; REFUNDING BALANCE IN-PROCESS		
VA/DoD Medical Facilities	(780,550.50)		(29,016.79)	December 2013 - December 2018
		NEXT STEP IS INFRASTRUCTURE ACCEPTANCE; DEMAND LETTER IN-PROCESS TO OBTAIN BOND RESOURCES TO COMPLETE BY MCWD		
Veterans Cemetery	(99,430.46)		1,553.34	March 2014 - June 2017
		PHASE COMPLETE; AWAITING NEXT PHASE TO CORRECT SHORT-FALL		
VTC	(3,159.28)		892.50	March 2016 - December 2018
		PROJECT LARGELY COMPLETE; AWAITING FINAL ACCOUNTING OF COSTS		
	<u>(21,498,366.45)</u>	<u>-</u>	<u>(719,425.68)</u>	

Marina Coast Water District
Staff Report

Agenda Item: 11-A

Meeting date: March 18, 2019

Prepared by: Keith Van Der Maaten

Approved by: Keith Van Der Maaten

Agenda Title: Review the 5-Year Strategic Plan

Staff Recommendation: The Board of Directors review updates and provide input on the 5-Year Strategic Plan.

Background: *5-Year Strategic Plan, Objective 6.8 - Update Strategic Plan*

In March 2013, Mr. Brent Ives, BHI Consulting, met with individual Board members and staff to create a Strategic Plan for the District. A draft Plan was presented to the Board at a workshop on January 11, 2014. The Board made additional recommendations and approved the final 5-year Strategic Plan on April 7, 2014. Staff and Board periodically updated the Plan and in September 2017, the Board approved the latest and current 5-Year Plan.

Discussion/Analysis: At this meeting, staff will work with the Board to review and update the Plan that was approved in September 2017. Staff's recommended changes are provided for Board review and the Board at this time can provide any additional recommended changes. A final Plan will be brought to the April meeting for approval.

Environmental Review Compliance: None required.

Financial Impact: _____ Yes X No Funding Source/Recap: None

Material Included for Information Consideration: Draft Strategic Plan

Other Considerations: The Board can recommend additional changes.

Action Required: _____ Resolution _____ Motion X Review

Board Action

Motion By _____ Seconded By _____ No Action Taken _____

Ayes _____ Abstained _____

Noes _____ Absent _____

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Board of Directors

Howard Gustafson, President

Tom Moore, Vice President

Bill Lee, Director

Jan Shriner, Director

Herbert Cortez, Director

District Management

Keith Van Der Maaten, General Manager

~~Mike Michael~~ Wegley, District Engineer

~~Jean Premutati~~ Rose Gill, Human Resources/Customer Relations
ManagerRisk Administrator

Derek Cray~~Vacant~~, Operations and Maintenance ManagerSuperintendent

Kelly Cadiente, Director of Administrative Services

Consultant

Brent H. Ives, Principal, BHI Management Consulting



Introduction

A Strategic Plan is a top level planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a five-year period. It is a disciplined effort to produce fundamental decisions that shape what a District plans to accomplish by selecting a rational and balanced course of action. The District's Mission, Core Values, Vision, and the overall structure of this Strategic Plan were developed by the Board in workshop settings. Within the framework of that structure and the business environment, strategies and goals were developed to sustain and improve the District over the next five years. At its highest level, this Strategic Plan seeks to strengthen and build upon opportunities while addressing areas of concern all aimed toward forecasting an optimized future condition.

This plan also identifies actions, activities, and planning efforts that are currently underway which are needed for continued success in operations and management of the District, and provides for periodic reviews and updates.

Strategic Planning Definitions

Mission Statement: A declaration of the District's purpose, which succinctly describes why the District exists. All activities of the District should be in support of the Mission Statement. The District's Mission statement also reflects the values to which the District Board is dedicated. The Board of Directors adopts the Mission Statement. The Mission Statement is reviewed annually but is intended to be constant over the long term.

Vision Statement: A statement that articulates where the District wants to be over the life of the Strategic Plan. It outlines at the highest level the key changes that must be achieved by the Strategic Plan. The Vision creates and drives strategy and tactics identified elsewhere in the Strategic Plan. The Board of Directors adopts the Vision Statement. The Vision Statement will be reviewed annually and will typically change more

frequently than the Mission Statement to reflect the direction the Board wants to take the District over the five-year time horizon of the Strategic Plan.

Core Values: These are the values to which the Board of Directors is fiercely dedicated. They are anchored in community values and are used by the Directors as decision filters for the myriad of decisions in the future.

Strategic Elements: The broad and primary areas of District operations, planning, and management that are addressed and supported by the Strategic Plan goals. These essentially serve as the outline and organization of the Strategic Plan. The Board of Directors reviews and endorses the Strategic Elements. The Strategic Elements are reviewed annually but are intended, absent major new issues facing the District, to be relatively constant over the life of the five-year Strategic Plan.

Objective/Strategy statement: A concise statement associated with each Strategic Element that describes what the Objective for that Element is and how it will be achieved.

Strategic Goals: The goal statement is supported by a narrative that more fully explains the nature of the goal and the issues that the goal intends to address. The Strategic Goals are prepared by District staff and accepted by the Board. The Strategic Goals may change from year-to-year when the annual assessment is made of the progress on each Strategic Element. The Strategic goals define the line between policy (Board responsibility) and implementation (staff responsibility) and as such are a collaborative effort of both the Board and staff.

Glossary of Acronyms

ACWA	Association of California Water Agencies
AWWA	American Water Works Association
BHI	BHI Management Consulting
BMPs	Best Management Practices
CAFR	Comprehensive Annual Financial Report
CDPH	California Department of Public Health
CII	Commercial, Industrial and Institutional
CIP	Capital Improvement Plan
CPA	Certified Public Accountant
CUWCC	California Urban Water Conservation Council
DMM	Demand Management Measures
FY	Fiscal Year
HCF	Hundreds of Cubic Feet
HECW	High Efficiency Clothes Washer
GPS	Global Positioning System
LS	Lift Station
GSA	Groundwater Sustainability Agency
MGD	Millions of Gallons per Day
MOW	Monterey One Water (previously Monterey Regional Water Pollution Control Agency
NIMS	National Incident Management System
OES	Office of Emergency Services
pH	Potential Hydrogen – ion activity in gram equivalents per liter to measure alkalinity/acidity
RWQCB	Regional Water Quality Control Board
SGMA	Sustainability Groundwater Management Act
SRF	State Revolving Fund
SCADA	Supervisory Control and Data Acquisition
SEMS	Standardized Emergency Management System
the District	Marina Coast Water District
WDRs	Waste Discharge Requirements
WWTP	Wastewater Treatment Plant

Strategic Plan Development

In FY 2013, the District retained the services of BHI Management Consulting (BHI) to facilitate and coordinate the development of the District's five-year Strategic Plan. BHI first gathered input from the Public, through a public workshop, District Board members, staff and employees in a number of meetings to allow direct and "ground level" input to the Board during deliberations in a number of planning workshops. At each meeting the District Mission and 5-year Vision were discussed.

The Board supported this process as a way to allow all to participate in the foundation of the Strategic Plan. A Board strategic planning public workshop was conducted in April 2013. With the Board at this workshop, senior District staff also attended. The Board reviewed all inputs prior to working on Mission, Vision, and Core Values for the District and strategic elements for the strategic plan. The Board developed a new Mission statement of the District and created a new Vision statement for the District. The Board also identified the six strategic elements around and within which to organize implementation actions that will support the Mission and assure success of the Vision. Core Values then must be well understood and respected in the plan for implementing the Vision.

Following the Board workshop, key members of District staff, worked with BHI to develop the Strategic Element objective and strategy statements and Strategic Goals, Actions and Tactics that support each element to make the Board's Vision reality within the 5-year timeframe. Using this process, this Strategic Plan was assembled in a way that provides assurance of success for the Board's Vision and Strategy for the District over the next five years. This Plan was then vetted with the Board in another workshop to assure that the implementation proposed by BHI and staff would indeed meet with their understanding and acceptance regarding the Vision success.

Strategic Plan Maintenance

A key part of the Strategic Planning process is to conduct an annual review to update the Plan. These reviews allow for regular maintenance of the Plan so it reflects the actual progress and conditional needs of the District. The reviews will be documented and followed up with either a Plan supplement or an updated Plan. A five-year planning horizon will be maintained with each review effort developing a new fifth year of actions, projects, and initiatives.

Mission, Vision, and Core Values

Mission Statement

We provide our customers with high quality water, wastewater collection and conservation services that are safe, affordable, reliable and sustainable, through planning, management and the development of water resources in an environmentally sensitive manner.

Vision Statements

In 5 years we would like to be able to say...

- *We have Board policies and procedures with the aim to receive a CSDA “District of Distinction” Award.*
- *We have annexed the ORD community while preserving the separate cost center concept.*
- *We have an engaged, reliable and productive workforce that is robust and enjoys high morale with low turnover.*
- *We are looking toward to the future as leaders in the region in water quality, communications, water resources, conservation and workforce development.*
- *We enjoy a positive reputation with the Public and other governmental agencies.*
- *We have evaluated and have taken steps to fund, all real and likely District liabilities.*
- *We have adequate reserves for repair and replacement of our infrastructure.*
- *We have adopted a new rate study.*
- *We have a formal workforce development and succession plan in place.*

- *We have a strong and robust water conservation program, meeting State mandates.*
- *We have taken steps to protect the Salinas Valley groundwater basin from seawater intrusion.*
- *Enhance our Public Relations efforts in community outreach.*
- *We have established key performance indicators and level of service targets.*

Core Values

We are fiercely dedicated to the following core values and, the Board of Directors, will use them as decision filters. Primarily, we will examine if what we do is effective and cost efficient while ensuring it helps us in the long term.

Our values will support our commitment to maintenance of our infrastructure to protect the ratepayers of today and in the future as well as support our commitment to reliability in the services we provide.

Our purpose is responsive, open and clear communication to our customers while maintaining environmentally and sustainable water quality and wastewater collections. We will support local control, good governance and promote accountability will considering all options and assure that we are proactive.

Finally, we will provide our employees a safe, supportive and collaborative work environment, job satisfaction, competitive wages and career opportunities.

Strategic Elements

Strategic Elements represent the vital areas of the District's operation and management. They assure that the implementation of work to be performed in support of the Mission and Vision are comprehensive in nature and properly cover the District in all areas. Strategic elements are derived from the foundational Mission and Vision statements of the District. They are linked to action and results through the Strategic Goals written in each area and the Strategic Work Plan. Within the five-year period covered by this Strategic Plan, these Elements assure that all aspects of District operations are well supported and moving forward in a way that reflects Board priorities and creates balanced implementation. The Strategic Work Plan that contains the supportive actions and initiatives organized and prioritized by year within the planning period, is presented along with each Strategic Goal and is also consolidated in tabular form in Table 1 - Strategic Plan "At-a-Glance" (pgs. 28-30). Business Plans and Employee Goals are not a part of the Strategic Plan; these are developed on a one to two year timeframe with tasks, and are handled within the management structure of the District.

The Strategic Elements are:

- 1.0 Water Sources
- 2.0 Infrastructure
- 3.0 Fiscal Planning
- 4.0 Strategic Partners and Public Affairs
- 5.0 Organizational Health/Personnel
- 6.0 Administrative Management

1.0 Water Sources

Our objective is to manage and protect our current water source (groundwater) and find alternative water sources. We will secure and protect our developed potable water sources sufficiently to supply current and future customers. Our water sources strategy is to work with local land use jurisdictions to determine what their ultimate and interim projected demands will be and explore alternative water sources such as desalination, surface water treatment and recycled water, to find the most efficient, and to secure cost effective water source portfolio.

Summary of 5-Year Strategic Goals

- 1.1 Work with local land use jurisdictions to clearly establish and determine current and future water use.
- 1.2 Establish the difference between available groundwater and ultimate water demands.
- 1.3 Determine the growth rate or timeline of when additional water sources will be needed.
- 1.4 Establish a prioritized list of available alternative water sources.
- 1.5 Develop an alternative water sources work plan that will carry us from inception to development.
- 1.6 Establish goals and objectives that promote protecting our current groundwater sources from seawater intrusion and other forms of contamination.
- 1.7 Review and update our water conservation program.

1.1 Work with local land use jurisdictions to clearly establish and determine current and future water use - To ensure that water is available to our customers when needed, we will work with local land use jurisdictions to clearly establish current and future water use. We need to have realistic demand estimates and secure involvement by agencies that these are the correct numbers. This will also be an opportunity to establish a positive reputation with the Public and other governmental agencies. The three-party MOU was approved by the Board on May 2, 2016 which will result in a study that will

address this item and is currently underway. The Urban Water Management Plan was completed in June 2016 and staff is in the progress of studying ~~the Armstrong Ranch Property as a possible storm water storage suitable sites~~ for groundwater recharge. Staff is moving forward on the Regional Urban Water Augmentation Project and recycled water ~~project and~~ working with local jurisdictions to determine and commit to water use from the project. (2018)

1.2 Establish the difference between available groundwater and ultimate water demands - Once all stakeholders have committed to what future demands will be, we can then move forward in planning new water sources with a clear understanding of needed capacity. We will establish the difference between available sources and ultimate water demands. Using the future demands in 1.1 above, the District will determine how much alternative water will be required for ultimate build-out of the District. (July 1, 2020 initial due date for the GS plan for the 180/400 subbasin) Staff is in process of creating a groundwater management database application as part of its GSA duties. The database will contain information on water levels, water quality, and all relevant well production information. Additional monitoring wells may be needed and evaluated. This will be used along with the GS planning efforts to establish the difference in groundwater and ultimate demands.

The Stanford report ~~regarding the of the~~ Aerial Electromagnetic Survey (AEM) conducted in May 2017 ~~will be was~~ completed ~~d by Spring of in~~ 2018. Additionally, ~~by October 1, 2017,~~ Hopkins Groundwater ~~will be updating updated~~ their technical memo ~~that was created in May 2016~~ to include the preliminary findings from the AEM work. The AEM ~~will provides~~ the necessary data and information to determine available groundwater to inform how the District will meet its ultimate water demands and to provide the tools necessary for the District to provide sustainable groundwater. It is expected that the District will have ongoing work to provide additional information to the AEM over the next 5 years including installing additionally monitoring wells and possibly performing Electro-resistivity

Thermography (ERT) in areas that the AEM did not cover, [or performing another AEM Survey Project](#).

1.3 Determine the growth rate or timeline of when additional water sources will be needed - To ensure that water is available when needed, we will determine a reasonable growth rate or timeline of when additional water sources will be needed. We will provide a clear schedule of when projected demands will exceed available production. This will provide us a clear 'needs' timeline. These rates and timelines will be reviewed annually. (2018) Staff is updating the water, sewer, and recycled water master plans which will provide the projected growth, required projects, estimated costs, and needed capacity fees to construct the projects per the growth schedule. Also, the three party MOU will be used to confirm the development rates, projects, and water demand needs.

1.4 Establish a prioritized list of available alternative water sources - To ensure we stay focused on reasonable and most likely alternative water sources, we will establish a list of available sources to study, along with their respective pluses and minuses. We will prioritize the alternative sources accordingly. (2018) See 1.3.

1.5 Develop an alternative water sources work plan that will carry us from conception to development - To ensure that timelines are maintained and ensure that water will be available, we will utilize the 'needs' timeline and prioritized list of alternative sources to develop a work plan that will carry us from conception to development of said sources. (2018) See 1.3

1.6 Establish goals and objectives that promote protecting our current groundwater sources from seawater intrusion and other forms of contamination - We recognize the fragile nature of our existing groundwater basin. Working with other Salinas Valley groundwater basin [GSA and](#) stakeholders (farmers, agencies, cities and citizens), we will establish goals and objectives that promote protecting our current groundwater source from seawater intrusion and other forms of contamination.

(Substantial progress by 2015) MCWD is the exclusive GSA for Central Marina and is working towards being the GSA for all of its service area [in the Monterey Subbasin](#). As part of the GSA activities, a GS plan will be developed with goals and objectives to protect our groundwater. (July 1, 2020)

1.7 Review and update our water conservation program - We recognize that drinking water is one of the most precious resources on earth. We will assign this to the Water Conservation committee to review and update our water conservation program to ensure we are appropriately managing our water sources. Conservation goals were updated in February 2017. Additional Conservation staff position has been added and evaluation of Conservation programs is ongoing. (Ongoing)

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.

Summary of 5-Year Strategic Goals

- 2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems.
- 2.2 Develop an office/corporation yard Facilities Master Plan.
- 2.3 Develop and implement an Asset Management Plan.
- 2.4 Continue the development of the District's Geographic Information System.
- 2.5 Continue the development of the District's Computer Maintenance Management System (CMMS).
- 2.6 Leak audit and detection.

2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems - To ensure the District is providing services in a cost efficient and timely manner, the 2006 Water Master Plan and 2005 Wastewater System Master Plans will be updated to reflect the existing and future needs of the community. Additionally, the Urban Water Management Plan will be reviewed and updated to ensure that the District has a clear understanding of potential future demands within the District and that implemented conservation measures are appropriate. The annual Capital Improvement Projects are based on the 5-year CIP updated annually with the budget. The Marina and Ord Sewer and Water Masterplans will be updated this coming year. (201~~9~~8)

2.1.1 Existing Infrastructure Plan –The 2006 Water System Master Plan and 2005 Wastewater System Master Plan identified existing infrastructure deficiencies that need to be addressed in the Capital Improvement Plan (CIP). The existing CIP will be a prioritized list of recommended improvements to both systems. The District's CIP will be

reviewed annually to ensure that construction projects are replacing aged facilities prior to catastrophic failure. The yearly CIP review will include a one year, five year and ten year look-ahead to ensure potential infrastructure liabilities are funded and adequate reserves are maintained for repair and replacement. A communication plan for informing the public and District Board/staff of the various projects in the existing system CIP will be prepared. The projects identified will be placed in future budgets as recommended in the Master Plans.

2.1.2 Future Infrastructure Plan- The 2006 Water Master Plan and 2005 Wastewater Master Plans included the expansion and replacement of the existing system components to include build out and various intermediate scenarios to account for phasing of the District's water distribution and wastewater collection systems as development progresses. The District needs to update these Master Plans which is currently underway and expected to be done in 2019 and will include water supply along with water distribution and wastewater collection. The District's CIP will be reviewed annually to ensure that construction projects are expanding infrastructure timely for future demands, as described in the Master Plans, and existing assets are replaced as needed when they reach the end of their useful life. The yearly CIP review will include a ~~one~~-one-year, ~~five~~-five-year and ~~ten~~-ten-year look-ahead to ensure potential infrastructure liabilities are funded and adequate reserves are maintained for repair and replacement. Additionally, development impact fees will be tracked and reported on, including available balances and how funds are expended on projects. Future system construction and development triggers will be identified to allow the District time to construct required future capital improvements according to the pace of development and redevelopment. A communication plan for informing the public and District Board/staff of the various projects in the future system CIP will be prepared. The projects identified will be placed in future budgets and constructed as recommended in the Master Planning documents.

2.2 Develop an office/corporation yard Facilities Master Plan – To ensure the District is efficient, meeting our predetermined levels of service, and that District Departments

can communicate with each other, we need to study the concept of combining all departments into a central office and corporation yard. We will establish future needs for office headquarters and a corporation yard. Produce a master plan layout and location of future headquarters and a corporation yard, as well as a plan for future use of other properties the District owns or leases that may be changed. Define location and layout including building sizes, parking areas, and roadways. Refine layout, location and implement. There may be an opportunity for a land exchange with the City of Marina that may lead to changes in the corporation yard and office use. In addition, review of the 2004 Corp Yard Master plan ~~to evaluate the possibility of consolidating all staff at the Ord Office site~~ and budgeting in ~~2018-2019~~ to begin phasing work at the current Ord Office site to remove some old buildings. (FY 2019-2020)

2.3 Develop and implement an Asset Management Plan – To ensure a reliable and accurate CIP program, the District needs to have a clear understanding of our existing infrastructure through the development of an asset management plan. An appropriate asset management plan will help the District establish clear and measurable key performance indicators and levels of service. We will establish procedures and develop programs for planned management of district facilities and equipment including headquarters and facility buildings, wells and booster pump stations, lift stations and associated supporting infrastructure and district equipment. Work will include educating the Board/staff on asset management, developing the overall program and approach, and phased implementation. O&M continues to collect asset data and location information as discovered and. ~~Refining interoperability between CAD, GIS, CMMS and accounting software and data for development of an asset management plan and program. Staff has begun evaluating new CMMS programs.~~ Additionally, the District needs a Maintenance Management Plan to be adopted and annually updated as a critical part of the overall Asset Management Plan (20182019)

2.4 Continue the development of the District's Geographic Information System (GIS) – To assist the District in developing an appropriate CIP program and yearly review

we will continue to implement our GIS system. An appropriate GIS system is the core component to the District's asset management program. Additionally, an updated GIS database will improve efficiency in the District's geocentric Work Order/Computer Maintenance Management System. The District will explore further GIS database and integration enhancements to leverage our initial investment in the GIS system. The District will train internally or hire a GIS administrator to support Engineering, Conservation, Operations and Customer Service Departmental needs. (Annual review)

2.5 Continue the development of the Computer Maintenance Management System

(CMMS) – The District will continue to support and expand the use of the CMMS system to support Engineering, Conservation, Operations and Customer Service departmental needs. The District will evaluate ways to expand the use of the CMMS system to support future benchmarking studies and develop Key Performance Indicators (KPIs) to allow the District to improve services and CIP planning. Staff has begun evaluating new CMMS programs. (Annual review)

2.6 Leak audit and detection – Staff completed a pilot water leak detection survey of the Fitch Park neighborhood using Aquarius Spectrum fixed sensors in FY 2016/2017. No leaks were detected. Planning on conducting another pilot study once the GIS is updated. Staff recently completed the AWWA TAP water loss validation audit. The District is now in compliance with SB 555 (Title 23, Div. 2, Chapter 7). Staff has implemented a pilot leak detection program with Aquarius Spectrum. Staff still needs to work on confirming metering between the Ord/Marina systems to firm up water loss information. (Annual review)

3.0 Fiscal Planning

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.

Summary of 5-Year Strategic Goals

- 3.1 Five-year Financial Plan and Rate Study.
- 3.2 Regular financial updates to policymakers and managers.
- 3.3 Best Accounting Practices.
- 3.4 Close and audit financial statements in a timely manner.
- 3.5 Obtain the CAFR annually from the Government Finance Officers Association.
- 3.6 Fiscal reserves management for the maintenance/replacement/expansion of the District's infrastructure.

3.1 Five-Year Financial Plan and Rate Study – To support and ensure the vision of the Board to fund all real and likely liabilities and adopt a new rate-study, the District will create a Five-Year Financial Plan and Rate Study to forecast future revenues and to optimize resources by keeping spending within the approved budgeted amounts. The District will conduct annual Budget Workshops allowing staff and the Board to develop a budget consistent with the Strategic Plan. ~~(2018 or as needed) Distributed RFP's in July 2017 for water, wastewater and recycled water rates. Contract was awarded to Carollo Engineers. Also, the water and wastewater master planning efforts will provide a financial plan for updated capacity fees. (October 9, 2017) The Board adopted the most recent rates and rate study on January 22, 2018. In addition, the District is working on updated Master Plans that will include recommendations on updating development capacity fees. It is critical that capacity fees be adopted to pay for all development related impacts and augmented water supply as discussed in the Master Plans.~~

3.2 Regular financial updates to policymakers and managers – Maintaining a positive reputation with the Public requires the District to be fiscally responsible with funds received from ratepayers. In order to operate the District in an open and transparent manner, it is critical that regular financial reports are provided to the Board, public and Managers of the District. Financial Reports will be provided ~~monthly~~ quarterly to the Board, public and Managers. The finance staff will utilize tools available within the financial system augmented with other technological resources to ensure the ability to give timely financial data. Financial updates are currently provided on a quarterly basis. By end of FY ~~2017~~2020, quarterly updates will not only include revenue and expense information but also balance sheet information. (Annually)

3.3 Best Accounting Practices – The District will carefully follow best practice accounting practices as set forth by the Government Accounting Standards Board (GASB) to ensure that the proper accounting practices are in place, and evaluate and update fiscal policies, such as the District’s Investment and Reserve policies, based on the Financial Plan to assure financial stability. Investment, Debt, and Reserve Policies updated in FY 2015/2016. The Procurement Policy will be updated to reflect Federal requirements under Code of Federal Regulations (CFR), Title 2: Grants and Administrative Requirements, Part 200.317-200.326. (FY 2017/2018)

3.4 Close and audit financial statements in a timely manner – An annual audit is conducted to ensure the validity and transparency of the District’s financial records. It is important that the audit be performed in a timely manner in order to protect the integrity of the records. The financial audit is conducted at the close of each fiscal year by a qualified independent accounting firm to confirm that the financial statements accurately reflect the fiscal status of the District. The audited financial statements are the primary component of the District’s CAFR. (Annually)

3.5 Obtain the CAFR annually from the Government Finance Officers Association

– The CAFR is the highest form of recognition in the area of governmental accounting and financial reporting. The District’s CAFR is evaluated and judged by an impartial panel of the GFOA to meet the high standards of the program including demonstrating a constructive “spirit of full disclosure” to clearly communicate its financial story to its users. The District has obtained this award for the past five fiscal years and will continue to submit its CAFR to the award program and obtain the award on an annual basis. (Annually)

3.6 Fiscal reserves management for the maintenance/replacement/expansion of the District’s infrastructure

– To support the District’s vision to have adequate reserves for repair and maintenance of our infrastructure, the District will reserve and restrict sufficient funds to meet the needs of the District’s Capital Improvement Plan (CIP) for each of its cost centers. Management will review each cost center’s capital budget annually to ensure sufficient funding to meet the capital expenditure needs of the District. The Board will annually review and approve the CIP. The District will continue to research, evaluate, and submit grant applications for capital improvement projects. Reserve policy was updated in FY 2015/2016 which established more reserve funds for tracking and planning purposes.

4.0 Strategic Partners and Public Affairs

Our objective is to build our relationship with the public and local agencies. Our strategy in the areas of strategic partners and public affairs is to communicate in a positive way, including active listening and encouraging open discussions.

Summary of 5-Year Strategic Goals

- 4.1 Develop a Strategic Communications Plan and Communicate with the Public
- 4.2 Develop a Strategic Communications Plan and Communicate with our Strategic Partners.
- 4.3 Adopt a plan for technology use in public affairs.
- 4.4 Establish clear standards for the construction process.

4.1 Develop a Strategic Communications Plan focused on Community Outreach-

The District will ~~develop a more aggressive~~continue with a public outreach program ~~by developing that includes~~ an annual report outlining our history, ~~including our future water supply, the Regional Urban Water Augmentation Plan, Armstrong Ranch Groundwater Recharge Project and the GSA as well as the Monterey Peninsula Water Supply Project and important status updates on District priorities.~~ In addition, The District ~~and its PR firm are in the process of creating the MCWD Future H2O website which will offer up-to-date information on the District's activities and water resources. RSE was hired as the District's Public Relations firm. RSE conducted materials audit, customer and stakeholder surveys, press releases, and completed a communication and technology plan. Staff regularly communicates with our strategic partners through social media, our website, press releases, community presentations, and mailers/letters. RSE will soon distribute the first MCWD annual report and is creating a new website for Future H2O. (Ongoing review)~~will retain a consultant to help rebrand the District with the public and jurisdictions that MCWD serves in light of all the recent changes from annexation, FORA transition, water supply development, and GSA Activities.

4.2 Develop a Strategic Communications Plan with our strategic partners – Our actions and non-actions impact the public agencies within and surrounding the District. We will establish clear lines of communication between the District and other agencies to ensure that our message is clearly and quickly communicated so that we can establish and maintain a positive reputation. Meet regularly with other agencies to coordinate efforts. Clearly communicate District goals, limits, and requirements in a timely fashion. (Ongoing review) See 4.1

4.2 Adopt a plan for technology use in public affairs - *To ensure that our message is clearly and quickly communicated so that we can establish and maintain a positive reputation, we will ensure that technology is appropriately used to maximize communication (website, telephones, televising meetings, electronic communications such as email twitter, Facebook). (Ongoing review)*

4.3 Establish clear standards for the construction process - To establish and maintain a positive reputation with contractors, developers, planning departments and the public, the District will update the District's Engineering Standards and plan review/construction inspection process to ensure our construction partners understand exactly what is required from them for Marina Coast. Updates to Procedures, Guidelines and Design Requirements. (2018)

5.0 Organizational Health & Personnel

Our objective is to recruit and retain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service. Our strategy is to utilize sound policies and personnel practices, offer competitive compensation and benefits, and provide opportunities for training, development, and professional growth while ensuring a safe and secure workplace.

Summary of 5-Year Strategic Goals

- 5.1 Recruit and retain high-performing, engaged personnel.
- 5.2 Establish a workforce succession plan.
- 5.3 Develop a knowledge transfer program.
- 5.4 Conduct periodic compensation studies.
- 5.5 Establish and develop an employee professional development plan.
- 5.6 Revise and update our Employee Handbook
- 5.7 Revise employee performance evaluations

5.1 Recruit and retain high performing, engaged personnel - Recruitment and retention of talented and productive employees is essential to be able to accomplish our mission and vision statements. In order to attract and retain the best talent, the District will support and provide opportunities for employees to enhance their job skills and knowledge in their career field. Staff will conduct periodic classification and compensation studies to ensure competitiveness within the local and regional labor markets. The District will reward and recognize staff for superior job performance and make recommendations that lead to improvements in the workplace. Continue partnering with local universities and community colleges for internship opportunities that will prepare students for future career prospects. Hired multiple positions throughout 2016-2017 as needed. Continue to encourage and provide training to employees. (Ongoing as needed)

5.2 Establish a workforce succession plan - In order to sustain a high quality, diverse and inspired workforce, the District will strive to ensure that it maintains a mission-focused

workforce that has the skills and experience to meet the needs of the District today and into the future. We will develop a workforce succession plan that will take a comprehensive look and analysis to determine which positions are more mission critical and which have less bench strength than others to avoid staffing gaps, assuring appropriate depth in critical functions. Likely retirements will be identified and internal staff with the potential skill, experience, and interest will be assessed and prepared for those retirements where appropriate. Job descriptions for positions where internal candidates are not likely will be evaluated and modified to meet the District's future needs. Compensation will be reviewed and adjusted to attract highly qualified candidates. While succession planning will be ongoing throughout the years ahead, the project will begin with this analysis and plan. (2018). Received Board approval to flexibly staff the Engineering Tech/Assistant Engineer as first succession planning opportunity. Reviewing org chart for additional opportunities and the results of the classification study. (In Progress)

5.3 Develop a knowledge transfer program - In the next several years there will be a "silver tsunami" as the baby boomers depart the workplace. The District realizes the need to document the skills, knowledge and connections of our current workforce in order to continue to provide optimum service to our customers and the region. Staff will develop processes such as annual interviews, mentoring and cross-training. Job shadowing and cross-training will begin in Customer Service and Conservation in 2018. More work needs to be done in order to formalize the succession plan which should include knowledge transfer and training programs. (2019 and Ongoing)

5.4 Conduct periodic compensation studies and staffing level analysis - To ensure the District remains able to attract and keep a high-performing workforce, the District will conduct periodic compensation studies to determine competitiveness relative to the local and regional labor market. The Board will establish its salary and benefit philosophy prior to the commissioning of these studies. ~~RFP's were distributed in May 2017 and a consultant was selected. Staff is going to work with consultant on selecting other flexibly~~

~~staff positions that will help to support our succession plan. (2017)~~A comp study was recently completed in FY 2018. Additionally, the District will perform an annual analysis of staffing needs to ensure the District keeps up with the customer growth in the Ord Community and to meet preventative maintenance and CIP plans. (2019-2020)

5.5 Revise and Update Employee Handbook – The Employee Handbook establishes policies, procedures, benefits, and working conditions that employees are expected to follow as a condition of their employment with the District. When employment laws change as they do annually, that particular section of the Handbook gets updated. The current layout of the Handbook will be revised to a more “user-friendly” format with an index included for quick lookup. (2018)

5.6 Establish and develop an employee professional development plan – The District recognizes that its investment in training and development of employees is an ongoing process that benefits the District and employees alike. A knowledgeable staff, prepared with the proper training and skills, will create and maintain an effective workforce. The District’s management will work to create and promote an environment that values development, diversity, productivity, and growth opportunities by implementing employee-training programs and goal-oriented evaluation programs. (2019)

5.7 Revise Employee performance evaluations – Annual performance reviews are a key component of employee development. The evaluation process is designed to promote communication and provide useful feedback about job performance, to facilitate better working relationships, and to contribute to professional development. District management recognizes that performance management is an ongoing process to assist employees in enhancing performance and development. (2018)

6.0 Administrative Management

Our objective is to create, maintain and implement policies and procedures to ensure sound management of the District. We will also maintain and use appropriate technology to maintain efficiency and redundancy. Our strategy will be to conduct periodic review, refinement and implementation of policies and procedures and ensure that staff has the direction and tools necessary for successful operations throughout the District.

Summary of Strategic Goals

- 6.1 *Annexation of the Ord community.*
- 6.2 *Routinely review policies and procedures.*
- 6.3 *Encourage Board development.*
- 6.4 *Conduct new Board member orientation program.*
- 6.5 *Digitize District records.*
- 6.6 *Achieve the CSDA District of Distinction award.*
- 6.7 *Incorporate appropriate technology into District's daily functions.*
- 6.8 *Update Strategic Plan Annually.*

6.1 Annexation of the Ord community – To ensure direct representation of the Ord Community in matters related to the District, we ~~will work~~are working with LAFCO to expand the District's Sphere of Influence and legal boundary to include the Ord Community for those areas that are currently being served by MCWD or are entitled.~~During the annexation process the District will work with LAFCO to ensure proper governance is applied to the resultant District.~~ Additional care will be taken to ensure that existing cost centers remain separate so that the City of Marina and the Ord Community remain independent divisions within the District, supporting their individual infrastructure needs. ~~Ongoing discussions with SCSD and FORA. (2018)~~In the future, as new areas are entitled for development, MCWD will work with LAFCO to annex those new territories into the District. (Ongoing)

6.2 Routinely review policies and procedures – To ensure the District is providing clear and consistent policy and communication that meets state and legal requirements and the needs of the District, the District will review all policies and procedures at least every two years. Periodically reviewing all District policies. (Annually)

6.3 Encourage Board development – Provide Board members with opportunities to engage in training to promote better decision and policy making to the District's benefit. (Ongoing as needed)

6.4 Conduct new Board member orientation program – Good policy requires knowledge. To increase new Board member's knowledge of the District, the staff will provide one-on-one orientation with the General Manager and senior staff for new Board members. Information to be discussed includes current policies, procedures and Water Code. A field trip to key facilities of the District will also be scheduled. (Ongoing as needed)

6.5 Digitize District records– An accurate, searchable and retrievable record of the District's documents is required to enable current Board and staff to make informed decisions. The District will update its current document retention policy and scan and complete the process of digitizing its records as necessary. (2019)

6.6 Achieve the CSDA District Transparency Certificate of Excellence award – Being recognized by an independent organization for appropriate governance improves the District's reputation among other agencies and the public. Additionally, good governance encourages staff to be engaged, reliable and productive. This provides the District with an opportunity to showcase their efforts in transparency. (2018)

6.7 Incorporate appropriate technology in the District's daily functions – Appropriate technology can improve the District's ability to communicate both internally and externally. Using appropriate technology can improve the District's reputation with the public and other agencies by being able to provide accurate information quickly. The

proper use of technology can help establish an engaged, reliable and productive workforce by providing employees the right tools for the job, thereby improving efficiency while meeting our desired levels-of-service. The District will improve and maintain technical equipment to ensure appropriate redundancy, back-ups timely retrieval of information from both the field sites (SCADA) and office (documents). Ensure that communication technology is appropriately used to maximize communication (web site, telephones, electronic communications such as email twitter, Facebook) and to ensure the development of the GIS and CMMS system to optimize the management of the District's assets and minimization of costs and failures. The District hired an Applications System Analyst who is in the process of evaluating use of technology and applications. (Ongoing)

6.8 Update strategic plan annually - The Strategic Plan should function as a planning tool for the next five years with annual updates in coordination with the adoption of the coming fiscal year budget and capital improvement plan. The Strategic Plan will require modifications from year-to-year to reflect progress made on each of the Strategic Goals and to incorporate new goals and needs of the District for the coming five-year period. The District staff will update the Plan with the Board each year for consideration and input which sets more detailed expectations and strategic goals for the District's coming fiscal year and more general goals for the four years following, so that it is a rolling five-year plan. Strategic Plan workshop held March 6, 2017. (Annually)

Table 1 – The Strategic Plan “At a Glance”

#	Strategic Objective/Elements	Lead Person(s)	Status (not-started, in progress, complete)	Status Description	Target Completion (FY)
1.0 Water Sources					
1.1	Work with local land use jurisdictions to clearly establish and determine current and future water use.	Keith Van Der Maaten/ Mike Wegley Patrick Breen	In Progress	Staff has been monitoring the LUJs growth planning via the FORA sunset process. LUJs are considering moving beyond caps imposed by BRP.	2018 2019
1.2	Establish the difference between available groundwater and ultimate water demands.	Keith Van Der Maaten/ Mike Wegley Patrick Breen	In Progress	Staff will be completing a study regarding the remaining augmentation for the BRP as well as identifying alternatives for augmentation beyond the BRP.	July 1, 2020 (initial due date for the GS plan for the 180/400 subbasin)
1.3	Determine the growth rate or timeline of when additional water sources will be needed.	Mike Wegley Patrick Breen	In Progress	Staff will identify growth projections as a part of the augmentation study	2018 2019
1.4	Establish a prioritized list of available alternative water sources.	Keith Van Der Maaten/ Mike Wegley Patrick Breen	In Progress	Staff will be completing a study regarding the remaining augmentation for the BRP as well as identifying	2018 2019

				alternatives for augmentation beyond the BRP.	
1.5	Develop an alternative water sources work plan that will carry us from conception to development.	Keith Van Der Maaten/ Mike Wegley Patrick Breen	In Progress	Once augmentation alternatives have been identified Staff will complete an implementation plan and schedule.	20182019
1.6	Establish goals and objectives that promote protecting our current groundwater source from seawater intrusion and other forms of contamination.	Keith Van Der Maaten/ Mike Wegley Patrick Breen	In Progress	The MCWD GSP will address contamination and sustainability for MCWD groundwater.	July 1, 2020 (initial due date for the GS plan for the 180/400 subbasin)
1.7	Review and update our water conservation program.	Jean Premutati Patrick Breen	In Progress	Staff is reviewing the current program and may recommend adjustments along with the WCC.	Ongoing
2.0 Infrastructure					
2.1	Improvements and expansion plans for existing water delivery and wastewater collection systems.	Mike Wegley	In Progress	Staff will be completing new Master Plans with proposed improvements and expansion plans.	20182019
2.2	Develop an office/corporation yard facilities master plan.	Keith Van Der Maaten	In Progress		2020
2.3	Develop and implement an asset management plan.	Derek Cray	In Progress	The District Updated CMMS/Asset Management	Annual review

				software in June 2018. Work is being done to create vertical assets in GIS for District's facilities.	
2.4	Continue the development of District's geographic information system	Mike Wegley	In Progress	Staff updates the GIS system with the addition of CIP's and new development.	2019
2.5	Continue the development of the CMMS System.	Derek Cray	In Progress	Cityworks was updated June 2018. The new version allows mobile use, setup of PM program, and better tracking and reporting.	2019
2.6	Leak audit and detection.	Patrick Breen/Derek Cray	In Progress	Staff is completing the water loss audit for 2017 now and will investigate leak detection opportunities in the next year.	Annual Review
3.0 Fiscal Planning					
3.1	Five-year financial plan and rate study.	Kelly Cadiente	Not-Started		July 1, 2018
3.2	Regular financial updates to policymakers and managers.	Kelly Cadiente	In Progress		Annually. By end of FY 2017 they will be provided monthly.
3.3	Best accounting practices.	Kelly Cadiente	Completed		Annual review

3.4	Close and audit financial statements in a timely manner.	Kelly Cadiente	Completed		Annual review
3.5	Obtain the Certificate of Achievement in Financial Reporting annually from the Government Finance Officers Association.	Kelly Cadiente	Ongoing		Annual
3.6	Fiscal reserves management for the maintenance/ replacement/ expansion of the District's infrastructure.	Kelly Cadiente	Completed		Annual review
4.0 Strategic Partners and Public Affairs					
4.1	Develop a Strategic Communications Plan focused on community outreach	Jean Premutati/RSE	Ongoing		Ongoing review
4.2	Develop a Strategic Communications Plan and Communicate with our strategic partners.	Jean Premutati/RSE	Ongoing		Ongoing review
4.2	Adopt a plan for technology use in public affairs.	Jean Premutati/RSE	Completed		Ongoing review
4.3	Establish clear standards for the construction process.	Mike Wegley	In Progress Ongoing	Staff updates Procedures Guidelines and Design Requirements, Standard Details, and Specifications	2018 Ongoing Review
5.0 Organizational Health and Personnel					
5.1	Recruit and retain a high performing, engaged workforce.	Jean Premutati	Ongoing		Ongoing as needed

5.2	Establish a workforce succession plan.	Jean Premutati	In Progress		2018
5.3	Develop a knowledge transfer program.	Jean Premutati	Not-Started		2019
5.4	Conduct periodic compensation studies.	Jean Premutati	Scheduled for FY 2017/2018		2017
5.5	Revise and update Employee Handbook	Jean Premutati	Not started		2018
5.6	Establish and develop an employee professional development plan.	Jean Premutati	Not-Started		2019
5.7	Revise employee performance evaluations	Jean Premutati	Not Started		2018
6.0 Administrative Management					
6.1	Annexation of the Ord community.	Mike Wegley	In Progress	MCWD's proposal to annex portions of the Ord Community is before LAFCO	2018 2019
6.2	Routinely review policies and procedures.	Keith Van Der Maaten	Ongoing		Annually
6.3	Encourage Board development.	Keith Van Der Maaten	Not-Started		Annually as needed
6.4	Conduct new Board member orientation program.	Keith Van Der Maaten	Not-Started		Annually as needed
6.5	Digitize district records.	Keith Van Der Maaten	Not-Started		2019
6.6	Achieve the District of Transparency	Keith Van Der Maaten	Not-Started		2018
6.7	Incorporate appropriate technology into the District's daily functions.	Kelly Cadiente	In Progress		Ongoing

6.8	Update strategic plan annually.	Keith Van Der Maaten	Completed		Annually review
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RECEIVED
MAR 14 2019
BY: PRISO.....

March 11, 2019

RE: Regional Water Supply Project

Dear Mr. Le,


Thank you for your email of February 17 addressing your interest in Sand City supporting an effort to expand the Pure Water component of the Regional Water Supply project. Our city has been supportive of the concept of a portfolio of water supply sources to address the long-term needs of the Monterey Peninsula. From the very beginning we have supported one of those portfolio items being the use of 3500 acre-feet of advanced treated wastewater from Monterey One Water.

We are not supportive of reducing the plan size of the California American Water desalinization plant that has been approved by the Public Utilities Commission. If Monterey One Water can obtain long-term source water rights that would support expanding the advance treatment facility, I am sure that there will be a market for the water. One place to immediately look would be the potential use of such water by the Marina Coast Water District to reduce their current mining of the 440 foot aquifer and the deep aquifer and to meet the future water demands of Ford Ord's reuse effort.

Sand City believes that having a sufficient water supply is essential for sustaining our current city needs and meeting the needs of our general plan buildout. The building of our own desalination plant to meet the city's long-term needs is indicative of the priority we have placed on this issue. At the same time, we know that an adequate water supply for the Peninsula, Marina, and Northern Monterey County are also key and essential for the long-term economic health of our region.

Our approach is that we will support the expansion of any responsible water supply project to protect our region's future that is tied directly to having an adequate water supply.

Thank you for your interest.


Maryann Carbone

Mayor

MC:sg

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Incorporated
May 31, 1960

Cc: Marina Coast Water District, Monterey One Water, the Monterey Peninsula Regional Water Authority, the Monterey Peninsula Water Management District



A Very Special

thank you



Handwritten signature

To Marina Coast
Water District,

Thank you for being
a company with a
heart and understanding.

Your kindness is much
appreciated!

Handwritten signature: Brenda

RECEIVED
FEB 28 2011



...with
sincere
appreciation.

Thank you!

The
Earley Family
(Magyar place)