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May 18, 2020

**VIA EMAIL & UNITED STATES MAIL**

Board of Directors  
c/o Paula Riso  
**MARINA COAST WATER DISTRICT**  
11 Reservation Road  
Marina, CA 93933-2099

**Re: Comments of Wathen Castanos Peterson Homes on Resolution No. 2020-29 Re: Water, Sewer, and Recycled Water Master Plans**

Dear Directors:

My law firm represents Wathen Castanos Peterson Homes, Inc. ("Wathen") in connection with the Marina Coast Water District's (the "District") consideration of the Water, Sewer, and Recycled Water Master Plans (collectively, the "Plans"), and the contemplated fees the District intends to charge for new connections (the "Proposed Fees"). As you are aware, Wathen is the developer of the Marina Heights project in Marina, California. Wathen is submitting these comments in advance of the May 18, 2020, hearing on the Plans. Wathen has significant concerns regarding the calculation of the fees contemplated under the Plans, as well as the Water, Wastewater and Recycled Water Capacity Fee Study (the "Fee Study") prepared by Bartle Wells Associates ("BWA"), and requests that the District resolve these concerns prior to considering the Plans for adoption.

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### A. Legal Standard

In response to growing “concerns among developers that local agencies were imposing development fees for purposes unrelated to development projects,” (*Ehrlich v. City of Culver City* (1996) 12 Cal.4th 854, 864), the California Legislature enacted the Mitigation Fee Act, Govt. Code, § 66000, *et seq.* (“MFA” or the “Act”). The Act “embodies a statutory standard against which monetary exactions by local governments . . . are measured,” (*Ehrlich, supra*, 12 Cal.4th at 865), and clarifies the required showing for demonstrating the constitutionally mandated “reasonable relationship” between the impact of a development project and fees. (See *San Remo Hotel L.P. v. City & County of San Francisco* (2002) 27 Cal.4th 643, 671; *Associated Home Builders, Inc. v. City of Livermore* (1976) 18 Cal.3d 582.)

The Act requires local agencies to comply with a number of procedural and substantive requirements prior to imposing development fees, including, *inter alia*, that “such fees [] bear a reasonable relationship, in both intended use and amount, to the deleterious public impact of the development.” (*Building Industry Ass’n of Cent. California v. City of Patterson* (2009) 171 Cal.App.4th 886, 897.) If a development fee fails to meet that standard, then it is, in effect, an invalid special tax. (See *Jacks v. City of Santa Barbara* (2017) 3 Cal.5th 248, 260.)

Section 66013 applies to “capacity charges,” which are defined to mean charges for existing or new public facilities that “are of **proportional benefit** to the person or property being charged.” (Govt. Code, § 66013, subd. (b)(3) [emphasis added].) As such, capacity charges adopted under § 66013 must “**not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed**,” (Govt. Code, § 66013, subd. (a)), and must be used “solely for the purposes for which the[y] . . . were collected.” (Govt. Code, § 66013, subd. (c).)

Moreover, under Proposition 26, a “tax” includes a “levy, charge or exaction” for a service, unless the charge “does not exceed the reasonable costs to the local government of providing the service . . . .” (Cal. Const., art. XIII C § 1, subd. (e).) Notably, the District “bears the burden of proving by a preponderance of the evidence that . . . the amount [of the fee or charge] is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” (Cal. Const., art. XIII C § 1, subd. (e); see also *Silicon Valley Taxpayers’ Ass’n v. Santa Clara County Open Space Authority* (2008) 44 Cal.4th 341, 448-49.)

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### **B. Because the Proposed Fees Include Fees Intended to Displace Fort Ord Reuse Authority Fees, the District Must Coordinate with other Local Agencies to Ensure New Connections Are Not Double-Charged**

In addition to the following issues concerning the amount of the Proposed Fees, Wathen has significant concerns regarding the components of the Proposed Fees that relate to existing Fort Ord Reuse Authority (“FORA”) obligations. Some components of the Proposed Fees are clearly intended to displace those fees, including the fees contemplated under Recycled Water Master Plan. (See Fee Study at 11; see also Recycled Water Master Plan at ES-3, 1-1, Table 6.)<sup>1</sup> While Wathen understands MCWD may intend to assume certain post-FORA obligations, Wathen understands other agencies may intend to impose fees intended defray costs associated with the same post-FORA obligations. This would result in Wathen double-paying for post-FORA obligations, which is not consistent with the Act. In light of the foregoing, MCWD should also expressly identify which portions of the Proposed Fees are intended to displace the FORA Fees, and also coordinate with other agencies that intend to assume FORA-related obligations to ensure the Proposed Fees do not violate California law. Wathen looks forward to meeting with MCWD on these issues in the near-term.

### **C. The Buy-In Fee Should Be Reduced Because it Appears to be Based On the Value of Assets Purchased with Grant Funds**

My office submitted a Public Records Act request on the District seeking the disclosure of “[a]ny records showing the receipt of any grant funds by MCWD or other entities for the construction or maintenance of any of its depreciable assets.” (See Exhibit “A,” No. 4.) In response to this request, the District provided evidence of two grants: one in the amount of \$959,029 and another in the amount of \$2,330,000. (See Exhibits “B,” “C,” “D.”) Based on the date of the grant agreements (2003 and 2008, respectively), as well as the service lives of the assets funded by the grants (20 years and 23 years, respectively), it appears these assets are still used by the District. There is no evidence in the record, however, to suggest the value of this grant funding was deducted from the buy-in calculation. As such, to ensure the buy-in fee is of “proportional benefit to the person or property being charged,” and that the fee does “not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed,” (Govt. Code, § 66013, subs. (a), (b)(3)), the amount of the buy-in fees should be reduced by an amount equal to the remaining expected useful life of the assets funded by the grants. This

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<sup>1</sup> See, e.g., Fort Ord Reuse Authority (“FORA”), Resolution 07-10, available at [https://www.fora.org/Reports/Resolutions/2007/051107%20resol%20\\_Resolution%20No.%2007-10\\_.PDF](https://www.fora.org/Reports/Resolutions/2007/051107%20resol%20_Resolution%20No.%2007-10_.PDF); FORA, Resolution 15-10, available at <https://www.fora.org/Reports/Resolutions/2015/15-07.pdf>; May 2016 MOU Regarding Fort Ord Water Augmentation, available at [https://fora.org/Reports/2015-MOU-Three-Party\\_Final.pdf](https://fora.org/Reports/2015-MOU-Three-Party_Final.pdf); January 27, 2016, Staff Memorandum to FORA Administration Committee, available at <https://www.fora.org/TTF/Additional/Transition-SunsetPlanMemo.pdf>; see also January 13, 2017, FORA Staff Presentation, Peter Said, Project Manager, available at [https://www.fora.org/Board/2017/Presentations/01/011317-item6d-Water\\_Aug\\_Update.pdf](https://www.fora.org/Board/2017/Presentations/01/011317-item6d-Water_Aug_Update.pdf).

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equals \$143,854 for the 2003 grant, and \$1,114,348 for the 2008 grant, (see also Exhibit “E,” Table 2), for a total of \$1,258,202.

### **D. The Buy-In Fee Should Be Reduced Because it Appears to Include the Value of Developer-Contributed Assets**

My office also sought records from the District “showing the receipt of any funds or developer contributed assets that are currently owned or operated by” the District. (See Exhibit “A,” No. 5.) In response, the District provided numerous documents showing approximately \$20 million in developer contributed assets. (See Exhibits “B,” “F.”) While BWA states that development-specific projects were excluded from the *expansion* component of the capacity fees, (see Exhibit “G” [November 25, 2019, Draft Fee Study] at 7, Table 4), BWA did not make any such statement with respect to the buy-in component because the District’s fixed assets list was not available. (See generally *id.*) Based on this omission, it appears buy-in component includes the value of facilities contributed by third-party developers. As such, As such, to ensure the buy-in fee is of “proportional benefit to the person or property being charged,” and that the fee does “not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed,” (Govt. Code, § 66013, subs. (a), (b)(3)), the amount of the buy-in fees should be reduced by approximately \$20 million.

### **E. Key Components of the Sewer Expansion Costs Lack Substantial Evidence**

The District’s sewer expansion cost calculations include approximately \$16 million for Ford Ord miscellaneous sewer improvements and \$1.3 million for Ford Ord sewer lift station rehabilitation costs. These costs, however, were based on information that was purportedly provided by District staff, without corresponding data or evidence in the record. (See, e.g., Sewer Master Plan at 8-2, Table 8.1 n.1, Table 8-3 n.3, Table 8-4 n.3.) In addition, the Sewer Master Plan includes costs to buy-in to service from Monterey One in the amount of \$11,040,808. (See Sewer Master Plan, Tables 8.3, 8.4.) There is no explanation in either the Sewer Master Plan or the Fee Study—much less substantial evidence—to support the \$16 million cost for the Ford Ord miscellaneous sewer improvements, the \$1.3 million figure for the Ford Ord sewer lift station rehabilitation costs, and the \$11 million Monterey One buy-in. As such, to meet its obligations under the Act, the District should either provide substantial evidence to demonstrate the basis for the above costs, or remove them from the Fee Study.

### **F. It is Entirely Unclear How the District Purported to Allocate Costs Between Existing Ratepayers and New Connections**

The Plans provided limited if any explanation of how the Districts costs are allocated between existing ratepayers and new connections. This is certainly true with specific services or assets. For example, the Sewer Master Plan contemplates that the cost of the

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\$11,040,808 Monterey One buy-in would be split 50-50 between existing and new users. (See Sewer Master Plan, Tables 8.3, 8.4.) However, there is no explanation in the Sewer Master Plan or the Fee Study that explains why this accurately allocates the burden on existing and new connections.

The same is true generally. Specifically, the System Buy-In method used by BWA requires new connections to pay for a share in the existing system. This means that the District and BWA view the existing system as benefitting both existing and new connections. Because the improvements contemplated in the Fee Study are not development-specific, based on the same logic, existing connections would likewise receive benefit from the future system improvements; however, these improvements are allocated exclusively to new connections. There is no evidence in the Plans, the Fee Study, or otherwise explaining how or why the future system improvements would supposedly only benefit new connections, and would conversely provide no benefit to existing connections. Without such evidence, the adoption of the Fees is not permissible.

### **G. The District Should Remove \$2.4 Million Allocated for the Water Augmentation Project Interest Costs**

The expansion fee appears to include \$2.4 million allocated for interests costs associated with the Water Augmentation Project. Elsewhere, the District has recognized that the Water Augmentation Project is planned for beyond 2035—after the planning horizon for the capacity fees. On that basis, the District removed approximately \$20 million in capital costs for the Water Augmentation Project. (See Exhibit “E” at 3, 13.) For the same reason, the \$2.4 million in interest costs should likewise be removed from the expansion fee.

### **H. The District’s Estimated Financing Cost of 2.5% for the Advanced Water Treatment Project Phase 2 is Not Supported by Substantial Evidence**

In January 2018, the District received financing for transmission facilities (Blackhorse tank and pipeline) through the Clean Water State Revolving Fund (the “SRF”) with an interest rate of 1.8%. As explained in the attached report from Lechowicz and Tseng (“L&T”), this average rate for the SRF is 1.8%. (See Exhibit “E,” Appendix C.) Despite this, the Fee Study assumes a year 6 interest rate of 2.5% for the Advanced Water Treatment Project Phase 2. There is no evidence in the record to support such a high rate, and the Fee Study’s only source is listed as “MCWD.” (See Fee Study, Table 2C n.1.) This modification results in a reduction in the total cost of the recycled water projects of \$1.5 million.

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## **I. The District's Calculation of Use Per EDU is Flawed, and not Supported by Substantial Evidence**

The conclusions in the Fee Study are based on the assumption that both current and projected customers will generate an average daily demand of 0.28 AF/year/EDU. (See Fee Study at 8.) This assumption is not based on substantial evidence.

First, as explained in the attached report, the Fee Study's presumed water use per EDU is based upon erroneous parcel densities. Specifically, the existing average daily demand of 0.28 AF/year/EDU is supposedly based upon residential development densities of 9-12 units per acre. (See Fee Study at 16.) The Water Master Plan, however, reveals that residential density is actually 8 dwelling units per acre. (See Water Master Plan, Table 5.2 n.2.) Thus, even if the 0.28 AF/year/EDU figure is correct—and it is not, as discussed below—this demand figure should apply to residential lots with a 5-8 unit/acre density, as opposed to 9-12 units/acre. This change alone reduces the water fee by several hundreds of dollars per lot.

The 0.28 AF/year/EDU figure, however, does not accurately capture existing demand. Rather, according to the District's 2015 Urban Water Management Plan, demand for single family residential units is actually between 0.17 and 0.23 AF/year/EDU, as demonstrated below:

<b>Central Marina: Existing Water Use/Customer</b>			
	<b>Customers</b>	<b>Total Acre-Feet/Year Used</b>	<b>Acre-Feet/Year/Customer</b>
Single Family	3,280	741.0	0.23 AF/year/EDU

<b>Ord Community: Existing Water Use/Customer</b>			
	<b>Customers</b>	<b>Total Acre-Feet/Year Used</b>	<b>Acre-Feet/Year/Customer</b>
Single Family	1,334	227.1	0.17 AF/year/EDU

(2015 Urban Water Management Plan<sup>2</sup> at 14, Table 4.3; see also Exhibit "E," Table 5; *id.*, Appendix D.)

<sup>2</sup> The URLs for the 2015 Urban Water Management Plan and the related appendixes are located at:  
[https://www.mcwd.org/docs/engr\\_files/MCWD\\_2015\\_UWMP\\_Final.pdf](https://www.mcwd.org/docs/engr_files/MCWD_2015_UWMP_Final.pdf)  
[https://www.mcwd.org/docs/engr\\_files/MCWD%202015%20UWMP%20Appendices\\_Final.pdf](https://www.mcwd.org/docs/engr_files/MCWD%202015%20UWMP%20Appendices_Final.pdf)

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Using the more conservative of the two corrected figures—0.23 AF/year/EDU—the amount of the Water Fee is reduced by over a thousand dollars per connection for all applicable residential land uses, as follows:

<b>Water Fee Apportionment (based on 0.23 AF/Year/EDU)</b>				
<b>Land Use</b>	<b>BWA AFY</b>	<b>BWA Fee</b>	<b>L&amp;T AFY</b>	<b>L&amp;T Fee</b>
<b>MCWD Water Fees</b>				
Duplex to Fourplex	0.24	\$4,922	0.178	\$3,569
SF 13+ DU/acre	0.25	\$5,127	0.204	\$4,079
SF 9-12 DU/acre	0.28	\$5,742	0.212	\$4,249
SF 5-8 DU/acre	0.33	\$6,767	0.238	\$4,759
SF 2-4 DU/acre	0.52	\$10,664	0.280	\$5,609
<b>Fort Ord Water Fees</b>				
Duplex to Fourplex	0.24	\$16,375	0.178	\$11,893
SF 13+ DU/acre	0.25	\$17,057	0.204	\$13,593
SF 9-12 DU/acre	0.28	\$19,104	0.212	\$14,159
SF 5-8 DU/acre	0.33	\$22,515	0.238	\$15,858
SF 2-4 DU/acre	0.52	\$35,479	0.280	\$18,690

(See Exhibit “E” at Table 10.)

The above analysis also demonstrates the sewer connection fees for new connections are far too high. Specifically, the Fee Study presumes the typical sewer flow from a single family home is 174 gallons per day. (See Fee Study at 3.) Sewer flow, of course, rises and falls based on the amount of water used by each EDU. 174 gallons/day is approximately 70% of 250 gallons/day, which is the equivalent of 0.28 AF/year/EDU. Assuming the more conservative 0.23 AF/year/EDU figure is used above, existing water use equals approximately 205 gallons/day. Conservatively including an additional 5% to account for water loss,<sup>3</sup> the demand per EDU would be 212 gallons per day.

<sup>3</sup> Akel’s Water Master Plan discusses water loss of 10%. However, MCWD’s In-Tract Water and Wastewater Collection System Infrastructure Policy discusses a water loss goal of 5%.

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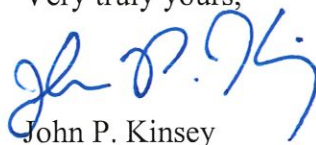
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Based on sewer flow equaling 70% of total water usage, sewer flow per EDU should actually equal 141 gallons/day. This likewise lowers the sewer connection fees significantly.

### **J. Conclusion**

Based on the foregoing analysis, the District lacks substantial evidence to support many of its the most fundamental conclusions in the Fee Study. The proposed fees should be reduced significantly to ensure new connections are not unduly burdened by new fees. Wathen understands that it must pay its fair share, but the District is likewise obligated to demonstrate—based on findings supported by substantial evidence—that the proposed fees (i) do “not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed,” (Govt. Code, § 66013, subd. (a)); (ii) result in a “proportional benefit to the person or property being charged,” (Govt. Code, § 66013, subd. (b)(3)); and (iii) “bear a fair or reasonable relationship to the” burdens associated with new connections. (Cal. Const., art. XIII C § 1, subd. (e).) Simply put, this evidence is lacking. The District should therefore augment its analysis, and work with interested stakeholders to develop a fair and reasonable fee structure.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'John P. Kinsey', is written over the typed name.

John P. Kinsey

cc: Josh Peterson  
Michael Slater



**Re: Comments of Wathen Castanos Peterson Homes  
on Resolution No. 2020-29 Re: Water, Sewer, and  
Recycled Water Master Plans**

**EXHIBIT “A”**

**WANGER JONES HELSLEY PC**  
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\*\*\* Of Counsel  
\*\*\*\* Also admitted in Washington D C  
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February 25, 2020

**VIA EMAIL & UNITED STATES MAIL**

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Executive Assistant/Clerk to the Board  
MARINA COAST WATER DISTRICT  
11 Reservation Road  
Marina, CA 93933-2099  
[priso@mewd.org](mailto:priso@mewd.org)

**Re: Public Records Act Request**

Dear Mr. Van Der Maaten and Ms. Riso:

As permitted by the Public Records Act, Government Code section 6250 *et seq.*, I respectfully request access to all "public records," as defined by section 6252 of the Government Code, and as identified below:

1. Any records identifying any real property owned by Marina Coast Water District ("MCWD").
2. For any real property owned by MCWD, any record showing the original cost of any such land.
3. Any record containing a list or schedule of depreciable assets owned by MCWD.
4. Any records showing the receipt of any grant funds by MCWD or other entities for the construction or maintenance of any of its depreciable assets.

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5. Any records showing the receipt of any funds or developer contributed assets that are currently owned or operated by MCWD.
6. Any records showing the assets used in MCWD's calculation of the RCNLD described in Section 2.2 of the November 25, 2019, Draft Water, Wastewater and Recycled Water Capacity Fee Study (the "Fee Study")
7. Any records showing whether any of MCWD's capacity fee funds were accounted for the in the Fee Study.
8. Any records showing whether any Fort Ord Community Facilities District revenues have been included in the Fee Study.
9. Any records concerning the costs incurred by MCWD for fire protection between January 1, 2010, and the present.
10. Any records showing whether the Fee Study includes costs or capacity for fire protection.
11. Any records concerning or constituting MCWD interruptible supply contracts.
12. Any records, including loan agreements, reflecting the terms of the "3 loans to fund RW projects" referenced in footnote 1, Table 3, of the Fee Study.
13. Any records, including workpapers and agreements, showing (i) the phasing of any loans referenced in footnote 1, Table 3, of the Fee Study, (ii) projects funded by any such loans, and (iii) the source of any such loans.
14. All records showing how MCWD determined that it has \$11,286,362 in capital contributions and grants, including records reflecting the source of such information, agreements, and work papers.
15. Any records constituting any oversizing agreement between MCWD and any other person or entity between January 1, 2010, and the present.

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16. Any records showing how MCWD allocated capital improvements costs to existing customers and future customers in its Master Plans for each of the following facilities or projects:
  - a. Fort Ord Water Pipeline project O-P2;
  - b. Water valve O-FILLV-B-EG;
  - c. Water pipelines P-G2, P-G3, and P-G5;
  - d. Tank G-T-A2;
  - e. Water supply improvement G-W35;
  - f. Sewer gravity mains M-P1, M-P2, M-P3;
  - g. Sewer gravity mains O-P2, O-P4, O-P5, O-P6;
  - h. Sewer lift station O-LSO; and
  - i. Monterey One Water Buy-in.
17. Any records showing how discharge factors were calculated in the Sewer Master Plan for each land use type.
18. Any records showing how MCWD determined, in the Master Plans, that the mixed use district development is estimated as 70% residential and 30% commercial.
19. Any records showing how the size (including number of bathrooms) and fixture types of the typical single family home were determined in the Fee Study.
20. Any records showing whether the average number of plumbing fixtures of recently constructed single family homes or planned, new single family homes were analyzed in the Fee Study.
21. Any records showing how the Fee Study determined multi-family customers were assigned 0.8 EDUs per dwelling unit.
22. Any records showing the number of plumbing fixtures the Fee Study assumed each multi-family dwelling unit to have.

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Paula Riso  
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23. Any records upon which the Fee Study relies for its population growth project of 3%, including the 2015 Urban Water Management Plan, population and demographic factors, and FOR A development projects.

I respectfully ask that all responsive documents be made available electronically, (see Govt., Code, § 6253.9), and that the District make a determination on this request within ten days of receipt. (See Govt. Code, § 6253(c).)

Thank you for your assistance in this matter. Should you have any questions regarding this request, or wish to discuss this matter further, please do not hesitate to contact me.

Very truly yours,



Toni Scarborough

**Re: Comments of Wathen Castanos Peterson Homes  
on Resolution No. 2020-29 Re: Water, Sewer, and  
Recycled Water Master Plans**

**EXHIBIT “B”**



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

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## DIRECTORS

THOMAS P. MOORE  
*President*

JAN SHRINER  
*Vice President*

HERBERT CORTEZ  
PETER LE  
MATT ZEFFERMAN

March 19, 2020

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Wanger Jones Helsley PC  
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Re: Public Records Act Request dated February 25, 2020

Dear Mr. Kinsey, Ms. Ordway, and Ms. Scarborough,

This letter is to let you know that we have collected the responsive documents for your request with the exception of over a thousand pages of deeds from the 1960-1990's. These documents are hard copy only and are available for inspection. At present, our offices are closed to the public due to the COVID-19 Shelter in Place orders. If you would like to arrange for an inspection once the Shelter in Place orders have been removed, please contact me at [priso@mcwd.org](mailto:priso@mcwd.org) or 831-883-5910. All other documents will be sent via a Hightail drop box account to your email addresses. The responses are as follows:

1. Any records identifying any real property owned by Marina Coast Water District ("MCWD"). **See attachments numbered Q01.**
2. For any real property owned by MCWD, any record showing the original cost of any such land. **Hard copies of the documents are available for inspection once an inspection time and date are confirmed.**
3. Any record containing a list or schedule of depreciable assets owned by MCWD. **See attachment numbered Q03.**
4. Any records showing the receipt of any grant funds by MCWD or other entities for the construction or maintenance of any of its depreciable assets. **See attachments numbered Q04; and, Q04, Q12, Q13, Q14. The cost estimation of new capital projects are based on the unit costs included in the respective master plans.**

5. Any records showing the receipt of any funds or developer contributed assets that are currently owned or operated by MCWD. **See attachments numbered Q05.**
6. Any records showing the assets used in MCWD's calculation of the RCNLD described in Section 2.2 of the November 25, 2019, Draft Water, Wastewater and Recycled Water Capacity Fee Study (the "Fee Study"). **See attachment numbered Q03.**
7. Any records showing whether any of MCWD's capacity fee funds were accounted for the in the Fee Study. **There are no responsive documents.**
8. Any records showing whether any Fort Ord Community Facilities District revenues have been included in the Fee Study. **See attachment numbered Q08.**
9. Any records concerning the costs incurred by MCWD for fire protection between January 1, 2010, and the present. **There are no responsive documents.**
10. Any records showing whether the Fee Study includes costs or capacity for fire protection. **There are no responsive documents.**
11. Any records concerning or constituting MCWD interruptible supply contracts. **See attachments numbered Q11.**
12. Any records, including loan agreements, reflecting the terms of the "3 loans to fund RW projects" referenced in footnote 1, Table 3, of the Fee Study. **See attachments numbered Q12; and, Q04, Q12, Q13, Q14.**
13. Any records, including workpapers and agreements, showing (i) the phasing of any loans referenced in footnote 1, Table 3, of the Fee Study, (ii) projects funded by any such loans, and (iii) the source of any such loans. **See attachments numbered Q12; and, Q04, Q12, Q13, Q14.**
14. All records showing how MCWD determined that it has \$11,286,362 in capital contributions and grants, including records reflecting the source of such information, agreements, and work papers. **See attachments numbered Q04, Q12, Q13, Q14.**
15. Any records constituting any oversizing agreement between MCWD and any other person or entity between January 1, 2010, and the present. **There are no responsive documents.**
16. Any records showing how MCWD allocated capital improvements costs to existing customers and future customers in its Master Plans for each of the following facilities or projects:
  - a. Fort Ord Water Pipeline project 0-P2;
  - b. Water valve 0-FILLV-B-EG;



- c. Water pipelines P-G2, P-G3, and P-G5;
- d. Tank G-T-A2;
- e. Water supply improvement G-W35;
- f. Sewer gravity mains M-P1, M-P2, M-P3;
- g. Sewer gravity mains 0-P2, 0-P4, 0-P5, 0-P6;
- h. Sewer lift station 0-LSO; and
- i. Monterey One Water Buy-in.

**There are no responsive documents.**

- 17. Any records showing how discharge factors were calculated in the Sewer Master Plan for each land use type. **See attachment numbered Q17. Discharge factors were calculated in accordance with the methodology outlined in Section 3.2.1 and as represented on Tables 3.2 and 3.3.**
- 18. Any records showing how MCWD determined, in the Master Plans, that the mixed use district development is estimated as 70% residential and 30% commercial. **This is based on Akel experience on other similar Master Plan projects.**
- 19. Any records showing how the size (including number of bathrooms) and fixture types of the typical single family home were determined in the Fee Study. **See attachments numbered Q19.**
- 20. Any records showing whether the average number of plumbing fixtures of recently constructed single family homes or planned, new single family homes were analyzed in the Fee Study. **See attachment numbered Q19 (Table 702.1 of 2016 California Plumbing Code.)**
- 21. Any records showing how the Fee Study determined multi-family customers were assigned 0.8 EDUs per dwelling unit. **There are no responsive documents.**
- 22. Any records showing the number of plumbing fixtures the Fee Study assumed each multi-family dwelling unit to have. **There are no responsive records.**
- 23. Any records upon which the Fee Study relies for its population growth project of 3%, including the 2015 Urban Water Management Plan, population and demographic factors, and FOR A development projects. **There are no responsive records.**

The foregoing notwithstanding, please be advised that MCWD will not make available for copying or inspection any public records that are exempt from disclosure pursuant to Gov. Code §6254, et seq. or under other applicable law. Particularly, MCWD will not make available public records that are protected under the attorney-client privilege or the attorney-work product privilege, certain customer information including but not limited to names and addresses, or proprietary information the documentation of which does not constitute “public records”, as that term is defined under applicable law.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Van Der Maaten', written in a cursive style.

Keith Van Der Maaten  
General Manager

**Re: Comments of Wathen Castanos Peterson Homes  
on Resolution No. 2020-29 Re: Water, Sewer, and  
Recycled Water Master Plans**

**EXHIBIT “C”**

Contract No. E67012

Urban Water Conservation  
Capital Outlay Grant

STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES

CONTRACT BETWEEN THE STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

AND

MARINA COAST WATER DISTRICT

FOR AN URBAN WATER CONSERVATION CAPITAL OUTLAY GRANT UNDER THE  
CALIFORNIA SAFE DRINKING WATER, CLEAN WATER, WATERSHED  
PROTECTION AND FLOOD PROTECTION ACT

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EXHIBIT C

PROJECT DESCRIPTION



STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES

CONTRACT BETWEEN STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES AND

MARINA COAST WATER DISTRICT

UNDER THE SAFE DRINKING WATER, CLEAN WATER, WATERSHED  
PROTECTION, AND FLOOD PROTECTION ACT  
URBAN WATER CONSERVATION PROGRAM  
(Water Code Section 79150 et. seq.)

THIS CONTRACT, entered into by and between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State" and the Marina Coast Water District, a local agency as defined by Water Code Section 79151(f), in the County of Monterey, State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Local Agency", which parties do hereby agree as follows:

CONTRACT SPECIAL PROVISIONS

SECTION 1. PURPOSE OF GRANT

This Grant is made by the State to the Local Agency to assist in financing an Urban Water Conservation Project pursuant to Chapter 8 (commencing with Section 79150) of Division 26 of the California Water Code. Grant funds may be used only as provided in this contract for such Eligible Project Costs as set forth in the Project Description, a copy of which is incorporated herein and attached as Exhibit C, approved by the State and revisions thereof. The project shall be defined further by detailed plans and specifications.

SECTION 2. INCORPORATION OF STANDARD CONDITIONS, SECURITY REQUIREMENTS, AND LOCAL AGENCY COMMITMENTS

This Contract incorporates Exhibit A, "Grant Contract Standard Conditions" (hereinafter referred to as "Standard Conditions"); Exhibit B, "Grant Contract Security Requirements"; Exhibit C "Project Description"; and any attachments thereto. The Local Agency accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Contract, including all incorporated documents, and to fulfill all assurances, declarations, representations and statements made by the Local Agency in the application, documents, amendments and communications filed in support of its request for Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act financing.

SECTION 3. ESTIMATE OF PROJECT COST

The reasonable cost of the Project is estimated to be \$959,029.

SECTION 4. GRANT AMOUNT

Pursuant to the California Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act and subject to the availability of funds, the State will lend to the Local Agency in accordance with the terms of this Contract an amount not to exceed \$959,029.

SECTION 5. LOCAL AGENCY'S COST

The Local Agency agrees to fund the difference, if any, between the estimate of the Project Cost (Section 3) and the Grant Amount (Section 4). Said Local Agency's costs are estimated to be \$0, and shall be expended prior to the disbursement of State Grant funds.

SECTION 6. REQUIREMENTS FOR DISBURSEMENT

The Local Agency shall by June 30, 2003, meet all conditions precedent to the disbursement of money under this Contract, including Basic Conditions Precedent under Article A-3 of the Standard Conditions. Failure by Local Agency to comply by this date may, at the option of the State, result in termination of the Contract under Article A-5 of the Standard Conditions.

SECTION 7. OPERATION AND MAINTENANCE OF CONSTRUCTION PROJECT

For a period of 20 years after completion, which is the reasonable life expectancy of the Project, in consideration of the Grant made by the State, the Local Agency agrees to expeditiously commence and to continue operation of the Project and shall cause the Project to be operated in an efficient and economical manner; shall provide for all repairs, renewals, and replacements necessary to the efficient operation of the same; and shall cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Refusal of the Local Agency to operate and maintain the project in accordance with this provision may, at the option of the State, be considered a material breach of Contract and may be treated as default under Article B-2 of Exhibit B.

SECTION 8. RELATIONSHIP OF PARTIES HERETO

The Local Agency, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Contract shall act in an independent capacity and not as officers, employees, or agents of the State.

The Local Agency is solely responsible for planning and implementation of the Project. Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of Grant funds by the State and shall not be deemed to relieve or restrict the Local Agency's responsibility.

SECTION 9. PERMITS, LICENSES, APPROVALS AND LEGAL OBLIGATIONS

The Local Agency shall be responsible for obtaining any and all permits, licenses and approvals required for performing any work under this Contract, including those necessary for planning and implementing the Project. The Local Agency shall be responsible for observing and complying with any applicable federal, State and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement and safety laws, rules, regulations and ordinances.

SECTION 10. LOCAL AGENCY'S RESPONSIBILITY FOR WORK REQUIRED UNDER THE CONTRACT AND SUBMISSION OF PROGRESS REPORTS

The Local Agency shall submit quarterly progress reports on the status of the project to the Department of Water Resources. The submittal of these reports is a requirement for continued disbursement of State funds. Progress reports shall summarize the work completed during the reporting period, include a statement of progress toward completion compared to the project schedule, and provide a comparison of costs to date compared to the approved scope of work and project budget.

The Local Agency shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers and providers of services. The Local Agency shall give personal supervision to any work required under this Contract or employ a competent representative, satisfactory to the State, with the authority to act for the Local Agency. The Local Agency or its authorized representative shall be present while work is in progress. The Local Agency shall give attention to fulfillment of the Contract and completion of the Project, and shall keep work under control.

The Local Agency shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to bid disputes and payment disputes with the Local Agency's contractors and

subcontractors. The State will not mediate disputes between the Local Agency and any other entity concerning responsibility for performance of work.

SECTION 11. PROJECT OFFICIALS AND NOTICES

The State Project Manager shall be the Chief, Division of Planning and Local Assistance, Department of Water Resources. The State Project Manager shall be the State's representative and shall have the authority to make determination and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under the Contract. Disputes shall be resolved in accordance with Article 28 of Exhibit A.

The Local Agency Project Director shall be General Manager, Marina Coast Water District. The Local Agency Project Director shall be the Agency's representative for the administration of the Contract and shall have full authority to act on behalf of the Agency, including authority to execute all payment requests. All communications given to the Project Director shall be as binding as if given to the Local Agency.

Either party may change its Project Manager or Director upon written notice to the other party.

Notices required to be given to the State in writing by the Local Agency under this Contract shall generally be sent to:

State of California  
Department of Water Resources  
Division of Planning and Local Assistance  
Attention: Program Manager  
Water Conservation Bond Law Programs  
Post Office Box 942836  
Sacramento, California 94236-0001

Notices required to be given to the Local Agency in writing by the State under this Contract shall be sent to:

General Manager  
(Representative)  
Marina Coast Water District  
Agency Name)  
11 Reservation Road  
(Mailing Address)  
Marina, California 93933  
(City, State, Zip Code)

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

All such notices shall be enclosed in a properly addressed, postage prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on

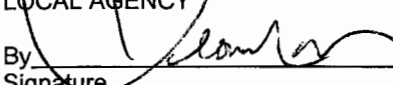
Approved as to Legal Form  
and Sufficiency:

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

By \_\_\_\_\_  
Chief Counsel  
Department of Water Resources

By \_\_\_\_\_  
Chief, Division of Planning and Local Assistance  
Department of Water Resources

Marina Coast Water District  
LOCAL AGENCY

By   
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

11 Reservation Road  
Address

Marina, California 93933

EXHIBIT A

STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES

GRANT CONTRACT STANDARD CONDITIONS

ARTICLE A-1. DEFINITIONS

Whenever in this Contract the following terms are used, their meaning shall be as follows:

Days: Calendar days unless otherwise expressly indicated.

Months: Calendar months unless otherwise expressly indicated.

Years: Calendar years unless otherwise expressly indicated.

Local Agency: Any city, county, city and county, special district, joint powers authority, or other political subdivision of the State or a mutual water company that is a nonprofit corporation, organized for, or engaged in the business of, developing, distributing, supplying, or delivering water for irrigation or domestic use, or both, to its members or shareholders, at actual cost plus necessary expenses.

Project: A project for the completion of an Urban Water Conservation project under the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, Urban Water Conservation Program. A Project may include all work and facilities, not including construction equipment, for the completion of an Urban Water Conservation project proposed by the Local Agency pursuant to the plans and specifications which describe the plan of the Project as submitted to the State and all addenda and changes to the foregoing documents approved by the State.

Eligible Project Costs: Reasonable and necessary costs associated with an eligible project including, but not limited to, the engineering, legal and administrative fees, land and easement acquisition, environmental documentation, environmental mitigation, and construction costs associated with the Project. Eligible costs may also include those reasonable and necessary costs incurred by the applicant to prepare the application and establish eligibility prior to or after the effective date of this Contract. Examples of ineligible costs include, but may not be limited to, the following:

- (a) Operation and maintenance costs.
- (b) Costs for purchase of movable equipment not an integral part of the project.
- (c) Payment of principal or interest of existing indebtedness or any interest payment unless:
  - (1) The State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred; and
  - (2) The purposes for which the debt is incurred are otherwise Eligible Project Costs.
- (d) Establishing a reserve fund.
- (e) Purchase of water supply for the project.

Grant Commitment: The maximum sum of money that the State agrees to provide to the Local Agency under this Contract that will not have to be repaid, up to a maximum of \$5,000,000.

ARTICLE A-2. TERM OF CONTRACT

Subject to the provisions of Article A-3, this Contract shall become effective on the date of its execution and shall remain in effect until the Project is determined to be complete by the State.

ARTICLE A-3. BASIC CONDITIONS PRECEDENT

The State shall have no obligation to disburse money under this Contract unless and until the Local Agency has satisfied the State that the disbursement is in accordance with requirements of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act which include:

- (a) The Local Agency provides a copy of a resolution adopted by its governing body, accepting the Grant and designating a representative to execute the Contract and to sign the requests for disbursement.
- (b) The Local Agency demonstrates to the State's satisfaction the proposed Project financing has the support of a majority of the affected community by holding either an election or a widely publicized public meeting; or by any other suitable, lawful method of determining community support, at which public comments and questions are received and answered. If the Local Agency determines that an election is not required by law prior to the Local Agency's execution of this grant Contract, it shall transmit to the State an acceptable legal opinion from the Local Agency's counsel stating that no election is legally required, and stating the legal basis for the Local Agency's determination.
- (c) The Local Agency demonstrates the availability of sufficient funds to complete the Project.
- (d) The Local Agency demonstrates to the satisfaction of the State that all other sources of funds for the Project have been utilized.
- (e) The Local Agency demonstrates to the State's satisfaction that the Local Agency has sufficient water available at all times and a right to use the water required to operate the Project.
- (f) The Local Agency submits an initial budget of Eligible Project Costs on a form provided by and approved by the State. The Local Agency shall obtain written approval of changes to the budget from the State before any substantive changes are made, and shall thereafter provide to the State a copy of the revised budget.
- (g) The Local Agency submits to the State final plans and specifications certified by a California Registered Civil Engineer, or equivalent documentation as to compliance with the approved Project as defined in Section 1.
- (h) The Local Agency submits a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way and approvals as may be required by other state, federal, and/or local agencies, as specified in Section 9 of this Contract.
- (i) The Local Agency demonstrates that it has complied with all applicable requirements of the California Environmental Quality Act and the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements and environmental permits as may be required prior to beginning the Project.
- (j) The Local Agency submits timely periodic progress reports as required by Section 10 of this Contract.

ARTICLE A-4. GRANT DISBURSEMENTS BY STATE

(a) Cost Statements

After the Basic Conditions Precedent in Article A-3 are met, the State will disburse the whole or portions of the Grant commitment to the Local Agency following receipt from the Local Agency of a statement or statements of incurred Eligible Project Costs, reviewed by a Registered Civil Engineer, on forms provided by the State, and timely progress reports as required by Section 10 of this Contract. Requests for Grant funds shall be filed quarterly or for such periods as the State and the Local Agency may mutually agree. The Local Agency shall provide the following

information:

(1) A statement of the incurred Eligible Project Costs for work performed under the Contract during the period identified in the particular statement.

(2) A statement of the cost of any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular statement for the implementation of the Project.

(3) A statement of other Eligible Project Costs which have been incurred for the Project during the period identified in the particular statement, including, but not limited to, legal, engineering, and administrative fees associated with implementation, and preparation of the application, and establishing eligibility.

After the Project has been completed or terminated, the Local Agency shall furnish to the State, within 60 days, a final statement of incurred Eligible Project Costs.

(b) Disbursement

Following the review of each statement of costs, the State will disburse to the Local Agency the amount approved, subject to the availability of funds. Any and all money disbursed to the Local Agency under this Contract and any and all interest earned by the Local Agency on such money shall be used solely to pay Eligible Project Costs.

ARTICLE A-5. WITHHOLDING OF GRANT DISBURSEMENTS BY STATE

(a) Conditions for Withholding

The State shall withhold ten percent (10.0%) of the funds requested by the Local Agency for reimbursement of eligible project costs until the Project is completed and the certification of a Registered Civil Engineer, required by Article A-6(e) of this Contract, is accepted by the State.

(b) Additional Conditions for Withholding

If the State determines that the Project is not being completed substantially in accordance with the provisions of this Contract, or that the Local Agency has failed in any other respect to comply substantially with the provisions of this Contract, and if the Local Agency does not remedy any such failure to the State's satisfaction, the State may withhold from the Local Agency all or any portion of the Grant commitment and take any other action that it deems necessary to protect its interests.

(c) Withholding Entire Grant Commitment

If the State notifies the Local Agency of its decision to withhold all of the Grant commitment from the Local Agency pursuant to Subdivision (b) of this Article, this Contract shall terminate upon receipt of such notice by the Local Agency and shall no longer be binding on either party.

(d) Withholding Balance of Grant Commitment

Where a portion of the Grant commitment has been disbursed to the Local Agency and the State notifies the Local Agency of its decision to withhold the balance of the Grant commitment pursuant to Subdivision (b) of this Article, the portion that has been disbursed shall thereafter be repaid immediately with interest, as directed by the State. Refusal of the Local Agency to so repay may, at the option of the State, be considered a material breach of contract and may be treated as default under Article B-2 of Exhibit B.

ARTICLE A-6. TIMING AND MANNER OF PROJECT UNDERTAKING

(a) Project Completion Date

The Local Agency shall expeditiously undertake implementation of the Project and shall complete it not later than December 31, 2004.

(b) Project Undertaking Pursuant to Contract

The Project shall be undertaken in strict accordance with this Contract.

(c) Determination of Project Completion

For the purposes of this Contract, the Project shall be considered to be completed or to be terminated when so determined by the State.

(d) Competitive Bidding of Contracts and Procurements

Any contract let for the construction of the Project, or any part thereof, which is in excess of \$20,000, or which is greater than any smaller amount for which competitive bids are required under the enabling authority of the Local Agency, shall be let by competitive bid procedures which assure award of the contract to the lowest responsible bidder, except as may be otherwise authorized in writing by the State. Requests for approval of waiver of competitive bidding, for award of contract to other than the low bidder, or for an agency to proceed on the basis of force account or day labor, or for any other procedure which deviates from the principle of competitive bidding shall be submitted to the State before the procedure is implemented. The State's approval of the procedure will be based on compliance with applicable laws and policies. The State expressly reserves the right to approve or disapprove of such requests.

Procurement of necessary supplies or equipment shall also be undertaken in such a manner as to encourage fair and competitive treatment of potential suppliers.

(e) Final Inspection and Certification of Registered Civil Engineer (Construction Projects)

Upon completion of the Project the Local Agency shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Contract. The Local Agency shall notify the Division of Planning and Local Assistance of the Department of Water Resources of the inspection date at least 10 days prior to the inspection in order to provide the State the opportunity to participate in the inspection.

(f) Sign Referring to Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act Financing ( Construction Projects)

During construction of the Project, the Local Agency shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act, Urban Water Conservation Program, administered by the State of California, Department of Water Resources. The sign shall be erected before Grant funds are disbursed. The Local Agency shall notify the State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

(g) Acknowledgement of Credit (Non Construction Projects)

The Local Agency shall include appropriate acknowledgement of credit to the State and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under the Contract.

(h) Audit Requirement

Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the examination and audit of the State for a period of three years after final payment under this Contract with respect to all matters connected with this Contract, including but not limited to, the cost of administering this Contract. All records of the Local Agency or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion.



ARTICLE A-7. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENTS

(a) Separate Accounting of Grant Disbursements and Interest Records

The Local Agency shall account for the money disbursed pursuant to this Contract separately from all other Local Agency's funds. The Local Agency shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Local Agency shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. The Local Agency shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.

(b) Disposition of Money Disbursed

All money disbursed pursuant to this Contract shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

(c) Remittance of Unexpended Funds

The Local Agency, within a period of thirty (30) days from the final disbursement from the State to the Local Agency of grant funds, shall remit to the State any unexpended funds that were disbursed to the Local Agency under this Contract and were not needed to pay Eligible Project Costs.

d) Interim and Final Audits

The State reserves the right to conduct an audit at any time between the execution of this Contract and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Local Agency to conduct a final audit, at the Local Agency's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant.

Failure or refusal by the Local Agency to comply with this provision shall be considered a substantial failure to comply with this Contract, and the State may elect to pursue any remedies provided in Article A-5 or take any other action it deems necessary to protect its interests.

ARTICLE A-8. REPORTS ON EXPENDITURE AND PROJECT COMPLETION

During the planning and implementation phases of the Project, the Local Agency agrees to provide to the State an annual summary of the information required by Articles A-4 and A-7. Within 60 days of project completion, the Local Agency shall submit a final progress report on project completion and expenditures for the State's review and comment. The report shall be modified to incorporate the State's comments, if any, and resubmitted within 60 days of the Local Agency's receipt of the State's comments.

ARTICLE A-9. INSPECTIONS OF PROJECT BY STATE

The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Contract. This right shall extend to any subcontracts, and the Local Agency shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Contract with the State.

ARTICLE A-10. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION

The Local Agency shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Local Agency's service of water, without prior permission of the State. The Local Agency shall not take any action, including but not limited to actions relating to user fees, charges and assessments, that could adversely affect the ability of the Local Agency to make timely payments or to otherwise meet its obligations under this Contract, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State to be applied to the Local Agency's indebtedness under this Contract.

ARTICLE A-11. NONDISCRIMINATION CLAUSE

During the performance of this contract, the Local Agency, its contractors and subcontractors shall not deny the Contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Local Agency shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Local Agency, its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State Agency to implement such article.

The Local Agency, its contractors and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Local Agency shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Contract.

The Local Agency's signature on this contract shall constitute a certification under the penalty of perjury under the laws of the State of California that the Local Agency has, unless exempted, complied with the nondiscrimination program requirements of Government Code, Section 12990, and Title 2, California Code of Regulations, Section 8103.

ARTICLE A-12. WORKERS' COMPENSATION CLAUSE

The Local Agency affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the Local Agency affirms that it will comply with such provisions before commencing the performance of the work under this Contract and will make its contractors and subcontractors aware of this provision.

ARTICLE A-13. SUCCESSORS AND ASSIGNS

This Contract and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Contract or any part hereof, rights hereunder, or interest herein by the Local Agency shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.

ARTICLE A-14. STATE TO BE HELD HARMLESS

The Local Agency agrees to indemnify the State and its officers, agents, and employees against and to hold the same free and harmless from any and all claims, demands, damages, losses, costs, expenses, or liability due or incident to, either in whole or in part, and whether directly or indirectly, arising out of the Project.

ARTICLE A-15. REMEDIES NOT EXCLUSIVE

The use by either party of any remedy specified herein for the enforcement of this Contract is not exclusive and shall not deprive the party using such remedy of, or limits the application of, any other remedy provided by law.

ARTICLE A-16. AMENDMENTS

This Contract may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Local Agency for amendments must be in writing stating the amendment request and the reason for the request.

ARTICLE A-17. OPINIONS AND DETERMINATIONS

Where the terms of this Contract provide for action to be based upon opinion, judgement, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgement, approval, review, or determination to be arbitrary, capricious, or unreasonable.

ARTICLE A-18. CONTRACTING OFFICER OF THE STATE

The contracting officer of the State shall be the Director of the Department of Water Resources of the State of California and his successors, or their duly authorized representatives. The contracting officer shall be responsible for all discretionary acts, opinions, judgements, approvals, reviews, and determinations required by the State under the terms of this Contract.

ARTICLE A-19. WAIVER OF RIGHTS

None of the provisions of this Contract shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Contract unless contrary to law. Any waiver by either party hereto of rights arising in connection with this Contract shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

ARTICLE A-20. NOTICES

All notices that are required either expressly or by implications to be given by one party to the other under this Contract shall be signed for the State by its contracting officer and for the Local Agency by such officers, as from time to time, it may authorize in writing to so act. All such notices shall be deemed to have been given if delivered personally or if enclosed in a properly addressed postage-prepaid envelope and deposited in a United States Post Office for delivery by registered or certified mail.

ARTICLE A-21. INSPECTION OF BOOKS, RECORDS, AND REPORTS

During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Contract or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Contract. Failure or refusal by the Local Agency to comply with this provision shall be considered a substantial failure to comply with this Contract, and the State may withhold disbursements to the Local Agency or take any other action it deems necessary to protect its interests, as provided in Article B-2.

ARTICLE A-22. SUIT ON CONTRACT

Each of the parties hereto may sue and be sued with respect to this Contract.

ARTICLE A-23. CLAIMS DISPUTE CLAUSE

Any claim that the Local Agency may have regarding the performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty (30) days of the Local Agency's knowledge of the claim. If this attempt fails, the next step shall be resolution of the claim through non-binding mediation. If this second step fails, both parties shall have the opportunity to exercise their rights under Article A-22 of this Contract. Once a resolution is reached, its terms may be implemented through an amendment to this Contract.

ARTICLE A-24. DOCUMENTATION OF PROJECT BENEFITS AND COSTS

(a) Actual Water Savings

After project completion the Local Agency shall revise the estimate of water savings based on records for the first operational year and, within 90 days after the first operational year has elapsed, report these findings to the

Department of Water Resources, Division of Planning and Local Assistance. This recording and reporting process shall be subsequently repeated for a total of five consecutive operational years. Estimates shall include total annual water savings and net annual water savings. The report shall also include a description of how the water produced by the project is being used.

(b) Other Benefits and Costs

The Local Agency shall, after the first operational year has elapsed report any other benefits (other than water savings) and any additional costs resulting from the project, to the Department of Water Resources, Division of Planning and Local Assistance.

ARTICLE A-25. DRUG-FREE WORKPLACE CERTIFICATION

(a) Certification of Compliance

By signing this Contract, the Local Agency, its contractors or subcontractors hereby certify under penalty of perjury under the laws of the State of California compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

(1) Publish a statement notifying employees, contractors and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors or subcontractors for violations, as required by Government Code Section 8355(a).

(2) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors and subcontractors about all of the following:

- (a) The dangers of drug abuse in the workplace,
- (b) The Local Agency's policy of maintaining a drug-free workplace,
- (c) Any available counseling, rehabilitation and employee assistance programs, and
- (d) Penalties that may be imposed upon employees, contractors or subcontractors for drug abuse

violations.

(3) Provide, as required by Government Code Section 8355(c), that every employee, contractor and subcontractor who works under this Contract:

- (a) Will receive a copy of the Local Agency's drug-free policy statement, and
- (b) Will agree to abide by terms of the Local Agency's condition of employment, contract or subcontract.

(b) Suspension of Payments

This contract or grant may be subject to suspension of payments or termination, or both, and the Local Agency may be subject to debarment if the Department determines that:

(1) The Local Agency, its contractors or subcontractors have made a false certification, or;

(2) The Local Agency, its contractors or subcontractors violates the certification by failing to carry out the requirements noted above.

ARTICLE A-26. AMERICANS WITH DISABILITIES ACT

By signing this Contract, contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

ARTICLE A-27. CONFLICT OF INTEREST

(a) Current State Employees

(1) No State officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.

(2) No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

(b) Former State Employees

(1) For the two years period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency.

(2) For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

ARTICLE A-28. NO THIRD PARTY RIGHTS

The parties to this Contract do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Contract, or of any duty, covenant, obligation or undertaking established herein.

ARTICLE A-29. SEVERABILITY

Should any portion of this Contract be determined to be void or unenforceable, such shall be severed from the whole and the Contract shall continue as modified.

ARTICLE A-30. TERMINATION

The State may terminate this Contract under Article B-2 of Exhibit B.

EXHIBIT B

GRANT CONTRACT SECURITY REQUIREMENTS

ARTICLE B-1. PERFORMANCE AND ASSURANCES

Local Agency agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the final plans and specifications as submitted or as later amended and approved by the State under this Contract and to apply State funds received only to Eligible Project Costs and to operate and maintain the Project in accordance with applicable provisions of the law. In the event the State finds it necessary to enforce this provision or any right or power under this Contract in the manner provided by law, Local Agency agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

ARTICLE B-2. DEFAULT PROVISIONS

(a) The Local Agency will be in default under this agreement if any of the following occur:

(1) Substantial breach of this Contract, or any supplement or amendment to it, or any other agreement between the Local Agency and the State evidencing or securing the Local Agency's obligations;

(2) Making any false warranty, representation, or statement with respect to this Contract;

(3) Failure to make any remittance required by this Contract.

(b) Should an event of default occur, the State may do any or all of the following:

(1) Demand the Grant be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default;

(2) Terminate any obligation to make future payments to the Local Agency;

(3) Terminate the Contract;

and

(4) Take any other action that it deems necessary to protect its interests.

(c) The Local Agency agrees that any remedy provided in this Contract is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of a breach of this Contract by the Local Agency, whether such breach occurs before or after completion of the Project.

(d) No waiver by the State of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if signed by the State or its authorized agent.

EXHIBIT C  
PROJECT DESCRIPTION  
MARINA COAST WATER DISTRICT  
WATER CONSERVATION SYSTEM REHABILITATION PROGRAM  
PRESSURE REDUCTION PROJECT

**Project Description**

Based on recently compiled data, an estimated 30% water loss rate has been estimated for the Fort Ord water system. The direct goal for this project phase is to reduce the unaccounted water loss in the Fort Ord water system. The project consists of replacing gate valves and pressure reduction valves (PRVs) in the Fort Ord water distribution system. The objective of valve replacement is to stop leakage and improve regain adequate pressure control. Presently, the gate valves and PRVs are inoperative, and in many cases the PRVs are leaking, as well. These problems lead to excessive breakage rates for pipes and joints, and exacerbate leak rates where pipes are in disrepair. Replacement of faulty PRVs and gate valves will allow the restoration of proper pressure zones and allow the system to operate efficiently. In addition, MCWD staff will be better equipped to isolate specific areas in the event of breaches. Subsequently water loss and the loss of customer service will be diminished. In order to achieve water savings, replacement of gate valves and PRVs must be accomplished together.

MCWD has proceeded with replacing some valves specifically scheduled for replacement under this project. MCWD understands that it will not be reimbursed by DWR for those materials and construction costs.

**Scope of Work**

In summary, the project consists of the following tasks:

- a) Task 1 - Replace pressure reduction valves;
- b) Task 2 - Replace gate valves;
- c) Task 3 - Environmental, engineering, and administrative work.

The expected life of the MCWD project is 20 years.

The project will be managed by David Meza, P.E., District Engineer for MCWD. MCWD will employ contract labor to perform the engineering design and construction for this project. When the bidding process is underway, MCWD will provide additional information to the DWR Office of Water Use Efficiency about specific roles of in-house and construction contractor responsibilities, especially in regard to the separation of duties between construction and inspection staff.

**Project Schedule**

The pressure reduction project will take approximately 15 months to complete. The tasks (described above under Scope of Work) will be completed within the following time frames:

- a) Task 1 – Replace pressure reduction valves - Months 5 through 12
- b) Task 2 -- Replace gate valves - Months 5 through 12
- c) Task 3 – Environmental, engineering & administrative - Months 1 through 15

**Project Location**

The Water Conservation System Rehabilitation Program Project is located in Monterey County at the former Fort Ord army base. The site is located adjacent to the City of Marina and is just east of Highway 1 and Monterey Bay.



**Re: Comments of Wathen Castanos Peterson Homes  
on Resolution No. 2020-29 Re: Water, Sewer, and  
Recycled Water Master Plans**

**EXHIBIT “D”**

	% of R3 into Rates (GSA):						77.39%	Rate Adjustments needed		
Current Plan	R1	R2	R3-ALL	R3-DEV ONLY	R3-Rate Only	TOTAL-ALL	TOTAL DEV only	Total Rates only	CM GSA Rates	Ord GSA rates
Transmission Facilities	\$ 10,513,217	\$ -	\$ -		\$ -	\$ 10,513,217	\$ 10,513,217	\$ -	\$ -	\$ -
Distribution Facilities	\$ 9,300,000	\$ -	\$ 1,000,000	\$ 226,105	\$ 773,895	\$ 10,300,000	\$ 9,526,105	\$ 773,895	\$ 309,558	\$ 464,337
AWT	\$ 9,208,980	\$ 11,026,667	\$ 12,973,333	\$ 2,933,333	\$ 10,040,000	\$ 33,208,980	\$ 23,168,980	\$ 10,040,000	\$ 4,016,000	\$ 6,024,000
On Site Conversions	\$ 250,000	\$ 500,000			\$ -	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
Monitoring Wells	\$ -	\$ -	\$ 500,000	\$ 113,052	\$ 386,948	\$ 500,000	\$ 113,052	\$ 386,948	\$ 154,779	\$ 232,169
Injection Well Facilities	\$ -	\$ -	\$ 5,526,667	\$ 1,249,606	\$ 4,277,061	\$ 5,526,667	\$ 1,249,606	\$ 4,277,061	\$ 1,710,824	\$ 2,566,237
Subtotal	\$ 29,272,197	\$ 11,526,667	\$ 20,000,000	\$ 4,522,097	\$ 15,477,904	\$ 60,798,864	\$ 45,320,960	\$ 15,477,904	\$ 6,191,161	\$ 9,286,742
Less CC	\$ (4,300,000)	\$ -	\$ -	\$ -	\$ -	\$ (4,300,000)	\$ (4,300,000)	\$ -	\$ -	\$ -
Less Grants	\$ (6,986,362)	\$ -	\$ -	\$ -	\$ -	\$ (6,986,362)	\$ (6,986,362)	\$ -	\$ -	\$ -
Subtotal	\$ 17,985,835	\$ 11,526,667	\$ 20,000,000	\$ 4,522,097	\$ 15,477,904	\$ 49,512,502	\$ 34,034,598	\$ 15,477,904	\$ 6,191,161	\$ 9,286,742
Future Interest Costs	\$ 5,448,681	\$ 4,994,841	\$ 2,399,324	\$ 2,399,324	\$ -	\$ 12,842,847	\$ 12,842,847	\$ -	\$ -	\$ -
<b>TOTAL COSTS</b>	\$ 23,434,516	\$ 16,521,508	\$ 22,399,324	\$ 6,921,421	\$ 15,477,904	\$ 62,355,349	\$ 46,877,445	\$ 15,477,904	\$ 6,191,161	\$ 9,286,742
AFY	600	827	973	220	753	2,400	1,647	753	Annual Rev Requirement:	
Approx Capital \$/af	(1,696)	(954)	(1,175)	(1,605)	(1,049)	(1,160)	(1,646)	(1,049)	(\$315,868)	(\$473,803)

\$ 15,477,904

(\$789,671)

Note: Total Costs covered by rates (annual revenue requirement) doesn't include interest costs since rates are paid annually and debt service is paid annually and includes interest, whereas capacity fees are paid up front for the entirety of the project cost so they do include future interest costs.

EDU's based on flow (table 3 in fees):				
Avg MGD	CM	Ord	MGD TOTAL	AFY TOTAL
Existing flows	1.98	1.26	3.24	3,629
Nearterm flows	2.46	2.25	4.71	5,276
Buildout flows	2.46	5.81	8.27	9,264
Delta flows-nt	0.48	0.99	1.47	1,647
Delta flows-bo	0.48	4.55	5.03	5,634
Cost Share flows	33%	67%		
EDU	CM	Ord	EDU TOTAL	AFY per EDU
Existing	7,921	5,041	12,962	0.28
Nearterm	9,841	9,001	18,842	0.28
Buildout	9,841	23,243	33,084	0.28
Delta-nt	1,920	3,960	5,880	1,646
Delta-bo	1,920	18,202	20,122	5,634

Recalculate Table 7 cost allocations based on Table 3 flow projections:							
Phase	AFY	AFY-DEV	Dev %	Total Cost	SUPPLY	INFRASTRUCTURE	TOTAL
					Dev Cost (RW SUPPLY)	Dev Cost (Water)	Dev Cost (Total)
1	600	600	100%	\$ 23,434,516	\$ 23,434,516		
2	827	827	100%	\$ 16,521,508	\$ 16,521,508		
3	973	220	22.6%	\$ 22,399,324	\$ 6,921,421		
	2400	1647		\$ 62,355,349	\$ 46,877,445	\$ 46,128,100	\$ 93,005,545
				ORD EDU	3,960	3,960	3,960
				CM EDU	1,920	1,920	1,920
				TOT EDU	5,880	5,880	5,880
				combined \$/EDU	\$ 7,972	\$ 7,845	\$ 15,817
				TOTAL	\$ 46,877,445	\$ 46,128,100	\$ 93,005,545
				ORD	\$ 31,407,888	\$ 37,743,660	\$ 69,151,548
				MARINA	\$ 15,469,557	\$ 8,384,440	\$ 23,853,997
				ORD \$/EDU	\$ 7,931	\$ 9,531	\$ 17,463
				CM \$/EDU	\$ 8,057	\$ 4,367	\$ 12,424

Check Fees to Seaside Dev (table 5.2 MP, adjusted to table 3 in Fees):						
	Mgd	<sup>1</sup> Adjust	AFY	EDU	\$/EDU	Total Fee
Campus Town	0.06	0.0882	98.8	353	\$ 17,463	\$ 6,161,566
Main Gate	0.04	0.0588	65.9	235	\$ 17,463	\$ 4,107,710
TOTAL	0.10	0.147	164.7	588		\$ 10,269,276

<sup>1</sup>Table 5.2 has a total of 1.0 mgd for New, near term, Ord Development, table 3 in fees has increase in flows of 1.47 mgd in nearterm Ord Development

Corrected Table 7			
	MW	OW	TOTAL
1 Water	\$ 8,384,440	\$ 37,743,660	\$ 46,128,100
3 Recycled	\$ 15,469,557	\$ 31,407,888	\$ 46,877,445
4 TOTAL	\$ 23,853,997	\$ 69,151,548	\$ 93,005,545
5 EDU	1,920	3,960	\$ 5,880
6 \$/EDU	\$ 12,424	\$ 17,463	\$ 15,817

Build Out:

Development	RES	NR	TOTAL	WATER USE	% Developed in Near term
	DU	EDU	EDU	AFY	
Campus Town	1,485	352	1,837	487	20%
Main Gate	290	539	829	207	32%
TOTAL	1,775	891	2,666	694	24%

Note: Need to reconcile the in leiu project with Seaside because it appears GC RW flows in exchange for potable in leiu storage in the basin needed to approve the full WSA is more than what is needed in the near term which means we will have a substantial storage credit in the seaside basin that is non-monitized or designed for immediate use. I suppose we could use entire seaside amount and reduce use in Monterey Subbasin.

Supply Costs only to Seaside Dev (table 5.2 MP, adjusted to table 3 in Fees):						
	Mgd	<sup>1</sup> Adjust	AFY	EDU	\$/EDU	Total Fee
Campus Town	0.06	0.0882	98.8	353	\$ 7,931	\$ 2,798,517
Main Gate	0.04	0.0588	65.9	235	\$ 7,931	\$ 1,865,678
TOTAL	0.10	0.147	164.7	588		\$ 4,664,195

<sup>1</sup>Table 5.2 has a total of 1.0 mgd for New, near term, Ord Development, table 3 in fees has increase in flows of 1.47 mgd in nearterm Ord Development

Maybe we ask for supply costs for near term projections to be paid for upon approval of IA whereas the rest are due upon meter set. IA would then allow approval of a number of EDU's that we are projecting. If more EDU's to come later, than the IA would be amended for the new EDU's and new fees for supply paid.

Cash Flow-Supply Only

\$ 34,034,598

\$5,448,681

\$4,994,841

Year	Ord EDU	Ord Supply \$/EDU	CM EDU	Marina Supply \$/EDU	AFY	Combined use AFY	RUWAP 1				RUWAP 2				RUWAP	
							Start	Pmt	Interest	End	Start	Pmt	Interest	End	Start	Pmt
0							<b>CONSTRUCT RUWAP 1</b>									
1	264	\$ 7,931	128	\$ 8,057	110	110	\$ 17,985,835	\$ (781,151)	\$ 323,745	\$ 17,528,429						
2	264	\$ 7,931	128	\$ 8,057	110	220	\$ 17,528,429	\$ (781,151)	\$ 315,512	\$ 17,062,790						
3	264	\$ 7,931	128	\$ 8,057	110	329	\$ 17,062,790	\$ (781,151)	\$ 307,130	\$ 16,588,770						
4	264	\$ 7,931	128	\$ 8,057	110	439	\$ 16,588,770	\$ (781,151)	\$ 298,598	\$ 16,106,217						
5	264	\$ 7,931	128	\$ 8,057	110	549	\$ 16,106,217	\$ (781,151)	\$ 289,912	\$ 15,614,979	<b>CONSTRUCT RUWAP 2</b>					
6	264	\$ 7,931	128	\$ 8,057	110	659	\$ 15,614,979	\$ (781,151)	\$ 281,070	\$ 15,114,898	\$ 11,526,667	\$ (550,717)	\$ 288,167	\$ 11,264,116		
7	264	\$ 7,931	128	\$ 8,057	110	768	\$ 15,114,898	\$ (781,151)	\$ 272,068	\$ 14,605,815	\$ 11,264,116	\$ (550,717)	\$ 281,603	\$ 10,995,002		
8	264	\$ 7,931	128	\$ 8,057	110	878	\$ 14,605,815	\$ (781,151)	\$ 262,905	\$ 14,087,570	\$ 10,995,002	\$ (550,717)	\$ 274,875	\$ 10,719,160		
9	264	\$ 7,931	128	\$ 8,057	110	988	\$ 14,087,570	\$ (781,151)	\$ 253,576	\$ 13,559,995	\$ 10,719,160	\$ (550,717)	\$ 267,979	\$ 10,436,423		
10	264	\$ 7,931	128	\$ 8,057	110	1098	\$ 13,559,995	\$ (781,151)	\$ 244,080	\$ 13,022,925	\$ 10,436,423	\$ (550,717)	\$ 260,911	\$ 10,146,616		
11	264	\$ 7,931	128	\$ 8,057	110	1207	\$ 13,022,925	\$ (781,151)	\$ 234,413	\$ 12,476,187	\$ 10,146,616	\$ (550,717)	\$ 253,665	\$ 9,849,565	<b>CONSTRUCT RUWAP 3</b>	
12	264	\$ 7,931	128	\$ 8,057	110	1317	\$ 12,476,187	\$ (781,151)	\$ 224,571	\$ 11,919,608	\$ 9,849,565	\$ (550,717)	\$ 246,239	\$ 9,545,087	\$ 4,522,097	\$ (230,714)
13	264	\$ 7,931	128	\$ 8,057	110	1427	\$ 11,919,608	\$ (781,151)	\$ 214,553	\$ 11,353,010	\$ 9,545,087	\$ (550,717)	\$ 238,627	\$ 9,232,997	\$ 4,427,046	\$ (230,714)
14	264	\$ 7,931	128	\$ 8,057	110	1537	\$ 11,353,010	\$ (781,151)	\$ 204,354	\$ 10,776,214	\$ 9,232,997	\$ (550,717)	\$ 230,825	\$ 8,913,105	\$ 4,329,143	\$ (230,714)
15	264	\$ 7,931	128	\$ 8,057	110	1646	\$ 10,776,214	\$ (781,151)	\$ 193,972	\$ 10,189,035	\$ 8,913,105	\$ (550,717)	\$ 222,828	\$ 8,585,216	\$ 4,228,303	\$ (230,714)
	3960		1920			1646										
16							\$ 10,189,035	\$ (781,151)	\$ 183,403	\$ 9,591,287	\$ 8,585,216	\$ (550,717)	\$ 214,630	\$ 8,249,129	\$ 4,124,438	\$ (230,714)
17							\$ 9,591,287	\$ (781,151)	\$ 172,643	\$ 8,982,780	\$ 8,249,129	\$ (550,717)	\$ 206,228	\$ 7,904,640	\$ 4,017,457	\$ (230,714)
18							\$ 8,982,780	\$ (781,151)	\$ 161,690	\$ 8,363,319	\$ 7,904,640	\$ (550,717)	\$ 197,616	\$ 7,551,540	\$ 3,907,267	\$ (230,714)
19							\$ 8,363,319	\$ (781,151)	\$ 150,540	\$ 7,732,708	\$ 7,551,540	\$ (550,717)	\$ 188,788	\$ 7,189,611	\$ 3,793,771	\$ (230,714)
20							\$ 7,732,708	\$ (781,151)	\$ 139,189	\$ 7,090,747	\$ 7,189,611	\$ (550,717)	\$ 179,740	\$ 6,818,634	\$ 3,676,870	\$ (230,714)
21							\$ 7,090,747	\$ (781,151)	\$ 127,633	\$ 6,437,229	\$ 6,818,634	\$ (550,717)	\$ 170,466	\$ 6,438,383	\$ 3,556,462	\$ (230,714)
22							\$ 6,437,229	\$ (781,151)	\$ 115,870	\$ 5,771,949	\$ 6,438,383	\$ (550,717)	\$ 160,960	\$ 6,048,626	\$ 3,432,442	\$ (230,714)
23							\$ 5,771,949	\$ (781,151)	\$ 103,895	\$ 5,094,694	\$ 6,048,626	\$ (550,717)	\$ 151,216	\$ 5,649,125	\$ 3,304,701	\$ (230,714)
24							\$ 5,094,694	\$ (781,151)	\$ 91,704	\$ 4,405,247	\$ 5,649,125	\$ (550,717)	\$ 141,228	\$ 5,239,636	\$ 3,173,128	\$ (230,714)
25							\$ 4,405,247	\$ (781,151)	\$ 79,294	\$ 3,703,391	\$ 5,239,636	\$ (550,717)	\$ 130,991	\$ 4,819,910	\$ 3,037,608	\$ (230,714)
26							\$ 3,703,391	\$ (781,151)	\$ 66,661	\$ 2,988,902	\$ 4,819,910	\$ (550,717)	\$ 120,498	\$ 4,389,691	\$ 2,898,022	\$ (230,714)
27							\$ 2,988,902	\$ (781,151)	\$ 53,800	\$ 2,261,552	\$ 4,389,691	\$ (550,717)	\$ 109,742	\$ 3,948,716	\$ 2,754,249	\$ (230,714)
28							\$ 2,261,552	\$ (781,151)	\$ 40,708	\$ 1,521,109	\$ 3,948,716	\$ (550,717)	\$ 98,718	\$ 3,496,717	\$ 2,606,162	\$ (230,714)
29							\$ 1,521,109	\$ (781,151)	\$ 27,380	\$ 767,338	\$ 3,496,717	\$ (550,717)	\$ 87,418	\$ 3,033,418	\$ 2,453,633	\$ (230,714)
30							\$ 767,338	\$ (781,151)	\$ 13,812	\$ (0)	\$ 3,033,418	\$ (550,717)	\$ 75,835	\$ 2,558,536	\$ 2,296,528	\$ (230,714)
											\$ 2,558,536	\$ (550,717)	\$ 63,963	\$ 2,071,783	\$ 2,134,710	\$ (230,714)
											\$ 2,071,783	\$ (550,717)	\$ 51,795	\$ 1,572,861	\$ 1,968,037	\$ (230,714)
											\$ 1,572,861	\$ (550,717)	\$ 39,322	\$ 1,061,465	\$ 1,796,365	\$ (230,714)
											\$ 1,061,465	\$ (550,717)	\$ 26,537	\$ 537,285	\$ 1,619,541	\$ (230,714)
											\$ 537,285	\$ (550,717)	\$ 13,432	\$ (0)	\$ 1,437,414	\$ (230,714)
															\$ 1,249,822	\$ (230,714)
															\$ 1,056,603	\$ (230,714)
															\$ 857,587	\$ (230,714)
															\$ 652,600	\$ (230,714)
															\$ 441,464	\$ (230,714)
															\$ 223,994	\$ (230,714)

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Interest	End	ORD In	CM In	TOT IN	NET	Run. Total Dev	Start	Pmt	Interest	End	Rates in	Pay out
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 2,344,012						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 4,688,025						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 7,032,037						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 9,376,050						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 11,720,062						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 13,513,358						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 15,306,653						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 17,099,949						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 18,893,244						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 20,686,540						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 22,479,835						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 24,042,417	<b>\$ 15,477,904</b>	\$ (789,671)	\$ 464,337	\$ 15,152,570	\$789,671	\$ (789,671)
\$ 135,663	\$ 4,427,046	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 25,604,998	\$ 15,152,570	\$ (789,671)	\$ 454,577	\$ 14,817,475	\$789,671	(\$789,671)
\$ 132,811	\$ 4,329,143	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 27,167,580	\$ 14,817,475	\$ (789,671)	\$ 444,524	\$ 14,472,329	\$789,671	(\$789,671)
\$ 129,874	\$ 4,228,303	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 28,730,161	\$ 14,472,329	\$ (789,671)	\$ 434,170	\$ 14,116,827	\$789,671	(\$789,671)
\$ 126,849	\$ 4,124,438	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 28,730,161	\$ 14,472,329	\$ (789,671)	\$ 434,170	\$ 14,116,827	\$789,671	(\$789,671)
		\$ 31,407,888	\$ 15,469,557	\$ 46,877,445	\$ 28,730,161						\$ 3,158,685	\$ (3,158,685)
\$ 123,733	\$ 4,017,457			\$ -	\$ (1,562,581)	\$ 27,167,580	\$ 14,116,827	\$ (789,671)	\$ 423,505	\$ 13,750,661	\$789,671	(\$789,671)
\$ 120,524	\$ 3,907,267			\$ -	\$ (1,562,581)	\$ 25,604,998	\$ 13,750,661	\$ (789,671)	\$ 412,520	\$ 13,373,510	\$789,671	(\$789,671)
\$ 117,218	\$ 3,793,771			\$ -	\$ (1,562,581)	\$ 24,042,417	\$ 13,373,510	\$ (789,671)	\$ 401,205	\$ 12,985,044	\$789,671	(\$789,671)
\$ 113,813	\$ 3,676,870			\$ -	\$ (1,562,581)	\$ 22,479,835	\$ 12,985,044	\$ (789,671)	\$ 389,551	\$ 12,584,924	\$789,671	(\$789,671)
\$ 110,306	\$ 3,556,462			\$ -	\$ (1,562,581)	\$ 20,917,254	\$ 12,584,924	\$ (789,671)	\$ 377,548	\$ 12,172,800	\$789,671	(\$789,671)
\$ 106,694	\$ 3,432,442			\$ -	\$ (1,562,581)	\$ 19,354,672	\$ 12,172,800	\$ (789,671)	\$ 365,184	\$ 11,748,313	\$789,671	(\$789,671)
\$ 102,973	\$ 3,304,701			\$ -	\$ (1,562,581)	\$ 17,792,091	\$ 11,748,313	\$ (789,671)	\$ 352,449	\$ 11,311,091	\$789,671	(\$789,671)
\$ 99,141	\$ 3,173,128			\$ -	\$ (1,562,581)	\$ 16,229,509	\$ 11,311,091	\$ (789,671)	\$ 339,333	\$ 10,860,753	\$789,671	(\$789,671)
\$ 95,194	\$ 3,037,608			\$ -	\$ (1,562,581)	\$ 14,666,928	\$ 10,860,753	\$ (789,671)	\$ 325,823	\$ 10,396,904	\$789,671	(\$789,671)
\$ 91,128	\$ 2,898,022			\$ -	\$ (1,562,581)	\$ 13,104,346	\$ 10,396,904	\$ (789,671)	\$ 311,907	\$ 9,919,140	\$789,671	(\$789,671)
\$ 86,941	\$ 2,754,249			\$ -	\$ (1,562,581)	\$ 11,541,765	\$ 9,919,140	\$ (789,671)	\$ 297,574	\$ 9,427,043	\$789,671	(\$789,671)
\$ 82,627	\$ 2,606,162			\$ -	\$ (1,562,581)	\$ 9,979,183	\$ 9,427,043	\$ (789,671)	\$ 282,811	\$ 8,920,183	\$789,671	(\$789,671)
\$ 78,185	\$ 2,453,633			\$ -	\$ (1,562,581)	\$ 8,416,602	\$ 8,920,183	\$ (789,671)	\$ 267,606	\$ 8,398,118	\$789,671	(\$789,671)
\$ 73,609	\$ 2,296,528			\$ -	\$ (1,562,581)	\$ 6,854,020	\$ 8,398,118	\$ (789,671)	\$ 251,944	\$ 7,860,390	\$789,671	(\$789,671)
\$ 68,896	\$ 2,134,710			\$ -	\$ (1,562,581)	\$ 5,291,439	\$ 7,860,390	\$ (789,671)	\$ 235,812	\$ 7,306,531	\$789,671	(\$789,671)
\$ 64,041	\$ 1,968,037			\$ -	\$ (781,431)	\$ 4,510,008	\$ 7,306,531	\$ (789,671)	\$ 219,196	\$ 6,736,055	\$789,671	(\$789,671)
\$ 59,041	\$ 1,796,365			\$ -	\$ (781,431)	\$ 3,728,577	\$ 6,736,055	\$ (789,671)	\$ 202,082	\$ 6,148,466	\$789,671	(\$789,671)
\$ 53,891	\$ 1,619,541			\$ -	\$ (781,431)	\$ 2,947,146	\$ 6,148,466	\$ (789,671)	\$ 184,454	\$ 5,543,249	\$789,671	(\$789,671)
\$ 48,586	\$ 1,437,414			\$ -	\$ (781,431)	\$ 2,165,715	\$ 5,543,249	\$ (789,671)	\$ 166,297	\$ 4,919,875	\$789,671	(\$789,671)
\$ 43,122	\$ 1,249,822			\$ -	\$ (781,431)	\$ 1,384,284	\$ 4,919,875	\$ (789,671)	\$ 147,596	\$ 4,277,800	\$789,671	(\$789,671)
\$ 37,495	\$ 1,056,603			\$ -	\$ (230,714)	\$ 1,153,570	\$ 4,277,800	\$ (789,671)	\$ 128,334	\$ 3,616,463	\$789,671	(\$789,671)
\$ 31,698	\$ 857,587			\$ -	\$ (230,714)	\$ 922,856	\$ 3,616,463	\$ (789,671)	\$ 108,494	\$ 2,935,285	\$789,671	(\$789,671)
\$ 25,728	\$ 652,600			\$ -	\$ (230,714)	\$ 692,142	\$ 2,935,285	\$ (789,671)	\$ 88,059	\$ 2,233,673	\$789,671	(\$789,671)
\$ 19,578	\$ 441,464			\$ -	\$ (230,714)	\$ 461,428	\$ 2,233,673	\$ (789,671)	\$ 67,010	\$ 1,511,012	\$789,671	(\$789,671)
\$ 13,244	\$ 223,994			\$ -	\$ (230,714)	\$ 230,714	\$ 1,511,012	\$ (789,671)	\$ 45,330	\$ 766,671	\$789,671	(\$789,671)
\$ 6,720	\$ -			\$ -	\$ (230,714)	\$ (0)	\$ 766,671	\$ (789,671)	\$ 23,000	\$ 0	\$789,671	(\$789,671)

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**Re: Comments of Wathen Castanos Peterson Homes  
on Resolution No. 2020-29 Re: Water, Sewer, and  
Recycled Water Master Plans**

**EXHIBIT “E”**



**DATE:** May 18, 2020  
**TO:** Wanger, Jones, Helsley PC  
**FROM:** Alison Lechowicz, Lechowicz & Tseng Municipal Consultants  
**SUBJECT:** Marina Coast Water District and Ford Ord Capacity Fee Review

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FINAL MEMORANDUM

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## **Section I: Introduction and Executive Summary of Conclusions**

### **Introduction**

Lechowicz & Tseng Municipal Consultants (L&T) was engaged by Wanger, Jones, Helsley PC (WJH) to review the water and wastewater capacity fees developed by Bartle Wells Associates (BWA) for the Marina Coast Water District (MCWD) and the Fort Ord community. This memorandum provides analysis of BWA's report titled "Water, Wastewater and Recycled Water Capacity Fee Study" dated November 25, 2019. L&T also reviewed a memorandum provided by Development & Financial Advisory (DFA) dated March 31, 2020 covering the same topic.<sup>1</sup> This memorandum is organized as follows:

#### Sections

- Section 1: Introduction and Executive Summary of Conclusions
- Section 2: Buy-in Facilities Cost
- Section 3: Expansion Facilities Cost
- Section 4: Definition of an EDU
- Section 5: Cost per EDU and Apportionment of Fees
- Section 6: Conclusions

#### Appendices

- Appendix A: Response to WJH Data Request Question 3 (concerning the fixed asset list)
- Appendix B: Response to WJH Data Request Question 5 (concerning developer contributions)
- Appendix C: Response to WJH Data Request Question 4, 12, 13, 14 (concerning recycled water costs, grants, and financing)
- Appendix D: SRF Historical Interest Rates

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<sup>1</sup> DFA's memo reviews the BWA draft dated October 17, 2019. This memo reviews the BWA draft dated November 25, 2019



## Summary of conclusions

L&T's analysis of BWA's proposed fees is based on the best available information, primarily consisting of BWA's fee study report, Akel Engineering's water, wastewater, and recycled water master plans, MCWD's budgets and audits, MCWD's 2015 Urban Water Management Plan, and MCWD's response to a data request submitted by WJH on February 25, 2020. Supporting data was not available or inadequate for some topics of inquiry so L&T was not able to fully verify all of BWA's inputs and assumptions. Inadequate information is noted throughout this memo. L&T is not an attorney and is not able to comment upon the Fort Ord community's legal requirements in regard to the expenditure of past community facilities district funds collected.

In general, L&T finds BWA's fee methodology of a buy-in fee plus an expansion fee to be reasonable. However, L&T identified a number of concerns, errors, and omissions as listed below:

- 1) BWA incorrectly states the buy-in fee is based on the replacement cost new less depreciation (RCNLD) method of valuing assets. Assets were actually valued based on the original cost less depreciation (OCLD) method. The OCLD method results in a lower fee than the RCNLD method.
- 2) BWA escalated the OCLD value of facilities by 4.4% to bring the cost from 2018 to 2019 dollars. L&T was not able to verify BWA's escalation factor. L&T estimates the escalation factor at 1.45% to 2.65%.
- 3) A better method to bring the value of facilities from 2018 to 2019 dollars is to use updated asset information. BWA used data from MCWD's 2018 Comprehensive Annual Financial Report (CAFR). If other, more detailed data sources are not available, the value of facilities should be based on data from the 2019 CAFR. The 2019 CAFR asset costs result in lower MCWD water and sewer fees and higher Fort Ord water and sewer fees.
- 4) In determining the buy-in cost, BWA did not follow industry standard practice of evaluating MCWD's fixed asset list. MCWD states a fixed asset list is not able. Due to the lack of a fixed asset list, L&T is not able to verify that BWA made appropriate deductions for grants, capital contributions, and asset replacements.
- 5) It is likely that BWA did not deduct about \$1.1 million of grant revenue from the Marina water buy-in fee and about \$140,000 of grant revenue from the Fort Ord water buy-in fee. It is possible that additional assets that were funded by grants are improperly included in the buy-in fees.
- 6) MCWD identified over \$20 million in developer contributed assets. L&T was unable to determine if these assets are included in the buy-in fee. Assets that benefit a specific development and do not provide systemwide benefits should be removed from the buy-in fee calculation.
- 7) Akel's master plans include projects to correct deficiencies in existing infrastructure. Existing assets that are scheduled to be replaced in Akel's master plans should not be included in the buy-in fee. L&T was unable to verify assets included in BWA's buy-in fee.
- 8) BWA did not accurately describe expansion projects that were excluded from the capacity fee. However, this error does not impact the fee calculation. It appears BWA did not update its supporting tables from the October to November drafts of the fee report.

- 9) Akel's sewer master plan shows about \$17.3 million in Fort Ord sewer expansion costs (including a \$5.5 million buy-in to Monterey One Water) that were determined and assigned by MCWD rather than by Akel. No supporting documentation is provided. L&T is not able to verify how these costs were calculated.
- 10) Akel provides limited explanation regarding how master plan project costs were allocated between existing ratepayers and future development. L&T was not able to verify that project costs were fairly allocated to expansion fees.
- 11) BWA did not include (but could have included) financing costs for the Marina potable water and sewer and Fort Ord potable water and sewer expansion projects. This omission reduces the cost of the fees. BWA did include financing costs for recycled water projects.
- 12) BWA incorrectly includes about \$2.4 million in interest costs for the \$20 million Water Augmentation Project. Although development's share of the capital cost of the project is omitted from the capacity fee, the interest expense is included. The \$2.4 million in Water Augmentation interest costs should be removed.
- 13) For the Advanced Water Treatment Project Phase 2 BWA/MCWD estimated financing costs based on 2.5% interest over 30 years. The interest rate should be reduced to 1.8% based on a ten year average of state revolving fund (SRF) loan rates. The SRF program is the most likely funding mechanism for the recycled water projects. This change reduces the total cost of the recycled water projects by \$1.5 million.
- 14) BWA incorrectly attributed \$334,000 of the \$4.3 million of Fort Ord capital contributions to the Marina recycled water utility. The Marina recycled water construction cost should be increased by \$334,000 and the Fort Ord recycled water construction cost should be reduced by \$334,000.
- 15) BWA incorrectly allocated about \$7 million in recycled water grants between MCWD and Fort Ord. BWA allocated the grant revenue based on each community's proportional share of Phase 1 plus Phase 2 project costs. However, based on MCWD documents, the grant revenue only applies to Phase 1 projects. To correct this error, about \$76,000 in grant funds should be shifted from Fort Ord to MCWD.
- 16) BWA/MCWD incorrectly attributed water use of 250 gallons per day (gpd) (0.28 acre feet per year) per equivalent dwelling unit (EDU) to the single family residential land use density of 9 to 12 dwellings per acre. Based on Akel's water master plan, the typical residential density is 8 dwellings per acre. Therefore, water use of 0.28 acre feet per year should be attributed to lower density land use (5 to 8 dwellings per acre). This change reduces the residential water fees across all densities.
- 17) BWA's water use estimate per EDU is too high. Its likely that BWA included nonresidential water use in its estimate of 250 gallons per day (gpd) per EDU. The 2015 Urban Water Master Plan (UWMP) provides detailed information that isolates the use of single family customers from other uses. Based on UWMP data and a water loss factor of 5%, L&T estimates use as 212 gallons per day per EDU. Reducing the water demand per EDU from 250 gpd to 212 gpd reduces the water fees by 15.2%.
- 18) BWA's wastewater discharge estimate per EDU is too high. BWA estimates sewer flow of 174 gpd, which is roughly equal to the water use estimate of 250 gpd multiplied by Akel's discharge

- factor of 70%. L&T estimates sewer flow of 141 gpd per EDU based on water use of 202 gpd (does not include water loss) multiplied by 70%. This change reduces the sewer fees by 19%.
- 19) BWA/MCWD provided no justification for the assignment of 0.8 sewer EDUs per multifamily dwelling unit.
- 20) Plumbing fixture units are used to determine nonresidential sewer fees. As a baseline, BWA determined a single family dwelling has 19 fixture units. It appears BWA based this count on nationwide housing trends. MCWD/BWA should review development plans to better tailor the fixture count to MCWD’s service area.

Where possible, L&T corrected BWA’s errors regarding buy-in and expansion costs, capacity, and apportionment of fees to customers. L&T’s revised fees are compared to BWA’s November 2019 fees, and DFA’s fees in the table below.

**Executive Summary Table 1: Fee Comparison**

<b>Entity</b>	<b>Marina Water</b>	<b>Fort Ord Water</b>	<b>Marina Sewer</b>	<b>Fort Ord Sewer</b>
<b>Buy-in Fees</b>				
BWA	\$1,225	\$3,590	\$807	\$927
DFA	\$1,105	\$3,239	\$637	\$733
L&T	\$914	\$3,543	\$605	\$1,397
<b>Expansion Fees</b>				
BWA	\$4,517	\$15,514	\$1,984	\$5,003
DFA	\$2,905	\$12,642	\$972	\$3,872
L&T	\$3,845	\$12,315	\$1,608	\$4,054
<b>Total Fees</b>				
BWA	\$5,742	\$19,104	\$2,791	\$5,930
DFA	\$4,010	\$15,881	\$1,609	\$4,605
L&T	\$4,759	\$15,858	\$2,213	\$5,451

## Section 2: Buy-in Facilities Cost

BWA's capacity fee recommendations include a buy-in component and an expansion component. The buy-in component, which is detailed in this section, is intended to recover the proportional costs of existing facilities that have available capacity to serve both existing connections and future connections through build-out.

### Valuation methodology is inaccurately described

There are several industry-standard methods for valuing existing assets for the buy-in component of capacity fees. BWA inaccurately states it used the replacement cost new less depreciation method, when BWA actually used the original cost less depreciation (or book value) of assets. BWA states it

“developed the capacity fees in this report using an asset valuation approach known as Replacement Cost New Less Depreciation (RCNLD) – This approach escalates the depreciated accounting book value of each asset escalated into current dollars based on the change in the Engineering News-Record (ENR) Construction Cost Index from each asset's acquisition date.”  
(page 4)

This statement accurately describes the RCNLD method. However, BWA goes on to explain, “Asset values for each cost center were determined using the 2018 CAFR value escalated to current dollars less water rights, easements and depreciation.” (Ibid) The CAFR (Comprehensive Annual Financial Report) provides the net book value of assets, i.e. original or booked cost less accumulated depreciation (OCLD). In comparison to OCLD, RCNLD will produce a much higher value because the net book values of individual assets are escalated from their years of construction to current dollars. Utility infrastructure typically includes long-lived assets such as pipelines that could have lives of 75 years. Escalation from the construction date on such assets could be significant. Ultimately, the original cost method produces a lower value and results in a lower buy-in fee.

### Escalation factor cannot be verified

BWA states, and L&T confirmed, that BWA's buy-in fees are based on the net book value of assets (from the 2018 CAFR) escalated by 4.4%. BWA's Table 8 implies 4.4% is the change in the Engineering News-Record Construction Cost Index (ENR CCI) from 2018 to 2019. BWA does not provide additional detail about how this ENR CCI escalation factor was determined.

L&T reviewed the ENR CCI and cannot verify the escalation factor of 4.4%. The Engineering News-Record provides cost data by month as well as annual averages for 20 individual cities and a 20-city average. The 2018 CAFR reflects asset information through June 30, 2018. L&T assumes June 2018 is the base CCI. As shown in L&T Appendix A, the escalated value of assets is dated June 25, 2019. The CCI for June 2019 would likely not have been available by the 25<sup>th</sup>. Based on the 20-cities average, the ENR CCI escalation from June 2018 to May 2019 was 1.45%.<sup>2</sup> It's possible that the ENR CCI for San Francisco (one of the

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<sup>2</sup> ENR CCI 20-Cities Average June 2018 is 11069; the May 2019 ENR CCI is 11230

ENR's 20 cities) was used to determine escalation for MCWD. However, the ENR CCI change from June 2018 to May 2019 was 2.65%.<sup>3</sup> BWA/MCWD's escalation factor is not documented and is unverifiable.

## Updated asset value

Instead of escalating asset values from 2018 to 2019, BWA could have used more current cost data. More current cost data results in lower MCWD fees and higher Fort Ord fees.

L&T is aware of two versions of BWA's report; the first is dated October 17, 2019 and the second is dated November 25, 2019. MCWD's fiscal year ended June 30, 2019, so BWA could have used unaudited capital asset data for its October 2019 draft. MCWD's 2019 CAFR is dated November 4, 2019. BWA could have updated its October draft with information shown in the November CAFR. L&T updated BWA's buy-in calculation with the 2019 asset cost information, see L&T Table 1. The Marina water and sewer net book values decreased, likely due to one year of additional depreciation and/or retirement of assets. The Fort Ord water and sewer net book values increased likely due to construction of new facilities.

**Table 1: Buy-in Fee with CAFR 2019 Cost Data**

	2018 CAFR + 4.4% (BWA)			
	Marina Water	Fort Ord Water	Marina Sewer	Fort Ord Sewer
Net Book Value of Capital Assets	\$12,053,654	\$107,014,589	\$5,979,786	\$35,669,978
Less Easements	\$0	(\$14,720,400)	\$0	(\$11,275,200)
Less Water/Sewer Rights	<u>\$0</u>	<u>(\$59,977,800)</u>	<u>\$0</u>	<u>(\$15,973,200)</u>
Total	\$12,053,654	\$32,316,389	\$5,979,786	\$8,421,578
BWA EDU Count	9,841	9,001	7,414	9,080
Fee per EDU	\$1,225	\$3,590	\$807	\$927
	2019 CAFR			
	Marina Water	Fort Ord Water	Marina Sewer	Fort Ord Sewer
Net Book Value of Capital Assets	\$11,717,220	\$111,337,704	\$5,538,782	\$42,379,355
Less Easements	\$0	(\$14,259,451)	\$0	(\$10,922,133)
Less Water/Sewer Rights	<u>\$0</u>	<u>(\$59,328,998)</u>	<u>\$0</u>	<u>(\$15,800,412)</u>
Total	\$11,717,220	\$37,749,255	\$5,538,782	\$15,656,810
BWA EDU Count	9,841	9,001	7,414	9,080
Fee per EDU	\$1,191	\$4,194	\$747	\$1,724
Difference (2019 CAFR less BWA's Fees)	(\$34)	\$604	(\$59)	\$797

<sup>3</sup> ENR CCI for San Francisco June 2018 is 12014.72; the May 2019 ENR CCI is 12333.48

## Fixed asset list not provided

### Background

L&T's biggest concern with BWA's buy-in calculation is a lack of supporting asset information. Typically, the buy-in fee is based on an inventory of existing assets taken from the public agency's fixed asset list. Fixed asset lists provide an entry for each asset over \$5,000 and contain the following information: original or estimated historical cost, year of construction or installation, useful life, annual depreciation, and accumulated depreciation. Public agencies use this information to sum the total annual and accumulated depreciation for financial statements included in the CAFR. The reporting of depreciation expenses is required by the Governmental Accounting Standards Board Statement #34 (i.e. GASB 34). The comprehensive fixed asset list provides granularity of data not provided in the CAFR. The fixed asset list should be critically reviewed to remove asset costs that are not recoverable by capacity fees.

BWA implies that it did not base its calculations on information from a detailed fixed asset list but instead used the lump sum in the 2018 CAFR. WJH filed a data request regarding this topic and requested "Any record containing a list or schedule of depreciable assets owned by MCWD" (question #3). MCWD's response is provided as L&T Appendix A. MCWD did not provide a detailed fixed asset list. Instead, MCWD provided a document dated June 25, 2019 that shows four options for the buy-in calculation: 1) *Carollo current*, 2) *BWA proposed*, 3) *Proposed – Carollo amount indexed to 2019 dollars*, and 4) *Proposed – 2018 CAFR amount indexed to 2019 Dollars*. Option #2: *BWA proposed* is the highest cost option. Interestingly, BWA's final report does not use Option #2: *BWA proposed* and instead uses Option #4: *Proposed – 2018 CAFR amount indexed to 2019 Dollars*.

Due to the lack of a fixed asset list, L&T is not able to verify the appropriateness of assets included in the buy-in fee. Typically, assets funded by grants or developer contributions are removed from fee calculations. BWA removed the value of grants and developer contributions from the expansion portion of the capacity fees (see BWA Table 3) but neglected to do so for the buy-in fee. Moreover, assets that are scheduled to be replaced in the capital improvement plan should also be removed from the buy-in inventory. Again, this requires review of a detailed asset list that was not provided by MCWD.

### Grants

WJH data request question #4 asked for "any records showing receipt of any grant funds by MCWD or other entities for the construction or maintenance of any of its depreciable assets." MCWD responded by providing two grant agreements from 2003 and 2008 as summarized in L&T Table 2.<sup>4</sup> These grant-funded assets are likely still in operation based on the date of the agreements and the service lives of the assets. It is unknown if this grant funding was deducted from in the buy-in calculation.

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<sup>4</sup> L&T reviewed MCWD's CAFR and confirmed that no grants were received by the Marina water and sewer or Ord water and sewer systems over the past ten years. L&T was also able to review total grant revenues from 2000 to 2010 but was unable to determine if the grants were used to fund assets that are now fully depreciated.

**Table 2: Grants**

Program	Project	Date	Amount	System	Notes
Prop 13	Gate and pressure reducing valves	2003	\$959,029	Fort Ord water	Expected useful life 20 years
Prop 50	Seawater intrusion	2008	<u>\$2,330,000</u> \$3,289,029	Marina Coast water	Expected useful life 23 years

For illustrative purposes, deductions for grant funds are applied to the buy-in fees in L&T Table 3.

**Table 3: Buy-in Fee with CAFR 2019 Cost Data Less Grants**

	BWA - 2018 CAFR + 4.4%			
	Marina Water	Ord Water	Marina Sewer	Ord Sewer
Net Book Value of Capital Assets	\$12,053,654	\$107,014,589	\$5,979,786	\$35,669,978
Less Easements	\$0	(\$14,720,400)	\$0	(\$11,275,200)
Less Water/Sewer Rights	<u>\$0</u>	<u>(\$59,977,800)</u>	<u>\$0</u>	<u>(\$15,973,200)</u>
Total	\$12,053,654	\$32,316,389	\$5,979,786	\$8,421,578
BWA EDU Count	9,841	9,001	7,414	9,080
Fee per EDU	\$1,225	\$3,590	\$807	\$927
	2019 CAFR			
	Marina Water	Ord Water	Marina Sewer	Ord Sewer
Net Book Value of Capital Assets	\$11,717,220	\$111,337,704	\$5,538,782	\$42,379,355
Less Easements	\$0	(\$14,259,451)	\$0	(\$10,922,133)
Less Water/Sewer Rights	\$0	(\$59,328,998)	\$0	(\$15,800,412)
Less Grants [1]	<u>(\$1,114,348)</u>	<u>(\$143,854)</u>	<u>\$0</u>	<u>\$0</u>
Total	\$10,602,872	\$37,605,400	\$5,538,782	\$15,656,810
BWA EDU Count	9,841	9,001	7,414	9,080
Fee per EDU	\$1,077	\$4,178	\$747	\$1,724
Difference (2019 CAFR less BWA's Fees)	(\$147)	\$588	(\$59)	\$797

1 - pro-rated by the remaining expected useful life of assets funded

### **Developer contributions**

Developer contributed facilities may also be incorrectly included in the buy-in calculation. There are two types of contributed assets – contributions of facilities that benefit solely a specific development and contributions of in-lieu facilities. In-lieu facilities are equal to the cost of capacity fees that the developer would otherwise pay to the public agency and such contributions benefit the utility systemwide. In-lieu/systemwide contributions can be added to the buy-in inventory, depreciated, and recovered from capacity fees. Contributions of assets to connect specific developments cannot be recovered from capacity fees. Such assets do not benefit future connections and should be excluded from the buy-in inventory.

BWA takes care to mention in BWA Table 4 that development-specific projects are excluded from the expansion component of the capacity fees. However, BWA likely did not conduct a similar analysis for the buy-in component because the fixed asset list was not available. In response to WJH's data request question #5, MCWD provided a summary of developer contributions totaling over \$20 million, see L&T Appendix B. It is possible that some of these assets are incorrectly included in the buy-in inventory.

### **Assets scheduled to be replaced**

BWA's Table 2 shows about \$65 million of capital improvement projects (CIP) from Akel's master plans that are allocated to existing customers. These projects are repair and replacement (R&R) projects to correct existing deficiencies and do not expand capacity. The buy-in inventory should omit assets that are scheduled to be replaced in the CIP to avoid double charging. Following connection to the system, new development should not both buy-in to the depreciated value of an obsolete asset and pay for the replacement of the same asset as a ratepayer. Some portion of the \$65 million CIP likely represents assets that are fully depreciated, have no net book value, and are functionally omitted from the buy-in fee. However, it is also possible that a subset of R&R projects has some remaining book value and are incorrectly included in the buy-in fee. L&T was not able to evaluate the assets included in BWA's buy-in fee.

### **Other considerations - reserve funds and project financing**

For the buy-in portion of the capacity fees, BWA makes no adjustments for existing reserve balances or financing costs. BWA's exclusion of these two items is not unreasonable. However, there are various methods for calculating the buy-in fees for utilities that differ from BWA's approach.

Some fee calculation methods include a buy-in to existing total reserves (operating, capital, and capacity fee reserves) justified by the argument that reserves are assets that increase the value of the utility. Other methods do not include a buy-in to operating and capital reserves. The argument is these reserves were likely funded by rate revenues and are used for operations and maintenance expenses and repair and replacement projects. Operating and capital reserves benefit ratepayers after they have connected but aren't directly attributable to expanded capacity. Capacity fee reserves are more commonly applied to the expansion portion of the capacity fee (as discussed in a subsequent section). BWA does not



provide a discussion of operating and capital reserves in its study. L&T does not find this omission unreasonable.

Some buy-in approaches deduct the cost of remaining or outstanding debt service from the value of existing facilities. L&T is aware of approaches that deduct interest only, approaches that deduct interest and principal, and other methods that deduct the net present value of future payments. The economic argument is that while new connections typically pay expansion-related construction costs, ratepayers typically pay ongoing debt service costs. New connections should not pay for facilities in their capacity fees and pay a second time via debt service costs recovered in rates. Other approaches make the case that debt service can and should be paid with capacity fee revenue. When fees are calculated, its typically unknown at the time if the public agency will pay debt service costs from rates or capacity fees on a year to year basis. L&T does not find BWA's silence on this topic to be unreasonable.

### **Section 3: Expansion Facilities Cost**

There are two main questions to consider when evaluating BWA's expansion facilities: 1) are the project costs reasonable and 2) are the costs correctly attributed to development? L&T compared the project costs listed in BWA's Tables 2, 3, and 4 with the costs shown in Akel's master plans. L&T was able to confirm that BWA's project cost information conforms with Akel's master plans. L&T also confirmed the Water Augmentation Project is considered a longer-term project and is not included in BWA's recycled water fee calculation. In conducting this analysis, L&T discovered that BWA's list of excluded projects is not up to date. However, this does not impact the fee calculation as described below. Other issues include a lack of cost data, particularly for recycled water projects, and a lack of documentation describing the allocation of costs to development.

#### **Excluded projects not updated**

BWA did not update its list of excluded projects (BWA Table 4) from its October to November drafts. Due to this issue, it is difficult for the casual reader to trace costs from Akel's master plans through BWA's fee calculations. L&T was able to correct BWA's excluded project list as described below.

#### **Water**

The Marina and Fort Ord water capital costs shown in BWA's Table 2 conform with the costs shown in Akel's master plan. Table 2 shows project costs allocated to existing customers and costs allocated to future customers net of projects benefitting a single development. The excluded projects are shown in Table 4. Table 4 in BWA's November draft is incorrect as it was not updated from BWA's October draft. In the November draft, BWA omitted one additional project from the Fort Ord water fee calculation - the MPC Training portion of the O-P12 with a cost of \$947,000. This error does not impact the fee calculation.

#### **Sewer**

L&T confirmed that BWA's Marina and Fort Ord wastewater project costs conform with the costs shown in Akel's master plan. However, similar to the Fort Ord water utility, BWA's Table 4 omits a project. BWA's Table 4 incorrectly omits O-P2 at a cost of \$243,300. Again, it should be noted that BWA's Table 4

was included in the study as background information and does not impact BWA’s ultimate fee calculation. L&T corrected BWA’s Table 4 as shown below.

**Table 4: Corrected Master Plan CIP Projects Excluded from Capacity Fees**

	<b>BWA November Draft</b>	<b>Corrected</b>
Marina Central - Water		
M-P3	<u>\$2,997,000</u>	<u>\$2,997,000</u>
Total Marina Water	\$2,997,000	\$2,997,000
Ord - Water		
O-P7	\$2,108,000	\$2,108,000
O-P9	\$535,000	\$535,000
O-P10	\$4,312,000	\$4,312,000
O-P12 - MPC Training Portion	NA	\$947,000
O-P25	<u>\$5,349,000</u>	<u>\$5,349,000</u>
	\$12,304,000	\$13,251,000
Ord - Sewer		
O-P2	NA	\$243,300
O-P15	<u>\$2,046,300</u>	<u>\$2,046,300</u>
	\$2,046,300	\$2,289,600
Total Exclusions	\$17,347,300	\$18,537,600

### **Lack of supporting cost data**

For most projects, Akel determined construction costs based on unit costs and/or Akel’s experience with other similar projects plus contingencies and markup. For about \$16 million of Fort Ord miscellaneous sewer improvements and about \$1.3 million of Fort Ord sewer lift station rehabilitation costs allocated to future users, Akel notes that costs are based on information provided by District staff. These projects should be reviewed in greater detail and possibly be investigated via future data requests. In particular, the Monterey One Buy-in total cost is \$11 million with 50% allocated to future users. Akel’s report offers insufficient description of how this cost was determined and allocated.

### **Cost escalation**

Akel added escalation factors of 48.5% to the base construction costs for contingencies, contractor’s overhead and profit, general conditions, and sales tax. Compounded on top of the 48.5% is an additional 25% for administration, construction management, and legal costs. The effective total escalation is about 86%. L&T is not an engineering firm and cannot determine the appropriateness of cost escalation factors. L&T conducted a brief survey of local agencies and found that an 86% markup is not unheard of in Monterey County.

- Seaside County Sanitation District (Seaside, San City, and Del Rey Oaks) Master Plan from 2011 uses 40% markup

- City of Pacific Grove Sewer Master Plan from 2014 uses 40% markup
- City of Salinas Sewer Master Plan from August 2011 uses an 89% compounded markup for contingency and project allowance

## **Allocation of costs to capacity fees is not documented**

L&T was unable to verify the appropriateness of costs allocated to future customers as Akel and MCWD did not provide adequate information for the MCWD and Fort Ord system potable water and sewer projects. Akel provides high level summary information in its CIP tables showing percent allocations to existing and future customers, describing projects as new or replacements, and noting the construction trigger (with development, existing deficiency, etc). Akel also provides project sheets in its Appendices. The sheets show a GIS map of the improvement, provide short descriptions, and repeat the percent allocations to existing and future customers. There is no further explanation of how costs were attributed to each customer group. WJH requested records describing the allocations of a subset of Akel's (data request question #16) and was told "There are no responsive documents."

For the MCWD/Fort Ord combined water system improvements, Akel explains "unless noted otherwise, cost responsibility for Central Marina and Ord Community cost centers based on existing and future demands within the pressure zone served by each improvement" (Water Master Plan, Table 8.4, footnote 2). L&T finds this explanation to be reasonable.

Typically, the costs of projects included in capacity fees have supporting information similar to the explanation of the combined water system allocation. In L&T's experience with other capacity fee studies, projects solely allocated to existing customers typically note the project is needed to correct deficiencies. Projects solely allocated to new customers typically explain the project is a capacity expansion triggered by growth. Projects allocated to both sets of customers require more in-depth explanation. These projects could be allocated based on the respective demands of each group through buildout, similar to the allocation of combined water projects. Projects could be triggered by growth yet provide a reliability benefit to existing customers. How should the reliability benefit be valued? One example is an existing 6" water pipeline that needs to be upsized to 8" to meet fire flow standards. Instead of upsizing to 8", the utility increases the size from 6" to 10" to not only improve fire flow but also develop capacity for future customers. Existing customers could pay the cost of upgrading from 6" to 8" and future customers could pay the incremental price difference of the 10" line compared to the 8" line. Alternately, the total cost of the 10" line could be divided by the proportional demand of each group at buildout. Akel failed to provide such information about how projects were allocated and how each group benefits.

## **Grants, financing costs, and existing capacity fee fund balances**

### **Introduction**

To calculate expansion fees, the value of grants is deducted from the project costs and the interest expense of financing projects is added. No grants were deducted from BWA's water and sewer expansion fees and no financing costs were added. Its possible that MCWD does not intend to finance the cost of water and sewer facilities and will instead cash fund them. Its also possible that water and

sewer financing costs are intentionally omitted from BWA’s analysis. Including water and sewer financing costs would increase BWA’s proposed capacity fees.

**Recycled water grants and financing costs**

WJH requested additional information regarding recycled water grants and financing costs (see L&T Appendix C). For the recycled water utility, BWA deducted \$4.3 million of capital contributions. L&T understands this is the minimum amount MCWD will receive from Fort Ord. L&T is also aware of the Reimbursement Agreement for Advanced Water Treatment Phase 1 and Product Water Conveyance Facilities of the RUWAP Recycled Project dated September 6, 2016. The agreement seems to indicate that Fort Ord’s contribution could be as high as \$6 million. The recycled water fee should be updated if MCWD receives additional funds. L&T’s Appendix C also indicates MCWD will receive or has received about \$7 million in grant revenue. L&T was unable to independently verify this amount.

BWA added \$12,842,847 of interest costs to the recycled water capacity fee. BWA notes the interest cost is based on three loans with 30 year terms: \$18 million at 1.8% interest in year 1, \$11.5 million at 2.5% interest in year 6, and \$4.5 million at 3% interest in year 12. Detailed loan information is provided in L&T’s Appendix C. BWA incorrectly included about \$2.4 million of development’s share of interest expenses for the Water Augmentation Project, a project that is excluded from the capacity fee. L&T corrected this mistake in Table 5 below.

**Table 5: Corrected BWA Recycled Water Costs**

Phase	Project	Project Cost	Total Interest Expense	Total Cost
R1	Distribution (pipelines and pressure reducing valves)	\$9,300,000		
R1	Transmission (Blackhorse tank and pipeline)	\$10,513,217		
R1	Advanced Water Treatment	\$9,208,980		
R1	On Site Conversions	\$250,000		
R1	Less Grants	(\$6,986,362)	Year 1	
R1	Less Contributions	<u>(\$4,300,000)</u>	1.8% over 30 years	
		\$17,985,835	\$5,448,682	\$23,434,517
R2	Advanced Water Treatment	\$11,026,667	Year 6	
R2	On Site Conversions	<u>\$500,000</u>	2.5% over 30 years	
		\$11,526,667	\$4,994,842	\$16,521,509
		Capital Cost not included in capacity fee	Year 12 3% over 30 years	
R3	Water Augmentation (development’s share)	<del>\$4,522,097</del>	\$2,399,324	\$2,399,324
BWA Total		\$29,512,502	\$12,842,847	\$42,355,349
Corrected	Total R1 & R2 Project Cost	\$40,798,864		
	Total Grants and Contributions	<u>(\$11,286,362)</u>	Year 1 + Year 6	
		\$29,512,502	\$10,443,523	\$39,956,025

January 2018, MCWD secured a loan for the R1 transmission facilities shown in L&T Table 5. The loan was issued through the Clean Water State Revolving Fund (SRF) and has an interest rate of 1.8%. L&T assumes the year 6 loan is intended to be issued six years from now and will also be an SRF loan. L&T Appendix D provides a ten-year history of SRF interest rates. The average over the past ten years is 1.8%.<sup>5</sup> L&T revises the year 6 rate to 1.8% in Table 6.

L&T also adjusted the allocation of grant and capital contributions to MCWD and Fort Ord. It is L&T's understanding that the \$4.3 million in capital contributions were made by Fort Ord community developers. L&T thereby allocates the full \$4.3 million to the Fort Ord fee. Regarding grant funding, BWA assigned grants between MCWD and Fort Ord based on total construction costs of R1 and R2 projects. However, MCWD workpapers attribute the grants solely to R1 facilities. L&T therefore allocated grant deductions based on the proportional construction costs of only R1 projects.<sup>6</sup>

L&T's proposed adjustments reduce the total cost recovered in the recycled water fees by \$3.9 million. L&T's proposed cost allocation changes increase the MCWD fee by \$17 and reduce the Fort Ord recycled water fee by \$994 per EDU.

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<sup>5</sup> Historically, the SRF loan program has offered terms of 20 years for most loans but also provided 30 year terms for disadvantaged communities. December 2019 the SRF implementation policy was amended to 30 year terms for all communities.

<sup>6</sup> L&T has no additional information regarding the nearly \$7 million of recycled water grants and is unable to directly allocate funds to MCWD and Fort Ord.

**Table 6: L&T Adjusted Recycled Water Costs and Fees**

Phase	Project	MCWD	Fort Ord	Total
R1	Distribution (pipelines and pressure reducing valves)	\$1,589,780	\$7,710,220	\$9,300,000
R1	Transmission (Blackhorse tank and pipeline)	\$525,661	\$9,987,556	\$10,513,217
R1	Advanced Water Treatment	\$460,449	\$8,748,531	\$9,208,980
R1	On Site Conversions	<u>\$12,500</u>	<u>\$237,500</u>	<u>\$250,000</u>
		\$2,588,390	\$26,683,807	\$29,272,197
		8.8%	91.2%	100.0%
R1	Less Contributions	\$0	(\$4,300,000)	(\$4,300,000)
R1	Less Grants	<u>(\$617,768)</u>	<u>(\$6,368,594)</u>	<u>(\$6,986,362)</u>
R1	Subtotal R1 Cost	\$1,970,622	\$16,015,213	\$17,985,835
R2	Advanced Water Treatment	\$551,333	\$10,475,334	\$11,026,667
R2	On Site Conversions	<u>\$25,000</u>	<u>\$475,000</u>	<u>\$500,000</u>
R2	Subtotal R2 Cost	\$576,333	\$10,950,334	\$11,526,667
	Total Amount Financed	\$2,546,955	\$26,965,547	\$29,512,502
	Financing Costs - 1.8% over 30 years	<u>\$771,582</u>	<u>\$8,169,022</u>	<u>\$8,940,604</u>
	Total Capacity Fee Cost	\$3,318,537	\$35,134,569	\$38,453,106
	BWA EDU Count	1,920	3,961	
	L&T Recycled Water Fee per EDU	\$1,728	\$8,870	
	BWA Recycled Water Fee	\$1,711	\$9,864	
	Difference (L&T Fee less BWA Fee)	\$17	(\$994)	

**Capacity fee fund balance**

As described in the buy-in fee discussion, some fee methodologies deduct the value of existing capacity fee reserves from the total project costs. These methodologies reflect a cash flow perspective that acknowledges existing reserves reduce the future financial burden of the utility. Other methodologies argue that fund balances could be made up of fees collected in the past for a different set of facilities. Facility capacities and costs reflected in prior fees may not align with updated expansion needs. Moreover, past capacity fees may be pledged to fund future debt service costs. BWA made no adjustments for existing potable water and sewer capacity fee balances. As discussed, BWA reduced the recycled water costs by \$4.3 million to reflect past fees collected from developers in Fort Ord.

## Section 4: Definition of an EDU

### Water EDU

L&T reviewed BWA’s and DFA’s capacity analyses. For the water systems, BWA estimates demand of 250 gallons per day per EDU based on a District water use factor of 0.28 acre feet per year (AFY). DFA estimates the demand of an EDU at about 225 gallons per day based on projected water use in 2035 divided by Akel’s population estimate for 2035. Akel assumes 3% consistent population growth every year for the next 15 years. BWA assumes per capita use of about 89 gallons per day (gpd) and DFA estimates use of about 80.6 gpd.

Table 3.1 of Akel’s water master plan shows population, annual production, and per capita demand from 2005 to 2017. It’s not clear from the BWA, DFA, or Akel’s reports if residential water use was isolated from nonresidential use when calculating per capita demand. Total demand on the water system consists of residential use, nonresidential use (schools, businesses, landscape irrigation, etc.), and water loss. Dividing total demand or production by population incorrectly attributes the demands of nonresidential uses to single family customers.

The 2015 Urban Water Management Plan (UWMP) provides water usage data by customer type and isolates single family customer usage from other demands (see Table 3.2 of the UWMP below). The UWMP explains that not all Fort Ord customers are metered, and water use for unmetered residential customers is estimated at 0.28 AFY.<sup>7</sup> Thus, the Fort Ord residential water use in Table 3.2 reflects estimated, not actual, metered use. The UWMP also states “The District’s actual 2015 water use was 3,228 AFY, and the population is estimated at 32,375 persons, resulting in an average 89 gpcd.” Comparing this statement with Table 3.2, it is apparent that the nearly 3,200 AFY water use represents system total (residential plus nonresidential) use. Thus, BWA’s per capita estimate of 89 gpd is inflated with nonresidential consumption.

### 2015 UWMP

**Table 3.2 Water Deliveries in 2015**

Water Use Sectors	Central Marina		Ord Community		Ord Non-metered		Total
	# Cust.	Ac-Ft	# Cust.	Ac-Ft	# Cust.	Ac-Ft	Ac-Ft
Single family	3280	741.0	1334	227.1			968.1
Multi-family	261	399.2	1636	505.6	735	205.8	1110.6
Commercial	232	231.7	75	95.3			327.0
Industrial	0	0.0	2	0.2			0.2
Institutional/governmental	25	41.7	136	114.2			155.9
Landscape	18	242.9	139	389.3			632.3
Agriculture	0	NA	0	NA			0
Other	0	NA	0	NA			0
<b>Total</b>	<b>3816</b>	<b>1656.6</b>	<b>3322</b>	<b>1331.7</b>	<b>735</b>	<b>205.8</b>	<b>3,194.1</b>

<sup>7</sup> See the 2015 UWMP page 14

Based on the 2015 data for only Marina single family customers, L&T estimates water use of 202 gallons per day per EDU. L&T applied a water use factor of 5% to estimate usage per EDU of 212 gpd. Akel’s water master plan discusses losses of 10%. However, MCWD’s In-Tract Water and Wastewater Collection System Infrastructure Policy discusses a water loss goal of 5%.

**Table 7: 2015 UWMP Customer Data**

	<b>Marina 2015</b>
AFY	741
# of Single Family Customers	3,280
AFY/EDU	0.23
Gallons/day	202
Gallons/day + 5% water loss	212
per capita gpd	72
per capita gpd +5% water loss	76

Source: 2015 Urban Water Management Plan Table 3.2, 2015 consumption data; water loss estimated by L&T

The best method to estimate water use for future EDUs is to adjust historic data by the characteristics of future development. Based on discussions with WJH and the development community, L&T is aware that future housing units will be constructed with highly efficient plumbing fixtures and drought resistant landscaping. MCWD’s current residential customer base may not reflect the character of new development. Its possible that future EDUs will have lower water use than current EDUs. Lower water use of future EDUs would lower BWA’s proposed fees.

## **Sewer EDU**

BWA estimates sewer flow per EDU at 174 gallons per day, which corresponds to about 63 gallons per capita. BWA’s Table 5 provides per capita flow from 2010 to 2016 and notes the source of data as Akel Engineering. L&T reviewed the sewer master plan and was not able to verify this data. However, water use per EDU of 250 gpd multiplied by Akel’s residential discharge factor of 70% is approximately equal to 174 gpd of sewer flow. Akel’s master plan provides no description of how the 70% discharge factor was determined. WJH filed a data request question on this topic (question #17) and received no additional information. DFA estimated current sewer flow as about 154 gpd per EDU and about 137 gpd in 2035. DFA’s future EDU flow is estimated based Akel’s 2035 flow divided by Akel’s estimated population in 2035.

Ideally, sewer flow per EDU would be based on seasonal analysis of metered single family water use. Winter water use is commonly used as a proxy for residential sewer flow because the winter period typically has low outdoor landscape irrigation (i.e. nearly all water use is discharged into the sewer). Residential water use can be combined with nonresidential, non-irrigation, winter use and trued up with



observed flows at the wastewater treatment plant. Absent this information, a 70% residential discharge factor is not unreasonable. L&T's estimated water use of 202 gpd<sup>8</sup> multiplied by a discharge factor of 70% equals sewer flow of 141 gpd or about 50.5 gpd per capita, or roughly equal to DFA's sewer flow estimates. Under both L&T and DFA's planning estimates, MCWD would be in compliance with SB 606 and AB 1668's standard of 50 gallons per capita indoor water use by January 2030. It's unclear from BWA and Akel's reports how SB 606 and AB 1668 use targets are reflected in water demand and sewer flow projections.

## Total capacity

L&T tables 8 and 9 summarize BWA, DFA, and L&T's water and sewer EDU estimates. For the water utilities, L&T estimates more EDUs than BWA and DFA. For the sewer utilities, L&T estimates more EDUs than BWA but fewer than DFA.

**Table 8: Summary of Water EDU Counts**

	BWA	DFA	L&T
<b>Marina Water</b>			
Existing (2019)			
GD	1,980,000	1,980,000	1,980,000
gpd/EDU	250	250	212
Existing EDUs	7,921	7,921	9,340
Near-term (2035)			
GD	2,460,000	2,460,000	2,460,000
gpd/EDU	250	225.54	212
Total 2035 EDUs	9,841	10,907	11,604
<b>Fort Ord Water</b>			
Existing (2019)			
GD	1,260,000	1,260,000	1,260,000
gpd/EDU	250	250	212
Existing EDUs	5,041	5,041	5,943
Near-term (2035)			
GD	2,250,000	2,250,000	2,250,000
gpd/EDU	250	225.54	212
Total 2035 EDUs	9,001	9,976	10,613
<b>Summary</b>			
Marina Water			
Existing	7,921	7,921	9,340
Incremental	<u>1,920</u>	<u>2,986</u>	<u>2,264</u>
Total 2035	9,841	10,907	11,604
Fort Ord Water			
Existing	5,041	5,041	5,943
Incremental	<u>3,961</u>	<u>4,935</u>	<u>4,670</u>
Total 2035	9,001	9,976	10,613

<sup>8</sup> 5% water loss is not discharged into the sewer system

**Table 9: Summary of Sewer EDU Counts**

	<b>BWA</b>	<b>DFA</b>	<b>L&amp;T</b>
<b>Marina Sewer</b>			
Existing (2019)			
GD	1,100,000	1,100,000	1,100,000
gpd/EDU	174	153.69	141
Existing EDUs	6,322	7,157	7,801
Near-term (2035)			
GD	1,290,000	1,290,000	1,290,000
gpd/EDU	174	137.43	141
Total 2035 EDUs	7,414	9,387	9,149
<b>Fort Ord Sewer</b>			
Existing (2019)			
GD	900,000	900,000	900,000
gpd/EDU	174	153.69	141
Existing EDUs	5,172	5,856	6,383
Near-term (2035)			
GD	1,580,000	1,580,000	1,580,000
gpd/EDU	174	137.43	141
Total 2035 EDUs	9,080	11,497	11,206
<b>Summary</b>			
Marina Sewer			
Existing	6,322	7,157	7,801
Incremental	<u>1,092</u>	<u>2,229</u>	<u>1,348</u>
Total 2035	7,414	9,387	9,149
Fort Ord Sewer			
Existing	5,172	5,856	6,383
Incremental	<u>3,908</u>	<u>5,641</u>	<u>4,823</u>
Total 2035	9,080	11,497	11,206

## **Section 5: Cost per EDU and Apportionment of Fees**

### **Cost per EDU**

Based on the information described in this memo, L&T's fee calculations are provided in Table 10. The fees could potentially be further revised following receipt and analysis of additional information from MCWD and Akel. Table 11 provides a comparison of BWA, DFA, and L&T proposed fees. For the Marina water, Marina sewer, and Fort Ord sewer utilities, L&T fees are lower than BWA's fees and greater than DFA's fees. L&T's proposed Fort Ord water fee is lower than BWA and DFA proposed fees.

**Table 10: L&T Fee Calculations\***

	<b>Marina Water</b>	<b>Fort Ord Water</b>	<b>Marina Sewer</b>	<b>Fort Ord Sewer</b>
<b>Buy-in Capacity Fee</b>				
Buy-in Cost	\$10,602,872	\$37,605,400	\$5,538,782	\$15,656,810
Total 2035 EDUs	11,604	10,613	9,149	11,206
Buy-in Fee	\$914	\$3,543	\$605	\$1,397
<b>Expansion Capacity Fee (No Recycled Water)</b>				
Expansion Cost	\$5,387,440	\$22,372,660	\$2,166,654	\$19,551,521
Incremental EDUs	2,264	4,670	1,348	4,823
Expansion Fee	\$2,379	\$4,791	\$1,608	\$4,054
<b>Recycled Water Expansion Capacity Fee</b>				
Expansion Cost	\$3,318,537	\$35,134,569		
Incremental EDUs	2,264	4,670		
Expansion Fee	\$1,466	\$7,524		
<b>Total Expansion Fee</b>	<b>\$3,845</b>	<b>\$12,315</b>	<b>\$1,608</b>	<b>\$4,054</b>
<b>Total Fee (Buy-in &amp; Expansion)</b>	<b>\$4,759</b>	<b>\$15,858</b>	<b>\$2,213</b>	<b>\$5,451</b>

\*As described in this report, L&T was unable to confirm or verify the following items which impact the fee calculations:

- 1) Grants and capital contributions applied to existing water and sewer assets
- 2) Assets scheduled for replacement in the CIP
- 3) Appropriate cost escalation for construction management and contingency
- 4) Appropriate allocation of project costs between existing and future customers

**Table 11: Fee Comparison**

<b>Entity</b>	<b>Marina Water</b>	<b>Fort Ord Water</b>	<b>Marina Sewer</b>	<b>Fort Ord Sewer</b>
<b>Buy-in Fees</b>				
BWA	\$1,225	\$3,590	\$807	\$927
DFA	\$1,105	\$3,239	\$637	\$733
L&T	\$914	\$3,543	\$605	\$1,397
<b>Expansion Fees</b>				
BWA	\$4,517	\$15,514	\$1,984	\$5,003
DFA	\$2,905	\$12,642	\$972	\$3,872
L&T	\$3,845	\$12,315	\$1,608	\$4,054
<b>Total Fees</b>				
BWA	\$5,742	\$19,104	\$2,791	\$5,930
DFA	\$4,010	\$15,881	\$1,609	\$4,605
L&T	\$4,759	\$15,858	\$2,213	\$5,451

## Fee apportionment

### Domestic water

BWA's report defines a water EDU as a single family dwelling unit using 0.28 AFY with a lot size between 0.08 and 0.12 acres (i.e. 9 to 12 homes per acre). Parcel density is based on information provided by MCWD as listed below.

#### Proposed Marina Coast Water District Water Use Factors for Determining Capacity Charges

Type of Use	Basis	Existing Assigned Water Use Rate By Acre-Ft	Proposed Assigned Water Use Rate By Acre-Ft
<b><u>Residential</u></b>			
Multi Family - Apartment	DU	x 0.33	<b>0.21</b>
Apartment (senior complex)	DU	x	<b>0.12</b>
Group Housing (boarding, dormitory, convalescent)	Occupant	x	<b>0.062</b>
Condominium/Townhouse	DU	x 0.33	<b>0.24</b>
Mobile Home	DU	x 0.33	<b>0.21</b>
Multi-Family - Duplex to Fourplex	DU	x 0.33	<b>0.24</b>
Single Family 0<lot<0.08 acres (13 or more units per acre)	DU	x 0.33	<b>0.25</b>
Single Family 0.08<=lot<0.12 acres (9-12 Units/Acre)	DU	x 0.33	<b>0.28</b>
Single Family 0.12<=lot<0.22 (5-8 Units /Acre)	DU	x 0.33	<b>0.33</b>
Single Family 0.22<=lot<0.67 (2- 4 Units/acre)	DU	x 0.33	<b>0.52</b>
Single Family (lot>= 0.67 acres)	acres	x	<b>0.89</b>
Accessory Dwelling Unit < 640 sq. ft.	DU	x	<b>0.17</b>
Accessory Dwelling Unit 641 to 800 sq. ft.	DU	x	<b>0.21</b>
Accessory Dwelling Unit 841-1200 sq. ft.	DU	x	<b>0.25</b>

Akel's water master plan Table 5.2 notes that near-term development demands are based on an average residential density of 8 dwelling units per acre. It is L&T's opinion that estimated water use of 0.28 AFY should be reassigned to the single family residential density of 5-8 dwelling units per acre rather than 9-12 units per acre. This change lowers the fees for residential customers as shown in L&T's Table 12.

**Table 12: Water Fee Apportionment**

Land Use	BWA AFY	BWA Fee	Adjusted BWA AFY	Adjusted BWA Fee	L&T AFY	L&T Fee
MCWD Water Fees						
Duplex to Fourplex	0.24	\$4,922	0.21	\$4,307	0.178	\$3,569
SF 13+ DU/acre	0.25	\$5,127	0.24	\$4,922	0.204	\$4,079
SF 9-12 DU/acre	0.28	\$5,742	0.25	\$5,127	0.212	\$4,249
SF 5-8 DU/acre	0.33	\$6,767	0.28	\$5,742	0.238 [1]	\$4,759
SF 2-4 DU/acre	0.52	\$10,664	0.33	\$6,767	0.280	\$5,609
Fort Ord Water Fees						
Duplex to Fourplex	0.24	\$16,375	0.21	\$14,328	0.178	\$11,893
SF 13+ DU/acre	0.25	\$17,057	0.24	\$16,375	0.204	\$13,593
SF 9-12 DU/acre	0.28	\$19,104	0.25	\$17,057	0.212	\$14,159
SF 5-8 DU/acre	0.33	\$22,515	0.28	\$19,104	0.238 [1]	\$15,858
SF 2-4 DU/acre	0.52	\$35,479	0.33	\$22,515	0.280	\$18,690

SF - single family; DU - dwelling unit  
 1 - 0.23 AFY +5% water loss

**Sewer**

BWA proposes to assign sewer fees based on EDUs for single family and multifamily connections and number of plumbing fixtures for accessory dwelling units and nonresidential connections. Each multifamily connection is assigned 0.8 EDUs. Although this is in the range of industry-typical EDU assignments, BWA/MCWD did not provide an explanation for how the 0.8 factor was determined. WJH’s data request question #21 asked for “Any records showing how the Fee Study determined multi-family customers were assigned 0.8 EDUs per dwelling unit.” MCWD replied, “There are no responsive documents.” The sewer flows of multifamily dwellings should be further evaluated to justify any proposed EDU assignment. For example, the average multifamily dwelling unit could house an average of two people. Two divided by MCWD’s single family occupancy of 2.8 people results in an EDU assignment of about 0.7 EDUs.

To establish proportionality for accessory dwelling units and nonresidential connections, BWA estimated the number of plumbing fixtures for a single family dwelling unit. Based on a two bathroom home, BWA calculated a fixture count of 19 per dwelling unit. WJH requested information regarding how BWA determined home size and fixture counts (data request questions #19 and #20). MCWD responded with information about nationwide development trends. 19 plumbing fixtures per single family home is not unreasonable; however, MCWD/BWA should review development plans to better tailor the fixture count per EDU to MCWD’s service area.

## **Section 6: Conclusions**

To meet legal requirements, capacity fees must be based on the reasonable cost of providing facilities and must fairly apportion the costs of those facilities to new development based on benefit received. As described throughout this memorandum, BWA did not document the cost of facilities nor did BWA adequately allocate costs. BWA's buy-in analysis was not based on a detailed inventory of facilities and likely did not make appropriate deductions for grants, capital contributions, and the scheduled replacement of assets. BWA's expansion costs were taken from Akel's master plans. Akel did not describe its methods for determining the relative benefits of each project attributable to existing and future customers. Its L&T's opinion that BWA overestimated the water use and sewer flow per EDU which results in higher fees. L&T based its conclusions on the best available information. To investigate these issues further, additional inquiry could be conducted regarding MCWD's fixed asset inventory, Akel's allocation of project costs to future customers, and Fort Ord's legal obligations regarding the use of community facilities district fees.

### Appendices

Appendix A: Response to WJH Data Request Question 3 (concerning the fixed asset list)

Appendix B: Response to WJH Data Request Question 5 (concerning developer contributions)

Appendix C: Response to WJH Data Request Question 4, 12, 13, 14 (concerning recycled water costs, grants, and financing)

Appendix D: SRF Historical Interest Rates

**Appendix A: Response to WJH Data Request Question 3  
(concerning the fixed asset list)**

**MARINA COAST WATER DISTRICT**  
**MARINA CAPACITY FEES ALTERNATIVES**  
**June 25, 2019**

	Carollo Current Marina Water	BWA Proposed Marina Water	(1) Proposed Marina Water	(2) Proposed Marina Water	2018 CAFR	
Total Value of Existing Assets Net of Liabilities meter equivalents/edus	9,916,088 8,269	16,140,161 9,841	12,137,292 9,841	12,053,654 9,841	28,093,716	Capital Assets
<b>Buy-In Portion of Capacity Fees</b>	<b>1,199</b>	<b>1,640</b>	<b>1,233</b>	<b>1,225</b>	- - <u>(16,548,070)</u>	Easements Water Rights Depreciation
Shared CIP allocated to all Users meter equivalents/edus	- 8,269	10,600,000 9,841	9,400,000 9,841	9,400,000 9,841	11,545,646	(1) Carollo Amount indexed to 2019 dollars
<b>Shared CIP Portion of Capacity Fees</b>	<b>-</b>	<b>1,077</b>	<b>955</b>	<b>955</b>		(2) 2018 CAFR Amount indexed to 2019 Dollars
Infrastructure Related CIP - Future Users Only meter equivalents/edus	27,514,092 8,269	8,384,440 1,920	8,384,440 1,920	8,384,440 1,920		
<b>CIP Future Users Only Portion of Capacity Fees</b>	<b>3,327</b>	<b>4,367</b>	<b>4,367</b>	<b>4,367</b>		
Recycled Water Master Plan - Future Users Only meter equivalents/edus	- 8,269	3,285,458 1,920	3,285,458 1,920	3,285,458 1,920		
<b>Recycled Water Future Users Only Portion of Capacity Fees</b>	<b>-</b>	<b>1,711</b>	<b>1,711</b>	<b>1,711</b>		
<b>Total Capacity Fee</b>	<b>4,527</b>	<b>8,795</b>	<b>8,267</b>	<b>8,258</b>		
	Carollo Current Marina Sewer	BWA Proposed Marina Sewer	(1) Proposed Marina Sewer	(2) Proposed Marina Sewer	2018 CAFR	
Total Value of Existing Assets Net of Liabilities meter equivalents/edus	13,650,674 10,748	29,315,502 9,080	16,708,425 9,080	5,979,786 9,080	11,079,378	Capital Assets
<b>Buy-In Portion of Capacity Fees</b>	<b>1,270</b>	<b>3,229</b>	<b>1,840</b>	<b>659</b>	- - <u>(5,351,614)</u>	Easements Sewer Rights Depreciation
Infrastructure Related CIP - Future Users Only meter equivalents/edus	11,423,891 10,748	21,841,121 3,908	21,841,121 3,908	21,841,121 3,908		(1) Carollo Amount indexed to 2019 dollars
<b>CIP Future Users Only Portion of Capacity Fees</b>	<b>1,063</b>	<b>5,589</b>	<b>5,589</b>	<b>5,589</b>		(2) 2018 CAFR Amount indexed to 2019 Dollars
<b>Total Capacity Fee</b>	<b>2,333</b>	<b>8,817</b>	<b>7,429</b>	<b>6,247</b>	5,727,764	



**MARINA COAST WATER DISTRICT**  
**ORD CAPACITY FEES ALTERNATIVES**  
**June 25, 2019**

	Carollo Current Ord Water	BWA Proposed Ord Water	(1) Proposed Ord Water	(2) Proposed Ord Water	2018 CAFR	
Total Value of Existing Assets Net of Liabilities meter equivalents/edus	24,541,654 14,387	57,139,033 9,001	30,038,984 9,001	32,316,389 9,001	114,218,909 (14,100,000)	Capital Assets Easements
<b>Buy-In Portion of Capacity Fees</b>	<b>1,706</b>	<b>6,348</b>	<b>3,337</b>	<b>3,590</b>	(57,450,000) (11,714,513)	Water Rights Depreciation
Shared CIP allocated to all Users meter equivalents/edus	- 14,387	9,400,000 9,001	9,400,000 9,001	9,400,000 9,001		(1) Carollo Amount indexed to 2019 dollars
<b>Shared CIP Portion of Capacity Fees</b>	<b>-</b>	<b>1,044</b>	<b>1,044</b>	<b>1,044</b>		(2) 2018 CAFR Amount indexed to 2019 Dollars
Infrastructure Related CIP - Future Users Only meter equivalents/edus	90,693,766 14,387	35,623,660 3,961	35,623,660 3,961	35,623,660 3,961		
<b>CIP Future Users Only Portion of Capacity Fees</b>	<b>6,304</b>	<b>8,994</b>	<b>8,994</b>	<b>8,994</b>		
Recycled Water Master Plan - Future Users Only meter equivalents/edus	- 14,387	39,069,891 3,961	39,069,891 3,961	39,069,891 3,961		
<b>Recycled Water Future Users Only Portion of Capacity Fees</b>	<b>-</b>	<b>9,864</b>	<b>9,864</b>	<b>9,864</b>		
<b>Total MCWD Capacity Fee</b>	<b>8,010</b>	<b>26,250</b>	<b>23,239</b>	<b>23,492</b>		
FORA Water Augmentation funded by CFD Fees* EDUs at Total Build Out	58,215,374 3,961					
<b>Total FORA CFD fees per EDU</b>	<b>14,697</b>					
<b>Combined MCWD Capacity Fees &amp; FORA CFD Fees</b>	<b>22,707</b>					
	Carollo Current Ord Sewer	BWA Proposed Ord Sewer	(1) Proposed Ord Sewer	(2) Proposed Ord Sewer	2018 CAFR	
Total Value of Existing Assets Net of Liabilities meter equivalents/edus	3,848,904 11,734	29,315,502 9,080	4,711,058 9,080	8,421,578 9,080	38,169,820 (10,800,000)	Capital Assets Easements
<b>Buy-In Portion of Capacity Fees</b>	<b>328</b>	<b>3,229</b>	<b>519</b>	<b>927</b>	(15,300,000) (4,003,174)	Sewer Rights Depreciation
Infrastructure Related CIP - Future Users Only meter equivalents/edus	35,130,846 11,734	21,841,121 3,908	21,841,121 3,908	21,841,121 3,908		(1) Carollo Amount indexed to 2019 dollars
<b>CIP Future Users Only Portion of Capacity Fees</b>	<b>2,994</b>	<b>5,589</b>	<b>5,589</b>	<b>5,589</b>		(2) 2018 CAFR Amount indexed to 2019 Dollars
<b>Total Capacity Fee</b>	<b>3,322</b>	<b>8,817</b>	<b>6,108</b>	<b>6,516</b>		

**MARINA COAST WATER DISTRICT**  
**ORD CAPACITY FEES ALTERNATIVES**  
**June 25, 2019**

	Carollo Current Ord Water	BWA Proposed Ord Water	(1) Proposed Ord Water	(2) Proposed Ord Water	2018 CAFR	
Total Value of Existing Assets Net of Liabilities meter equivalents/edus	24,541,654 14,387	57,139,033 9,001	30,038,984 9,001	32,316,389 9,001	114,218,909 (14,100,000) (57,450,000) (11,714,513)	Capital Assets Easements Water Rights Depreciation
<b>Buy-In Portion of Capacity Fees</b>	<b>1,706</b>	<b>6,348</b>	<b>3,337</b>	<b>3,590</b>	<u>30,954,396</u>	
Shared CIP allocated to all Users meter equivalents/edus	- 14,387	9,400,000 9,001	9,400,000 9,001	9,400,000 9,001		(1) Carollo Amount indexed to 2019 dollars
<b>Shared CIP Portion of Capacity Fees</b>	<b>-</b>	<b>1,044</b>	<b>1,044</b>	<b>1,044</b>		(2) 2018 CAFR Amount indexed to 2019 Dollars
Infrastructure Related CIP - Future Users Only meter equivalents/edus	90,693,766 14,387	35,623,660 3,961	35,623,660 3,961	35,623,660 3,961		
<b>CIP Future Users Only Portion of Capacity Fees</b>	<b>6,304</b>	<b>8,994</b>	<b>8,994</b>	<b>8,994</b>		
Recycled Water Master Plan - Future Users Only meter equivalents/edus	- 14,387	39,069,891 3,961	39,069,891 3,961	39,069,891 3,961		
<b>Recycled Water Future Users Only Portion of Capacity Fees</b>	<b>-</b>	<b>9,864</b>	<b>9,864</b>	<b>9,864</b>		
<b>Total MCWD Capacity Fee</b>	<b>8,010</b>	<b>26,250</b>	<b>23,239</b>	<b>23,492</b>		
FORA Water Augmentation funded by CFD Fees* EDUs at Total Build Out	58,215,374 18,202					
<b>Total FORA CFD fees per EDU</b>	<b>3,198</b>					
<b>Combined MCWD Capacity Fees &amp; FORA CFD Fees</b>	<b>11,208</b>					
	Carollo Current Ord Sewer	BWA Proposed Ord Sewer	(1) Proposed Ord Sewer	(2) Proposed Ord Sewer	2018 CAFR	
Total Value of Existing Assets Net of Liabilities meter equivalents/edus	3,848,904 11,734	29,315,502 9,080	4,711,058 9,080	8,421,578 9,080	38,169,820 (10,800,000) (15,300,000) (4,003,174)	Capital Assets Easements Sewer Rights Depreciation
<b>Buy-In Portion of Capacity Fees</b>	<b>328</b>	<b>3,229</b>	<b>519</b>	<b>927</b>	<u>8,066,646</u>	
Infrastructure Related CIP - Future Users Only meter equivalents/edus	35,130,846 11,734	21,841,121 3,908	21,841,121 3,908	21,841,121 3,908		(1) Carollo Amount indexed to 2019 dollars
<b>CIP Future Users Only Portion of Capacity Fees</b>	<b>2,994</b>	<b>5,589</b>	<b>5,589</b>	<b>5,589</b>		(2) 2018 CAFR Amount indexed to 2019 Dollars
<b>Total Capacity Fee</b>	<b>3,322</b>	<b>8,817</b>	<b>6,108</b>	<b>6,516</b>		

**Appendix B: Response to WJH Data Request Question 5  
(concerning developer contributions)**

**Data Request Response 3.20.20--Q5 Documents**

<b>Project</b>	<b>Name of Developer</b>	<b>Resolution Date</b>	<b>Service Area</b>	<b>Value Assigned</b>	<b>Type</b>	<b>Facilities</b>
CHOMP Marina Campus	Community Hospital Properties	9/13/2011	MCWD	\$52,000	Sewer	340 ft of 8" mains, 210 ft of 6" mains, manholes, laterals, other appurtenances
CHOMP Marina Campus	Community Hospital Properties	9/13/2011	MCWD	\$22,000	Recycled Water	171 ft of 4" laterals, valves, other appurtenances
CHOMP Marina Campus	Community Hospital Properties	9/13/2011	MCWD	\$103,000	Water	800 ft of 8" mains; 22 ft of 8" and 119 ft of 6" and 50 ft of 2" laterals, valves, hydrants, PRV's, other appurtenances
Junsay Oaks Senior Apartments	Junsay Oaks LP	11/18/2019	MCWD	\$10,650	Sewer	15 ft 6" main, 1 manhole
Junsay Oaks Senior Apartments	Junsay Oaks LP	11/18/2019	MCWD	\$114,880	Water	190 LF 8" C900 SDR, 332 LF 8" C900 SDR in existing pavement, 1- 4" potable service, 1- 3" meter, 1- 1" irrigation service, 1- 1" irrigation meter, 1- 6" fire service, 1 fire hydrant, 1- 2" blow off, 1- 1" air relief valve
Marina Heights Phase 2	Cypress Marina Heights LP	10/10/2007	Ord Community	\$813,650	Sewer	mains, manholes, laterals
Marina Heights Phase 2	Cypress Marina Heights LP	10/10/2007	Ord Community	\$696,425	Water	pipelines, valves, service connections, fire hydrants, meters
Marina Heights Phase 2	Cypress Marina Heights LP	10/10/2007	Ord Community	\$24,000	Recycled Water	pipelines, valves, service connections, meters
Seaside Highlands - Phase 1 and 2	K&B Bakewell Seaside Venture LLC	4/26/2006	Ord Community	\$761,431	Sewer	pipes, mains, manholes, and appurtenances shown on tracts 1396 and 1414 final maps

Seaside Highlands - Phase 1 and 2	K&B Bakewell Seaside Venture LLC	4/26/2006	Ord Community	\$994,037	Water	potable water pipes, fire hydrants, blow offs, mains, valves, fittings, meters and appurtenances shown on final maps
Seaside Highlands - Phase 1 and 2	K&B Bakewell Seaside Venture LLC	4/26/2006	Ord Community	\$145,070	Recycled Water	recycled/irrigation water pipes, mains, valves, fittings, meters and appurtenances shown on final maps
East Garrison - Phase 1	UCP East Garrison LLC	9/11/2012	Ord Community	\$1,631,830	Sewer	18,705 LF of 8", 10", 15" pipelines, including 1200LF of pipeline greater than 15 ft deep; 102 manholes; 415 sewer service laterals 4" 6" and 8" diameters
East Garrison - Phase 1	UCP East Garrison LLC	9/11/2012	Ord Community	\$1,801,870	Water	20,505 LF of 8" and 12" PVC pipelines; 591 LF 16" and 20" iron pipelines; 28 fire services - 6" and 8"; 36 fire hydrants; 298 service laterals - 1" 2" and 4"
East Garrison - Phase 1	UCP East Garrison LLC	9/11/2012	Ord Community	\$386,380	Recycled Water	6,580 LF recycled water pipelines - 4" 8" and 12"; 2 backflow prevention devices 8" diameter; 20 irrigation service laterals - 2" and 4"
University Village Apartments	University Village Associates	7/7/2014	Ord Community	\$82,040	Sewer	425 LF of 8" main, 500 LF of small diameter sewer service and lateral lines, 4 manholes
University Village Apartments	University Village Associates	7/7/2014	Ord Community	\$284,975	Water	660 LF of 12" main; 1,500 LF of 8" main; 245 LF of 6" main; 6 fire hydrants
University Village Apartments	University Village Associates	7/7/2014	Ord Community	\$13,320	Recycled Water	560 LF of 4" main
Promontory development project	AMCAL Monterey Bay LLC	8/3/2015	Ord Community	\$591,441	Sewer	680 LF of 8" main; 800 LF of small diameter force main; sewer pump station; 5 manholes
Promontory development project	AMCAL Monterey Bay LLC	8/3/2015	Ord Community	\$418,434	Water	470 LF of 16" main; 1,435 LF of 8" main; 6 fire hydrants

Promontory development project	AMCAL Monterey Bay LLC	8/3/2015	Ord Community	\$21,500	Recycled Water	400 LF of 4" reclaimed water main
Dunes - Phase 1A Development Project	Shea Marina Village LLC/Marina Community Partners LLC	1/11/2016	Ord Community	\$1,991,000	Sewer	1,919 LF of 8" main, 485 LF of 15" main, 1,900 LF of 24" main, 1,106 LF of 27" main, 24 LF of 30" main, 13 laterals from 4" to 6" in diameter, 31 manholes
Dunes - Phase 1A Development Project	Shea Marina Village LLC/Marina Community Partners LLC	1/11/2016	Ord Community	\$893,813	Water	1,638 LF of 8" main; 3,771 LF of 12" main; 7 2" service lines; 8 fire service lines; 16 fire hydrants
Dunes - Phase 1A Development Project	Shea Marina Village LLC/Marina Community Partners LLC	1/11/2016	Ord Community	\$236,187	Recycled Water	975 LF of 4" main; 1,124 LF of 8" main; 3 2" irrigation service lines; 1 " reduced pressure principle backflow assembly
East Garrison - Phase 2	UCP East Garrison LLC	2/1/2016	Ord Community	\$724,727	Sewer	shown only on a map attached as exhibit to bill of sale
East Garrison - Phase 2	UCP East Garrison LLC	2/1/2016	Ord Community	\$1,808,090	Water	shown only on a map attached as exhibit to bill of sale
East Garrison - Phase 2	UCP East Garrison LLC	2/1/2016	Ord Community	\$113,821	Recycled Water	shown only on a map attached as exhibit to bill of sale
Dunes - Phase 1C1	Shea Homes Limited Partnership	3/21/2016	Ord Community	\$546,393	Sewer	3,373 LF of 8" main; 291 LF of 12" main; 398 LF of 15" main; 31 manholes; 134 service laterals
Dunes - Phase 1C1	Shea Homes Limited Partnership	3/21/2016	Ord Community	\$629,516	Water	3,776 LF of 8" main; 12 fire hydrants; 59 1.5" service lines; 4 2" service lines; 11 4" service lines
Dunes - Phase 1C1	Marina Community Partners/Shea Homes Limited Partnership	3/21/2016	Ord Community	\$140,817	Sewer	1,164 LF of 8" main; 279 LF of 15" main; 11 manholes
Dunes - Phase 1C1	Marina Community Partners/Shea Homes Limited Partnership	3/21/2016	Ord Community	\$233,226	Water	1,649 LF of 8" main; 730 LF of 12" main; 9 fire hydrants; 1- 4" vault service line; 1- 4" water service line; 2- 2" irrigation service lines
Dunes - Phase 1C1	Marina Community Partners/Shea Homes Limited Partnership	3/21/2016	Ord Community	\$20,624	Recycled Water	558 LF of 4" recycled main; 2- 2" irrigation service lines

Dunes - Phase 1A Development Project	Target Corporation/Marina Community Partners LLC	4/17/2017	Ord Community	\$151,344	Sewer	197 LF of 8" main; 15 LF of 15" main; 557 LF of 27" main; 1 service lateral from 4" to 6" in diameter; 5 manholes
Dunes - Phase 1A Development Project	Target Corporation/Marina Community Partners LLC	4/17/2017	Ord Community	\$105,478	Water	654 LF of 8" main; 791 LF of 12" main; 1 2" service line; 1 fire service line; 3 fire hydrants
Dunes - Phase 1C2	Shea Homes Limited Partnership	8/21/2017	Ord Community	\$356,740	Sewer	2,655 LF of 8" main; 437 LF of 15" main; 20 manholes; 71 service laterals
Dunes - Phase 1C2	Shea Homes Limited Partnership	8/21/2017	Ord Community	\$565,620	Water	3,334 LF 8" main; 773 LF 12" main; 9 fire hydrants; 89- 1" service lines; 4- 2" service lines; 2- 4" service lines; 1- 2" irrigation service line
Dunes - Phase 1C2	Shea Homes Limited Partnership	8/21/2017	Ord Community	\$97,560	Recycled Water	1,252 LF 8" main; 3- 2" irrigation service line; 1 recycled to domestic water connection
Seaside Resort Estates - Phase 1A	Seaside Resort Estates LLC/Seaside Resort Development LLC	10/14/2008	unable to determine	\$699,738	Sewer	2,448 LF of 8" pipe; 19 manholes; 1 clean out
Seaside Resort Estates - Phase 1A	Seaside Resort Estates LLC/Seaside Resort Development LLC	10/14/2008	unable to determine	\$367,770	Water	2,800 LF of 8" pipeline; 12- 8" valves; 3 blow off valves; 1 PRV; 1 ARV; 8 fire hydrants with valves
Seaside Resort Estates - Phase 1A	Seaside Resort Estates LLC/Seaside Resort Development LLC	10/14/2008	unable to determine	\$136,302	Recycled Water	2,508 LF of 4" pipeline; 5- 4" valves; 1 ARV; 1 RP BFP
East Garrison Phase 3		To be executed	unable to determine	\$427,964	Sewer	
East Garrison Phase 3		To be executed	unable to determine	\$962,680	Water	
East Garrison Phase 3		To be executed	unable to determine	\$39,232	Recycled Water	

**\$20,217,575**

**Summary of Contributions**

	<b>MCWD</b>	<b>Fort Ord</b>	<b>Unknown</b>	<b>Total</b>
Water	\$217,880	\$8,431,484	\$1,330,450	\$9,979,814
Recycled Water	\$22,000	\$1,058,462	\$175,534	\$1,255,996
Sewer	<u>\$62,650</u>	<u>\$7,791,413</u>	<u>\$1,127,702</u>	<u>\$8,981,765</u>
	\$302,530	\$17,281,359	\$2,633,686	\$20,217,575



**Appendix C: Response to WJH Data Request Question 4, 12, 13, 14  
(concerning recycled water costs, grants, and financing)**

	% of R3 into Rates (GSA):						77.39%	Rate Adjustments needed		
Current Plan	R1	R2	R3-ALL	R3-DEV ONLY	R3-Rate Only	TOTAL-ALL	TOTAL DEV only	Total Rates only	CM GSA Rates	Ord GSA rates
Transmission Facilities	\$ 10,513,217	\$ -	\$ -		\$ -	\$ 10,513,217	\$ 10,513,217	\$ -	\$ -	\$ -
Distribution Facilities	\$ 9,300,000	\$ -	\$ 1,000,000	\$ 226,105	\$ 773,895	\$ 10,300,000	\$ 9,526,105	\$ 773,895	\$ 309,558	\$ 464,337
AWT	\$ 9,208,980	\$ 11,026,667	\$ 12,973,333	\$ 2,933,333	\$ 10,040,000	\$ 33,208,980	\$ 23,168,980	\$ 10,040,000	\$ 4,016,000	\$ 6,024,000
On Site Conversions	\$ 250,000	\$ 500,000			\$ -	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
Monitoring Wells	\$ -	\$ -	\$ 500,000	\$ 113,052	\$ 386,948	\$ 500,000	\$ 113,052	\$ 386,948	\$ 154,779	\$ 232,169
Injection Well Facilities	\$ -	\$ -	\$ 5,526,667	\$ 1,249,606	\$ 4,277,061	\$ 5,526,667	\$ 1,249,606	\$ 4,277,061	\$ 1,710,824	\$ 2,566,237
Subtotal	\$ 29,272,197	\$ 11,526,667	\$ 20,000,000	\$ 4,522,097	\$ 15,477,904	\$ 60,798,864	\$ 45,320,960	\$ 15,477,904	\$ 6,191,161	\$ 9,286,742
Less CC	\$ (4,300,000)	\$ -	\$ -	\$ -	\$ -	\$ (4,300,000)	\$ (4,300,000)	\$ -	\$ -	\$ -
Less Grants	\$ (6,986,362)	\$ -	\$ -	\$ -	\$ -	\$ (6,986,362)	\$ (6,986,362)	\$ -	\$ -	\$ -
Subtotal	\$ 17,985,835	\$ 11,526,667	\$ 20,000,000	\$ 4,522,097	\$ 15,477,904	\$ 49,512,502	\$ 34,034,598	\$ 15,477,904	\$ 6,191,161	\$ 9,286,742
Future Interest Costs	\$ 5,448,681	\$ 4,994,841	\$ 2,399,324	\$ 2,399,324	\$ -	\$ 12,842,847	\$ 12,842,847	\$ -	\$ -	\$ -
<b>TOTAL COSTS</b>	<b>\$ 23,434,516</b>	<b>\$ 16,521,508</b>	<b>\$ 22,399,324</b>	<b>\$ 6,921,421</b>	<b>\$ 15,477,904</b>	<b>\$ 62,355,349</b>	<b>\$ 46,877,445</b>	<b>\$ 15,477,904</b>	<b>\$ 6,191,161</b>	<b>\$ 9,286,742</b>
AFY	600	827	973	220	753	2,400	1,647	753	Annual Rev Requirement:	
Approx Capital \$/af	(1,696)	(954)	(1,175)	(1,605)	(1,049)	(1,160)	(1,646)	(1,049)	(\$315,868)	(\$473,803)

\$ 15,477,904

(\$789,671)

Note: Total Costs covered by rates (annual revenue requirement) doesn't include interest costs since rates are paid annually and debt service is paid annually and includes interest, whereas capacity fees are paid up front for the entirety of the project cost so they do include future interest costs.

EDU's based on flow (table 3 in fees):				
Avg MGD	CM	Ord	MGD TOTAL	AFY TOTAL
Existing flows	1.98	1.26	3.24	3,629
Nearterm flows	2.46	2.25	4.71	5,276
Buildout flows	2.46	5.81	8.27	9,264
Delta flows-nt	0.48	0.99	1.47	1,647
Delta flows-bo	0.48	4.55	5.03	5,634
Cost Share flows	33%	67%		
EDU	CM	Ord	EDU TOTAL	AFY per EDU
Existing	7,921	5,041	12,962	0.28
Nearterm	9,841	9,001	18,842	0.28
Buildout	9,841	23,243	33,084	0.28
Delta-nt	1,920	3,960	5,880	1,646
Delta-bo	1,920	18,202	20,122	5,634

Recalculate Table 7 cost allocations based on Table 3 flow projections:							
Phase	AFY	AFY-DEV	Dev %	Total Cost	SUPPLY	INFRASTRUCTURE	TOTAL
					Dev Cost (RW SUPPLY)	Dev Cost (Water)	Dev Cost (Total)
1	600	600	100%	\$ 23,434,516	\$ 23,434,516		
2	827	827	100%	\$ 16,521,508	\$ 16,521,508		
3	973	220	22.6%	\$ 22,399,324	\$ 6,921,421		
	2400	1647		\$ 62,355,349	\$ 46,877,445	\$ 46,128,100	\$ 93,005,545
				ORD EDU	3,960	3,960	3,960
				CM EDU	1,920	1,920	1,920
				TOT EDU	5,880	5,880	5,880
				combined \$/EDU	\$ 7,972	\$ 7,845	\$ 15,817
				TOTAL	\$ 46,877,445	\$ 46,128,100	\$ 93,005,545
				ORD	\$ 31,407,888	\$ 37,743,660	\$ 69,151,548
				MARINA	\$ 15,469,557	\$ 8,384,440	\$ 23,853,997
				ORD \$/EDU	\$ 7,931	\$ 9,531	\$ 17,463
				CM \$/EDU	\$ 8,057	\$ 4,367	\$ 12,424

Check Fees to Seaside Dev (table 5.2 MP, adjusted to table 3 in Fees):						
	Mgd	<sup>1</sup> Adjust	AFY	EDU	\$/EDU	Total Fee
Campus Town	0.06	0.0882	98.8	353	\$ 17,463	\$ 6,161,566
Main Gate	0.04	0.0588	65.9	235	\$ 17,463	\$ 4,107,710
TOTAL	0.10	0.147	164.7	588		\$ 10,269,276

<sup>1</sup>Table 5.2 has a total of 1.0 mgd for New, near term, Ord Development, table 3 in fees has increase in flows of 1.47 mgd in nearterm Ord Development

Corrected Table 7			
	MW	OW	TOTAL
1 Water	\$ 8,384,440	\$ 37,743,660	\$ 46,128,100
3 Recycled	\$ 15,469,557	\$ 31,407,888	\$ 46,877,445
4 TOTAL	\$ 23,853,997	\$ 69,151,548	\$ 93,005,545
5 EDU	1,920	3,960	5,880
6 \$/EDU	\$ 12,424	\$ 17,463	15,817

Build Out:

Development	RES	NR	TOTAL	WATER USE	% Developed in Near term
	DU	EDU	EDU	AFY	
Campus Town	1,485	352	1,837	487	20%
Main Gate	290	539	829	207	32%
TOTAL	1,775	891	2,666	694	24%

Note: Need to reconcile the in leiu project with Seaside because it appears GC RW flows in exchange for potable in leiu storage in the basin needed to approve the full WSA is more than what is needed in the near term which means we will have a substantial storage credit in the seaside basin that is non-monitized or designed for immediate use. I suppose we could use entire seaside amount and reduce use in Monterey Subbasin.

Supply Costs only to Seaside Dev (table 5.2 MP, adjusted to table 3 in Fees):						
	Mgd	<sup>1</sup> Adjust	AFY	EDU	\$/EDU	Total Fee
Campus Town	0.06	0.0882	98.8	353	\$ 7,931	\$ 2,798,517
Main Gate	0.04	0.0588	65.9	235	\$ 7,931	\$ 1,865,678
TOTAL	0.10	0.147	164.7	588		\$ 4,664,195

<sup>1</sup>Table 5.2 has a total of 1.0 mgd for New, near term, Ord Development, table 3 in fees has increase in flows of 1.47 mgd in nearterm Ord Development

Maybe we ask for supply costs for near term projections to be paid for upon approval of IA whereas the rest are due upon meter set. IA would then allow approval of a number of EDU's that we are projecting. If more EDU's to come later, than the IA would be amended for the new EDU's and new fees for supply paid.

Cash Flow-Supply Only

\$ 34,034,598

\$5,448,681

\$4,994,841

Year	Ord EDU	Ord Supply \$/EDU	CM EDU	Marina Supply \$/EDU	AFY	Combined use AFY	RUWAP 1				RUWAP 2				RUWAP	
							Start	Pmt	Interest	End	Start	Pmt	Interest	End	Start	Pmt
0							<b>CONSTRUCT RUWAP 1</b>									
1	264	\$ 7,931	128	\$ 8,057	110	110	\$ 17,985,835	\$ (781,151)	\$ 323,745	\$ 17,528,429						
2	264	\$ 7,931	128	\$ 8,057	110	220	\$ 17,528,429	\$ (781,151)	\$ 315,512	\$ 17,062,790						
3	264	\$ 7,931	128	\$ 8,057	110	329	\$ 17,062,790	\$ (781,151)	\$ 307,130	\$ 16,588,770						
4	264	\$ 7,931	128	\$ 8,057	110	439	\$ 16,588,770	\$ (781,151)	\$ 298,598	\$ 16,106,217						
5	264	\$ 7,931	128	\$ 8,057	110	549	\$ 16,106,217	\$ (781,151)	\$ 289,912	\$ 15,614,979	<b>CONSTRUCT RUWAP 2</b>					
6	264	\$ 7,931	128	\$ 8,057	110	659	\$ 15,614,979	\$ (781,151)	\$ 281,070	\$ 15,114,898	\$ 11,526,667	\$ (550,717)	\$ 288,167	\$ 11,264,116		
7	264	\$ 7,931	128	\$ 8,057	110	768	\$ 15,114,898	\$ (781,151)	\$ 272,068	\$ 14,605,815	\$ 11,264,116	\$ (550,717)	\$ 281,603	\$ 10,995,002		
8	264	\$ 7,931	128	\$ 8,057	110	878	\$ 14,605,815	\$ (781,151)	\$ 262,905	\$ 14,087,570	\$ 10,995,002	\$ (550,717)	\$ 274,875	\$ 10,719,160		
9	264	\$ 7,931	128	\$ 8,057	110	988	\$ 14,087,570	\$ (781,151)	\$ 253,576	\$ 13,559,995	\$ 10,719,160	\$ (550,717)	\$ 267,979	\$ 10,436,423		
10	264	\$ 7,931	128	\$ 8,057	110	1098	\$ 13,559,995	\$ (781,151)	\$ 244,080	\$ 13,022,925	\$ 10,436,423	\$ (550,717)	\$ 260,911	\$ 10,146,616		
11	264	\$ 7,931	128	\$ 8,057	110	1207	\$ 13,022,925	\$ (781,151)	\$ 234,413	\$ 12,476,187	\$ 10,146,616	\$ (550,717)	\$ 253,665	\$ 9,849,565	<b>CONSTRUCT RUWAP 3</b>	
12	264	\$ 7,931	128	\$ 8,057	110	1317	\$ 12,476,187	\$ (781,151)	\$ 224,571	\$ 11,919,608	\$ 9,849,565	\$ (550,717)	\$ 246,239	\$ 9,545,087	\$ 4,522,097	\$ (230,714)
13	264	\$ 7,931	128	\$ 8,057	110	1427	\$ 11,919,608	\$ (781,151)	\$ 214,553	\$ 11,353,010	\$ 9,545,087	\$ (550,717)	\$ 238,627	\$ 9,232,997	\$ 4,427,046	\$ (230,714)
14	264	\$ 7,931	128	\$ 8,057	110	1537	\$ 11,353,010	\$ (781,151)	\$ 204,354	\$ 10,776,214	\$ 9,232,997	\$ (550,717)	\$ 230,825	\$ 8,913,105	\$ 4,329,143	\$ (230,714)
15	264	\$ 7,931	128	\$ 8,057	110	1646	\$ 10,776,214	\$ (781,151)	\$ 193,972	\$ 10,189,035	\$ 8,913,105	\$ (550,717)	\$ 222,828	\$ 8,585,216	\$ 4,228,303	\$ (230,714)
	3960		1920			1646										
16							\$ 10,189,035	\$ (781,151)	\$ 183,403	\$ 9,591,287	\$ 8,585,216	\$ (550,717)	\$ 214,630	\$ 8,249,129	\$ 4,124,438	\$ (230,714)
17							\$ 9,591,287	\$ (781,151)	\$ 172,643	\$ 8,982,780	\$ 8,249,129	\$ (550,717)	\$ 206,228	\$ 7,904,640	\$ 4,017,457	\$ (230,714)
18							\$ 8,982,780	\$ (781,151)	\$ 161,690	\$ 8,363,319	\$ 7,904,640	\$ (550,717)	\$ 197,616	\$ 7,551,540	\$ 3,907,267	\$ (230,714)
19							\$ 8,363,319	\$ (781,151)	\$ 150,540	\$ 7,732,708	\$ 7,551,540	\$ (550,717)	\$ 188,788	\$ 7,189,611	\$ 3,793,771	\$ (230,714)
20							\$ 7,732,708	\$ (781,151)	\$ 139,189	\$ 7,090,747	\$ 7,189,611	\$ (550,717)	\$ 179,740	\$ 6,818,634	\$ 3,676,870	\$ (230,714)
21							\$ 7,090,747	\$ (781,151)	\$ 127,633	\$ 6,437,229	\$ 6,818,634	\$ (550,717)	\$ 170,466	\$ 6,438,383	\$ 3,556,462	\$ (230,714)
22							\$ 6,437,229	\$ (781,151)	\$ 115,870	\$ 5,771,949	\$ 6,438,383	\$ (550,717)	\$ 160,960	\$ 6,048,626	\$ 3,432,442	\$ (230,714)
23							\$ 5,771,949	\$ (781,151)	\$ 103,895	\$ 5,094,694	\$ 6,048,626	\$ (550,717)	\$ 151,216	\$ 5,649,125	\$ 3,304,701	\$ (230,714)
24							\$ 5,094,694	\$ (781,151)	\$ 91,704	\$ 4,405,247	\$ 5,649,125	\$ (550,717)	\$ 141,228	\$ 5,239,636	\$ 3,173,128	\$ (230,714)
25							\$ 4,405,247	\$ (781,151)	\$ 79,294	\$ 3,703,391	\$ 5,239,636	\$ (550,717)	\$ 130,991	\$ 4,819,910	\$ 3,037,608	\$ (230,714)
26							\$ 3,703,391	\$ (781,151)	\$ 66,661	\$ 2,988,902	\$ 4,819,910	\$ (550,717)	\$ 120,498	\$ 4,389,691	\$ 2,898,022	\$ (230,714)
27							\$ 2,988,902	\$ (781,151)	\$ 53,800	\$ 2,261,552	\$ 4,389,691	\$ (550,717)	\$ 109,742	\$ 3,948,716	\$ 2,754,249	\$ (230,714)
28							\$ 2,261,552	\$ (781,151)	\$ 40,708	\$ 1,521,109	\$ 3,948,716	\$ (550,717)	\$ 98,718	\$ 3,496,717	\$ 2,606,162	\$ (230,714)
29							\$ 1,521,109	\$ (781,151)	\$ 27,380	\$ 767,338	\$ 3,496,717	\$ (550,717)	\$ 87,418	\$ 3,033,418	\$ 2,453,633	\$ (230,714)
30							\$ 767,338	\$ (781,151)	\$ 13,812	\$ (0)	\$ 3,033,418	\$ (550,717)	\$ 75,835	\$ 2,558,536	\$ 2,296,528	\$ (230,714)
											\$ 2,558,536	\$ (550,717)	\$ 63,963	\$ 2,071,783	\$ 2,134,710	\$ (230,714)
											\$ 2,071,783	\$ (550,717)	\$ 51,795	\$ 1,572,861	\$ 1,968,037	\$ (230,714)
											\$ 1,572,861	\$ (550,717)	\$ 39,322	\$ 1,061,465	\$ 1,796,365	\$ (230,714)
											\$ 1,061,465	\$ (550,717)	\$ 26,537	\$ 537,285	\$ 1,619,541	\$ (230,714)
											\$ 537,285	\$ (550,717)	\$ 13,432	\$ (0)	\$ 1,437,414	\$ (230,714)
															\$ 1,249,822	\$ (230,714)
															\$ 1,056,603	\$ (230,714)
															\$ 857,587	\$ (230,714)
															\$ 652,600	\$ (230,714)
															\$ 441,464	\$ (230,714)
															\$ 223,994	\$ (230,714)

\$2,399,324

\$ 8,212,232

' 3-dev		DEVELOPMENT CASH FLOW					RUWAP 3-RATES				RATE CASH	
Interest	End	ORD In	CM In	TOT IN	NET	Run. Total Dev	Start	Pmt	Interest	End	Rates in	Pay out
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 2,344,012						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 4,688,025						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 7,032,037						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 9,376,050						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 2,344,012	\$ 11,720,062						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 13,513,358						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 15,306,653						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 17,099,949						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 18,893,244						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 20,686,540						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,793,296	\$ 22,479,835						
		\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 24,042,417	<b>\$ 15,477,904</b>	\$ (789,671)	\$ 464,337	\$ 15,152,570	\$789,671	\$ (789,671)
\$ 135,663	\$ 4,427,046	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 25,604,998	\$ 15,152,570	\$ (789,671)	\$ 454,577	\$ 14,817,475	\$789,671	(\$789,671)
\$ 132,811	\$ 4,329,143	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 27,167,580	\$ 14,817,475	\$ (789,671)	\$ 444,524	\$ 14,472,329	\$789,671	(\$789,671)
\$ 129,874	\$ 4,228,303	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 28,730,161	\$ 14,472,329	\$ (789,671)	\$ 434,170	\$ 14,116,827	\$789,671	(\$789,671)
\$ 126,849	\$ 4,124,438	\$ 2,093,859	\$ 1,031,304	\$ 3,125,163	\$ 1,562,581	\$ 28,730,161	\$ 14,472,329	\$ (789,671)	\$ 434,170	\$ 14,116,827	\$789,671	(\$789,671)
		\$ 31,407,888	\$ 15,469,557	\$ 46,877,445	\$ 28,730,161						\$ 3,158,685	\$ (3,158,685)
\$ 123,733	\$ 4,017,457			\$ -	\$ (1,562,581)	\$ 27,167,580	\$ 14,116,827	\$ (789,671)	\$ 423,505	\$ 13,750,661	\$789,671	(\$789,671)
\$ 120,524	\$ 3,907,267			\$ -	\$ (1,562,581)	\$ 25,604,998	\$ 13,750,661	\$ (789,671)	\$ 412,520	\$ 13,373,510	\$789,671	(\$789,671)
\$ 117,218	\$ 3,793,771			\$ -	\$ (1,562,581)	\$ 24,042,417	\$ 13,373,510	\$ (789,671)	\$ 401,205	\$ 12,985,044	\$789,671	(\$789,671)
\$ 113,813	\$ 3,676,870			\$ -	\$ (1,562,581)	\$ 22,479,835	\$ 12,985,044	\$ (789,671)	\$ 389,551	\$ 12,584,924	\$789,671	(\$789,671)
\$ 110,306	\$ 3,556,462			\$ -	\$ (1,562,581)	\$ 20,917,254	\$ 12,584,924	\$ (789,671)	\$ 377,548	\$ 12,172,800	\$789,671	(\$789,671)
\$ 106,694	\$ 3,432,442			\$ -	\$ (1,562,581)	\$ 19,354,672	\$ 12,172,800	\$ (789,671)	\$ 365,184	\$ 11,748,313	\$789,671	(\$789,671)
\$ 102,973	\$ 3,304,701			\$ -	\$ (1,562,581)	\$ 17,792,091	\$ 11,748,313	\$ (789,671)	\$ 352,449	\$ 11,311,091	\$789,671	(\$789,671)
\$ 99,141	\$ 3,173,128			\$ -	\$ (1,562,581)	\$ 16,229,509	\$ 11,311,091	\$ (789,671)	\$ 339,333	\$ 10,860,753	\$789,671	(\$789,671)
\$ 95,194	\$ 3,037,608			\$ -	\$ (1,562,581)	\$ 14,666,928	\$ 10,860,753	\$ (789,671)	\$ 325,823	\$ 10,396,904	\$789,671	(\$789,671)
\$ 91,128	\$ 2,898,022			\$ -	\$ (1,562,581)	\$ 13,104,346	\$ 10,396,904	\$ (789,671)	\$ 311,907	\$ 9,919,140	\$789,671	(\$789,671)
\$ 86,941	\$ 2,754,249			\$ -	\$ (1,562,581)	\$ 11,541,765	\$ 9,919,140	\$ (789,671)	\$ 297,574	\$ 9,427,043	\$789,671	(\$789,671)
\$ 82,627	\$ 2,606,162			\$ -	\$ (1,562,581)	\$ 9,979,183	\$ 9,427,043	\$ (789,671)	\$ 282,811	\$ 8,920,183	\$789,671	(\$789,671)
\$ 78,185	\$ 2,453,633			\$ -	\$ (1,562,581)	\$ 8,416,602	\$ 8,920,183	\$ (789,671)	\$ 267,606	\$ 8,398,118	\$789,671	(\$789,671)
\$ 73,609	\$ 2,296,528			\$ -	\$ (1,562,581)	\$ 6,854,020	\$ 8,398,118	\$ (789,671)	\$ 251,944	\$ 7,860,390	\$789,671	(\$789,671)
\$ 68,896	\$ 2,134,710			\$ -	\$ (1,562,581)	\$ 5,291,439	\$ 7,860,390	\$ (789,671)	\$ 235,812	\$ 7,306,531	\$789,671	(\$789,671)
\$ 64,041	\$ 1,968,037			\$ -	\$ (781,431)	\$ 4,510,008	\$ 7,306,531	\$ (789,671)	\$ 219,196	\$ 6,736,055	\$789,671	(\$789,671)
\$ 59,041	\$ 1,796,365			\$ -	\$ (781,431)	\$ 3,728,577	\$ 6,736,055	\$ (789,671)	\$ 202,082	\$ 6,148,466	\$789,671	(\$789,671)
\$ 53,891	\$ 1,619,541			\$ -	\$ (781,431)	\$ 2,947,146	\$ 6,148,466	\$ (789,671)	\$ 184,454	\$ 5,543,249	\$789,671	(\$789,671)
\$ 48,586	\$ 1,437,414			\$ -	\$ (781,431)	\$ 2,165,715	\$ 5,543,249	\$ (789,671)	\$ 166,297	\$ 4,919,875	\$789,671	(\$789,671)
\$ 43,122	\$ 1,249,822			\$ -	\$ (781,431)	\$ 1,384,284	\$ 4,919,875	\$ (789,671)	\$ 147,596	\$ 4,277,800	\$789,671	(\$789,671)
\$ 37,495	\$ 1,056,603			\$ -	\$ (230,714)	\$ 1,153,570	\$ 4,277,800	\$ (789,671)	\$ 128,334	\$ 3,616,463	\$789,671	(\$789,671)
\$ 31,698	\$ 857,587			\$ -	\$ (230,714)	\$ 922,856	\$ 3,616,463	\$ (789,671)	\$ 108,494	\$ 2,935,285	\$789,671	(\$789,671)
\$ 25,728	\$ 652,600			\$ -	\$ (230,714)	\$ 692,142	\$ 2,935,285	\$ (789,671)	\$ 88,059	\$ 2,233,673	\$789,671	(\$789,671)
\$ 19,578	\$ 441,464			\$ -	\$ (230,714)	\$ 461,428	\$ 2,233,673	\$ (789,671)	\$ 67,010	\$ 1,511,012	\$789,671	(\$789,671)
\$ 13,244	\$ 223,994			\$ -	\$ (230,714)	\$ 230,714	\$ 1,511,012	\$ (789,671)	\$ 45,330	\$ 766,671	\$789,671	(\$789,671)
\$ 6,720	\$ -			\$ -	\$ (230,714)	\$ (0)	\$ 766,671	\$ (789,671)	\$ 23,000	\$ 0	\$789,671	(\$789,671)



## **Appendix D: SRF Historical Interest Rates**

## Clean Water State Revolving Fund Interest Rate History

BOND SALE DATE	EFFECTIVE DATE	RATE
<b>March 10, 2020</b>	<b>April 1, 2020</b>	<b>1.2%</b>
November 13, 2019		1.4%
September 5, 2019		1.3%
April 11, 2019		1.3%
October 17, 2018		1.9%
March 9, 2017		1.8%
March 8, 2016		1.7%
December 16, 2015		1.6%
October 20, 2015		1.8%
March 4, 2015		1.6%
November 13, 2014		1.5%
October 8, 2014		1.7%
March 13, 2014		1.9%
October 22, 2013		2.1%
April 11, 2013		1.9%
March 14, 2013		1.9%
October 23, 2012		1.7%
April 12, 2012		2.2%
March 1, 2012		1.8%
October 19, 2011		2.2%
September 20, 2011		2.0%
November 22, 2010		2.6%
March 11, 2010		2.7%





**Re: Comments of Wathen Castanos Peterson Homes  
on Resolution No. 2020-29 Re: Water, Sewer, and  
Recycled Water Master Plans**

**EXHIBIT “F”**

## **BILL OF SALE**

### **SEWER SYSTEM FACILITIES – Approximately 425-LF of 8-inch sewer main; approximately 500-LF of small diameter sewer service and lateral lines; 4 manholes**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for sewer service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per accepted As-Built Plans dated JUNE 10, 2014, UNIVERSITY VILLAGE APARTMENTS, Plan Sheets C1-C6, C10-C13, C17, and C18, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is **\$82,040**.

### **WATER SYSTEM FACILITIES – Approximately 660-LF of 12-inch water main; approximately 1,500-LF of 8-inch water main; 245-LF of 6-inch water main; 6 fire hydrants**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV's, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per accepted As-Built Plans dated JUNE 10, 2014, UNIVERSITY VILLAGE APARTMENTS, Plan Sheets C1-C6, C10-13, C17 and C18, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is **\$284,975**.

### **RECLAIMED WATER SYSTEM FACILITIES – Approximately 560-LF of 4-inch reclaimed water main**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for reclaimed water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the reclaimed water installation, including mains, laterals, valves, PRV's, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per accepted As-Built Plans dated JUNE 10, 2014, UNIVERSITY VILLAGE APARTMENTS, Plan Sheets C1-C6, C10-C13, C17, and C18, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the reclaimed water system transferred to the District is **\$13,320**.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated October 26, 2012 between UNIVERSITY VILLAGE ASSOCIATES and Marina Coast Water District. UNIVERSITY VILLAGE ASSOCIATES represents and warrants that, to the knowledge of DEVELOPMENT ENTITY, its members, officers, and employees, UNIVERSITY VILLAGE ASSOCIATES has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets described above comprise "Exhibit A" attached hereto:





July 7, 2014

Resolution No. 2014-28  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting the Infrastructure Improvements  
Installed Under a Construction and Transfer of  
Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and University Village Associates

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on July 7, 2014 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, University Village Associates, a California limited partnership (“Developer”), has constructed water, sewer and recycled water infrastructure for their University Village Apartments development project in the Ord Community portion of the City of Marina; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District on October 26, 2012; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is now complete for the University Village Apartments development project and the Developer has satisfied all of the close-out conditions required in the Infrastructure Agreement; and,

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water, Sewer, and Recycled Water Infrastructure for the University Village Apartments development project and directs the General Manager and/or Deputy General Manager/District Engineer to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

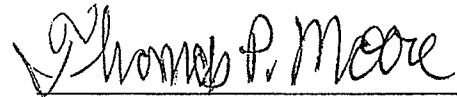
PASSED AND ADOPTED on July 7, 2014, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Shriner, Gustafson, Moore

Noes: Directors Le, Lee

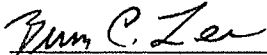
Absent: Directors None

Abstained: Directors None



Thomas P. Moore, President

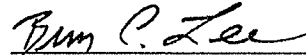
ATTEST:



Brian C. Lee, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2014-28 adopted July 7, 2014.



Brian C. Lee, Secretary

## **BILL OF SALE**

### **SEWER SYSTEM FACILITIES**

#### **2,448 LF 8" Sanitary Sewer Pipe; 19 Sanitary Sewer Manholes; 1 Clean Out**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for sewer service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per approved plans dated April 2, 2009 and February 12, 2009, Seaside Resort Estates Subdivision, Phase 1A and 1B, City of Seaside, County of Monterey, State of California, Construction Documents, As-Builts, Sheets C-01 through C-30, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is \$699,738.

### **WATER SYSTEM FACILITIES**

#### **2,800 LF 8" Potable Water Pipeline; 12 8" Valves; 3 Blow Off Valves; 1 PRV; 1 ARV; 8 Fire Hydrants with valves**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV's, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per approved plans dated April 2, 2009 and February 12, 2009, Seaside Resort Estates Subdivision, Phase 1A and 1B, City of Seaside, County of Monterey, State of California, Construction Documents, As-Builts, Sheets C-01 through C-30, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$367,770.

### **RECYCLED WATER SYSTEM FACILITIES**

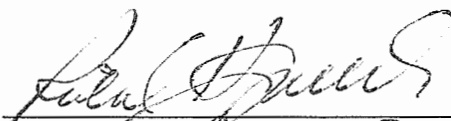
#### **2,508 LF 4" Recycled Water Pipeline; 5 4" Recycled Water Valves; 1 ARV; 1 RP BFP**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV's, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per approved plans dated April 2, 2009 and February 12, 2009, Seaside Resort Estates Subdivision, Phase 1A and 1B, City of Seaside, County of Monterey, State of California, Construction Documents, As-Builts, Sheets C-01 through C-30, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$136,302.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated July 26, 2007 between Seaside Resort Estates I, L.L.C. and Marina Coast Water District. Seaside Resort Estates I, L.L.C represents and warrants that, to the knowledge of Seaside Resort Estates I, L.L.C, its members, officers, and employees, Seaside Resort Estates I, L.L.C has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets described above comprise "Exhibit A" attached hereto:

**SIGNATURE OF DEVELOPMENT ENTITY:**

By: Seaside Resort Estates, L.L.C.,  
An Arizona limited liability company,

By:   
Name, title Richard Fitzgerald  
AUTHORIZED AGENT

**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 200 as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on \_\_\_\_\_, the above Bill of Sale for Sewer System and Water System Facilities, dated \_\_\_\_\_ is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance \_\_\_\_\_.

By: \_\_\_\_\_  
General Manager  
MARINA COAST WATER DISTRICT



STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF MONTEREY )

On Dec 11, 2015 before me, Jessica Morrow, Notary Public, personally appeared Richard Fitzgerald, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)



Signature: [Handwritten Signature]

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF MONTEREY )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature: \_\_\_\_\_



Resolution No. 2008-45  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting the In-Tract Infrastructure  
Installed By the Seaside Resort Development

October 14, 2008

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on October 14, 2008 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Seaside Resort Development, L.L.C., a California limited liability company ("Developer") is constructing water, sewer and recycled water infrastructure for their Seaside Resorts Estates I Phase 1A development; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District with Board Resolution No. 2007-37 on May 23, 2007; and,

WHEREAS, Construction of the on-site water, sewer, and recycled water infrastructure is now complete for Phase 1A and the Developer has satisfied, pending the execution of a Bill of Sale and the provision of a One-Year Warranty Bond, all of the closeout conditions required in the Infrastructure and Reimbursement Agreements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of the on-site water, sewer, and recycled water infrastructure installed by the Seaside Resort Development, L.L.C., pending execution of a Bill of Sale and the provision of a One-Year Warranty Bond, and directs the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

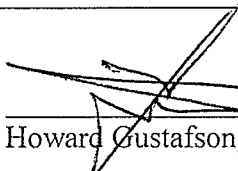
PASSED AND ADOPTED on October 14, 2008, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Moore, Burns, Lee, Nishi, Gustafson

Noes: Directors None

Absent: Directors None

Abstained: Directors None

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

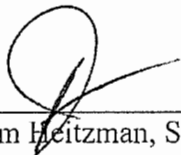
ATTEST:



\_\_\_\_\_  
Jim Heitzman, 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. 2008-45 adopted October 14, 2008.



\_\_\_\_\_  
Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 7-B

Meeting Date: October 14, 2008

Submitted By: Brian True

Presented By: Brian True

Reviewed By: Jim Heitzman

Agenda Title: Adopt Resolution No. 2008-45 to Accept the In-Tract Infrastructure Installed by the Seaside Resort Development

Detailed Description: The Board of Directors is requested to accept from Seaside Resort Developments, L.L.C. (SSR) their Seaside Resorts Estates Phase 1A water, sewer, and recycled water infrastructure pursuant to the Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with the District. The District Board authorized the Infrastructure Agreement with Resolution No. 2007-37 on May 23, 2007.

The on-site improvements made by SSR, for which acceptance is herein requested, may be described as the water, sewer, and recycled water infrastructure installed in Monterey Road and Fairway Drive (a private road with a public utility easement), immediately east and south of the intersection of Fairway Drive and Monterey Road. The water and sewer infrastructure installation described is not listed in the District's FY 08/09 Capital Improvements Budget since the infrastructure is being provided by SSR.

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

- Final inspection and walk-through by the District inspector to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way
- Conveyance of the property to the District by means of a bill-of-sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond to replace the Performance and Payment Bonds

The Developer completed the punch-list work on October 10, 2008. The rights-of-way for this were recorded by SSR in Monterey County in May 2007 as the Seaside Resort Estates Subdivision Phase 1A and 1B with a correction recorded in Monterey County on October 6, 2008. All proposed MCWD assets are located within the public right-of-way or within recorded Public Utility Easements. As-built drawings for the on-site improvements described above were received and accepted on October 10, 2008. A Bill of Sale and a One-Year Warranty Bond (for 20% of the construction costs) are both in process; formal acceptance will not occur until these final items are in-hand. In accord with the Infrastructure Agreement, this list fulfills the District's requirements regarding review of infrastructure as a condition of its acceptance.

Prior Committee or Board Action: Board Resolution No. 2007-37 on May 23, 2007, approved the Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement for the Seaside Resort Developments.

Board Goals/Objectives: *2007/2008 Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.*

Financial Impact:     \_\_\_ Yes     \_\_\_ **X** No

Funding Source/Recap: Not applicable.

Material Included for Information/Consideration: Resolution No. 2008-45.

Staff Recommendation: The Board consider adoption of Resolution No. 2008-45 accepting the in-tract infrastructure installed by the Seaside Resort Development.

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

---

Board Action

\_\_\_ Resolution No \_\_\_   Motion By \_\_\_                      Seconded By \_\_\_

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

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

Reagendized \_\_\_\_\_                      Date \_\_\_\_\_                      No Action Taken \_\_\_\_\_

**BILL OF SALE  
SEWER SYSTEM FACILITIES**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned does hereby transfer and convey to the Marina Coast Water District, a California Water District organized under State Law, and its successors and assigned, all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any encumbrances.

Said property is described as follows: see attached Exhibit A – Property Description, Tract 1396 Final Map and Tract 1414 Final Map.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Company or Corporation Name:  
K&B Bakewell Seaside Venture, LLC

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. \_\_\_\_\_ as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on \_\_\_\_\_, the above Bill of Sale of Domestic Water System Facilities, dated \_\_\_\_\_, is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a California Water District organized under State Law.

Date of Acceptance \_\_\_\_\_.

By \_\_\_\_\_  
General Manager  
MARINA COAST WATER DISTRICT

IN WITNESS WHEREOF, the other parties have duly caused their authorized signatures to be attached hereto, SIGNATURES MUST BE NOTARIZED.

APPLICANT: N/A

PROPERTY OWNER

K&B Bakewell Seaside Venture, LLC

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

MARINA COAST WATER DISTRICT

By \_\_\_\_\_  
General Manger

Date \_\_\_\_\_



EXHIBIT A – PROPERTY DESCRIPTION  
Sewer System Facilities

All sanitary sewer pipes, mains, manholes, and appurtenances situated in the Seaside Highlands Development, City of Seaside, County of Monterey, State of California, described as follows:

Sanitary Sewer Easements as shown and delineated on that certain Map entitled “Tract 1396, Seaside Highlands Phase 1” filed August 22, 2003 in Volume 22 of Cities and Towns, at Page 33, Records of Monterey County, California, being more particularly described as follows:

Public Streets “Coe Avenue”, “Ord Avenue”, “Sea Ridge Court”, “Paradise Cove Court”, “Sea Ridge Drive”, “Pacific Crest Drive”, “Peninsula Point Drive”, “Sea Breeze Court”, “Sea Cliff Court”, “Sea Crest Drive”, “Sea Crest Court”, “Beach Wood Court”, “Beach Wood Drive”, “Sunset Vista Drive”, and “Peninsula Point Court”, as shown and delineated on said Map; the 15 foot wide strips of land designated “Sanitary Sewer Easement” being a portion of “Parcel B” shown and delineated on said Map; and the 20 foot wide strip of land designated “Sanitary Sewer Easement” being a portion of “Parcel D” shown and delineated on said Map and more particularly described on the attached documents.

And in addition thereto, Sanitary Sewer Easements as shown and delineated on that certain Map entitled “Tract 1414, Seaside Highlands Phase 2” filed January 22, 2004 in Volume 22 of Cities and Towns, at Page 51, Records of Monterey County, California, being more particularly described as follows:

Public Streets “Bay Crest Circle”, “Cypress Ridge Court”, “Ocean Bluff Court”, “Ocean Heights Court”, “Pacific Crest Drive”, “Peninsula Point Drive”, “Sea Scape Court”, “Shoreline Court”, and “Sunset Vista Drive”, as shown and delineated on said Map; and the 15 foot wide strip of land designated “Sanitary Sewer Easement” being a portion of “Parcel G” shown and delineated on said Map and more particularly described on the attached documents.

Attachments:

Tract 1396 Final Map

Tract 1414 Final Map

“Parcel B” Sanitary Sewer Easement

“Parcel D” Sanitary Sewer Easement

“Parcel G” Sanitary Sewer Easement

**BILL OF SALE  
DOMESTIC WATER SYSTEM FACILITIES**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned does hereby transfer and convey to the Marina Coast Water District, a California Water District organized under State Law, and its successors and assigned, all right, title, and interest in and to the domestic water installation, including pipelines, valves, service connections, fire hydrants, meters, and other appurtenances to said domestic water installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any encumbrances.

Said property is described as follows: see attached Exhibit A – Property Description, Tract 1396 Final Map and Tract 1414 Final Map.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Company or Corporation Name:  
K&B Bakewell Seaside Venture, LLC

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. \_\_\_\_\_ as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on \_\_\_\_\_, the above Bill of Sale of Domestic Water System Facilities, dated \_\_\_\_\_, is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a California Water District organized under State Law.

Date of Acceptance \_\_\_\_\_.

By \_\_\_\_\_  
General Manager  
MARINA COAST WATER DISTRICT

IN WITNESS WHEREOF, the other parties have duly caused their authorized signatures to be attached hereto, SIGNATURES MUST BE NOTARIZED.

APPLICANT: N/A

PROPERTY OWNER

K&B Bakewell Seaside Venture, LLC

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

MARINA COAST WATER DISTRICT

By \_\_\_\_\_  
General Manager

Date \_\_\_\_\_

EXHIBIT A – PROPERTY DESCRIPTION  
Domestic Water System Facilities

All potable water pipes, fire hydrants, blow offs, mains, valves, fittings, meters and appurtenances situated in the Seaside Highlands Development, City of Seaside, County of Monterey, State of California, described as follows:

Public Waterline Easements over portions of the lands delineated on that certain Map entitled “Tract 1396, Seaside Highlands Phase 1” filed August 22, 2003 in Volume 22 of Cities and Towns, at Page 33, Records of Monterey County, California, being more particularly described as follows:

Public Streets “Coe Avenue”, “Ord Avenue”, “Sea Ridge Court”, “Paradise Cove Court”, “Sea Ridge Drive”, “Pacific Crest Drive”, “Peninsula Point Drive”, “Sea Breeze Court”, “Sea Cliff Court”, “Sea Crest Drive”, “Sea Crest Court”, “Beach Wood Court”, “Beach Wood Drive”, “Sunset Vista Drive”, and “Peninsula Point Court”, as shown and delineated on said Map and more particularly described on the attached documents.

And in addition thereto, Public Waterline Easements over portions of the lands delineated on that certain Map entitled “Tract 1414, Seaside Highlands Phase 2” filed January 22, 2004 in Volume 22 of Cities and Towns, at Page 51, Records of Monterey County, California, being more particularly described as follows:

Public Streets “Bay Crest Circle”, “Cypress Ridge Court”, “Ocean Bluff Court”, “Ocean Heights Court”, “Pacific Crest Drive”, “Peninsula Point Drive”, “Sea Scape Court”, “Shoreline Court”, and “Sunset Vista Drive” as shown and delineated on said Map; and “Parcel V” and “Parcel Q” as shown and delineated on said Map and more particularly described on the attached documents.

Attachments:

Tract 1396 Final Map

Tract 1414 Final Map

**BILL OF SALE  
RECYCLED WATER SYSTEM FACILITIES**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned does hereby transfer and convey to the Marina Coast Water District, a California Water District organized under State Law, and its successors and assigned, all right, title, and interest in and to the recycled water installation, including pipelines, valves, service connections, meters, and other appurtenances to said recycled water installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any encumbrances.

Said property is described as follows: see attached Exhibit A – Property Description, Tract 1396 Final Map and Tract 1414 Final Map.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ .

Company or Corporation Name:  
K&B Bakewell Seaside Venture, LLC

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. \_\_\_\_\_ as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on \_\_\_\_\_, the above Bill of Sale of Domestic Water System Facilities, dated \_\_\_\_\_, is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a California Water District organized under State Law.

Date of Acceptance \_\_\_\_\_.

By \_\_\_\_\_  
General Manager  
MARINA COAST WATER DISTRICT

IN WITNESS WHEREOF, the other parties have duly caused their authorized signatures to be attached hereto, SIGNATURES MUST BE NOTARIZED.

APPLICANT: N/A

PROPERTY OWNER

K&B Bakewell Seaside Venture, LLC

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

MARINA COAST WATER DISTRICT

By \_\_\_\_\_  
General Manager

Date \_\_\_\_\_

EXHIBIT A – PROPERTY DESCRIPTION  
Recycled Water System Facilities

All recycled/irrigation water pipes, mains, valves, fittings, meters and appurtenances situated in the City of Seaside, County of Monterey, State of California, described as follows:

Reclaimed Waterline Easements over portions of the lands delineated on that certain Map entitled “Tract 1396, Seaside Highlands Phase 1” filed August 22, 2003 in Volume 22 of Cities and Towns, at Page 33, Records of Monterey County, California, being more particularly described as follows:

Public Streets “Coe Avenue”, “Ord Avenue”, “Sea Ridge Court”, “Paradise Cove Court”, “Sea Ridge Drive”, “Pacific Crest Drive”, “Peninsula Point Drive”, “Sea Breeze Court”, “Sea Cliff Court”, “Sea Crest Drive”, “Sea Crest Court”, “Beach Wood Court”, “Beach Wood Drive”, “Sunset Vista Drive”, and “Peninsula Point Court”, as shown and delineated on said Map, the 20 foot wide strip of land designated “Sanitary Sewer Easement” being a portion of “Parcel D” shown and delineated on said Map, and the strip of land having a width varying from 10 feet to 30 feet designated as “Public Utility Easement” being a portion of “Parcel D” lying adjacent to “Parcel L” and “Sunset Vista Drive” shown and delineated on said Map, and more particularly described on the attached documents.

And in addition thereto, Reclaimed Waterline Easements over portions of the lands delineated on that certain Map entitled “Tract 1414, Seaside Highlands Phase 2” filed January 22, 2004 in Volume 22 of Cities and Towns, at Page 51, Records of Monterey County, California, being more particularly described as follows:

Public Streets “Bay Crest Circle”, “Cypress Ridge Court”, “Ocean Bluff Court”, “Ocean Heights Court”, “Pacific Crest Drive”, “Peninsula Point Drive”, “Sea Scape Court”, “Shoreline Court”, and “Sunset Vista Drive” as shown and delineated on said Map and more particularly described on the attached documents.

Attachments:

Tract 1396 Final Map

Tract 1414 Final Map

“Parcel D” Sanitary Sewer Easement

Seaside Highlands, Seaside, CA  
 Tract 1396 - Grading Phase, Model Phase, Phase IA & Phase IB  
 Tract 1414 - Phase II  
 6/20/2006

① Sewer = 761,431  
 ② Water = 994,037  
 ③ Recycled Water = 145,070  
 TOTAL = 1,900,538

Summary of Actual Cost Report for Sanitary Sewer, Domestic Water & Reclaim Water Work

Item	Description	Grading Phase	Model Phase	Phase IA	Phase IB	Phase II
1	Contract No. 3424898 OS (Sanitary Sewer Work)		\$ 107,486.00	\$ ① 217,301.00	\$ ① 263,170.00	
2	Contract No. 3424898 OS (Domestic Water Work)		\$ 241,311.00	\$ ② 297,465.00	\$ ② 360,648.00	
3	Contract No. 3424898 OS (Reclaim Water Work)		\$ 43,393.00	\$ ③ 91,110.00	\$ ③ 36,330.00	
4	Contract No. 3424898 OS (Abandonment of Existing MCWD Facility Work)	\$ 10,000.00	\$ 8,265.00	\$ 24,416.00		
5						
6						
7						
8						
9						
10	CO #4898-006			\$ 3,968.50	\$ 1,771.00	
11						
12	CO# 4898-009	\$ 19,126.11	\$ 243.00			
13	CO# 4898-010		\$ 17,355.05			
14	CO# 4898-011		\$ 10,051.00			
15	CO# 4898-012		\$ 54,308.50			
16	CO# 4898-013		\$ 9,447.95			
17	CO# 4898-015		\$ 799.50	\$ 3,274.03		
18	CO# 4898-017			\$ (104,334.00)		
19	CO# 4898-018			\$ 49,061.00		
20	CO# 4898-021			\$ (15,080.00)		
21	CO# 4898-022			\$ 198,267.75		
22	CO# 4898-023		\$ 4,074.00			
23	CO# 4898-024		\$ 1,191.47	\$ 5,300.82		
24	CO# 4898-025		\$ 613.22			
25	CO# 4898-026			\$ 82,271.14		
26	CO# 4898-027			\$ 3,793.25		
27	CO# 4898-028				\$ 34,807.78	
28	CO# 4898-029				\$ (156,731.00)	
29	CO# 4898-030				\$ 196,599.40	
30	CO# 4898-032			\$ 2,477.51	\$ 2,606.00	
31	CO# 4898-033			\$ 30,057.28	\$ 14,836.58	
32	CO# 4898-035			\$ 15,055.40		
33	CO# 4898-036			\$ 2,451.16		
34	CO# 4898-037 (Contract/ Sewer/ Phase II)					\$ ① 280,960.00
35	CO# 4898-037 (Contract/ Domestic Water/ Phase II)					\$ ② 335,924.00
36	CO# 4898-037 (Contract/ Reclaim Water/ Phase II)					\$ ③ 17,630.00
37	CO# 4898-038				\$ 4,244.41	\$ 1,841.48
38	CO# 4898-039					\$ 77,358.00
39	CO# 4898-040			\$ 2,663.70	\$ 4,239.00	
40	CO# 4898-041			\$ 62,656.80	\$ 13,200.37	
41	CO# 4898-043				\$ 52,378.46	\$ 2,887.59
42	CO# 4898-045				\$ 1,103.51	
43	CO# 4898-046				\$ 56,348.67	
44	CO# 4898-047					\$ 4,137.74
45	CO# 4898-048				\$ 7,269.79	



Seaside Highlands, Seaside, CA  
 Tract 1396 - Grading Phase, Model Phase, Phase IA & Phase IB  
 Tract 1414 - Phase II  
 6/20/2006

Summary of Actual Cost Report for Sanitary Sewer, Domestic Water & Reclaim Water Work

Item	Description	Grading Phase	Model Phase	Phase IA	Phase IB	Phase II
46	CO# 4898-050					\$ 7,920.00
47	CO# 4898-053				\$ 1,673.54	
48	N/A					
49	N/A					
50	N/A					
51	N/A					
Total Actual Cost per Different Phases:		\$ 29,126.11	\$ 498,538.69	\$ 972,176.34	\$ 894,495.51	\$ 728,658.81
20% of Actual Cost (Warranty Bonding Amount):		\$ 5,825.22	\$ 99,707.74	\$ 194,435.27	\$ 178,899.10	\$ 145,731.76

Bond Numbers and Particulars

Grading Phase	SV9666 with AON
Model Phase	3S12715500 with Lumbermens Mutual Casualty Company
Phase IA	6207576 with Safeco Insurance Company of America
Phase IB	08658099 with Fidelity and Deposit Company of Maryland
Phase II	104198860 with Travelers Casualty and Surety Company of America

Resolution No. 2006-30  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting Title to Water, Reclaimed Water and Sewer Infrastructure  
within Seaside Highlands and Releasing the Performance Bonds

April 26, 2006

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on April 26, 2006 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, the District entered into an Agreement Regarding Construction and Transfer Water and Sewer Infrastructure with K&B Bakewell Seaside Venture, LLC (“Developer”) on December 27, 2002, for Phase I of the Seaside Highlands Development located in the District’s Ord Community portion of the City of Seaside, California; and,

WHEREAS, the District entered into an Agreement Regarding Construction and Transfer Water and Sewer Infrastructure with the Developer on December 11, 2003, for Phase II of the Seaside Highlands Development located in the District’s Ord Community portion of the City of Seaside, California; and,

WHEREAS, the Developer posted a Performance Bond with the District under the terms of the Infrastructure Agreements securing the construction of the water, recycled water, and sewer infrastructure for the Seaside Highlands Development; and,

WHEREAS, the Developer constructed the Seaside Highlands Development, to include all required water, sewer and recycled water infrastructure; and,

WHEREAS, the District inspected the water, sewer and recycled water infrastructure within the Seaside Highlands Development during construction, with final inspection on June 21, 2005, and found it meets District Standards; and,

WHEREAS, the Developer has prepared Easement documents for all water, sewer and recycled water infrastructure not located within public rights-of-way; and,

WHEREAS, the Developer has prepared Bill of Sale documents, transferring all water, sewer and recycled water infrastructure within the easements and public rights-of-way to the District; and,

WHEREAS, the Developer has requested release of the Performance Bond under the terms of the Infrastructure Agreements; and,

WHEREAS, the Developer will provide a one-year Warranty Bond under the terms of the Infrastructure Agreements; and,

WHEREAS, District’s Counsel has reviewed the easement and title documents and found them complete and correct subject to changes in form; and,

WHEREAS, if the Developer-paid plan review fees and inspection fees are in excess of the total amount required for the District to complete its review and inspection of the development, the excess will be refunded to the Developer; and,

WHEREAS, the Developer has satisfied all actions required under the Infrastructure Agreements.

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

- 1) Accept the permanent easements for water, sewer and recycled water infrastructure; and,
- 2) Accept the transfer of the water, recycled water and sewer infrastructure associated with and provided by the Seaside Highlands Development; and,
- 3) Request and accept the one-year Warranty Bond for said infrastructure; and,
- 4) Upon receipt of the Warranty Bond, release the Performance Bond for the completed work; and,
- 5) Refund to the Developer any excess review and inspection fees.

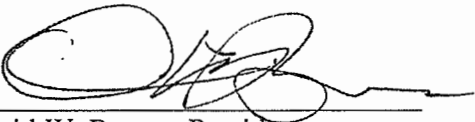
PASSED AND ADOPTED on April 26, 2006 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Nishi, Brown, Moore, Gustafson, Scholl

Noes: Directors None

Absent: Directors None

Abstained: Directors None

  
\_\_\_\_\_  
David W. Brown, President

ATTEST:

  
\_\_\_\_\_  
Marc A. Lucca, 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. 2006-30 adopted April 26, 2006.

A handwritten signature in black ink, appearing to read "Marc A. Lucca", with a long, sweeping flourish extending to the right.

---

Marc A. Lucca, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 6-B

Meeting Date: April 26, 2006

Submitted By: Andrew Sterbenz

Presented By: Andrew Sterbenz

Agenda Title: Consider Adoption of Resolution No. 2006-30 to Accept the Title to Water, Reclaimed Water and Sewer Infrastructure for Seaside Highlands and Releasing the Performance Bonds

Detailed Description: The Board of Directors is requested to approve accepting title to water, reclaimed water and sewer infrastructure for Seaside Highlands and releasing the related performance bonds.

K&B Bakewell Seaside Venture, LLC, (Developer) constructed the Seaside Highlands residential development from January 2003 to July 2005 in the Ord Community portion of the City of Seaside. The construction is now complete, and the Developer has requested that the District accept the water, sewer and recycled water infrastructure, release their Performance Bond and accept a one-year Warranty Bond.

The Developer and District entered into two Agreements Regarding Construction and Transfer of Water and Sewer Infrastructure ("Infrastructure Agreements") for Phases 1 and 2 of the development in December 2002 and December 2003, respectively. Under the terms of those Infrastructure Agreements, the Developer posted a Performance Bond with the District guaranteeing the construction of the water and sewer infrastructure associated with Seaside Highlands. The District's inspector was present during construction of both phases, with a final inspection on June 21, 2005. All water and sewer infrastructure was constructed to the District's standards.

The Developer has provided Bills of Sale transferring the water, sewer and recycled water systems to the District, consistent with the requirements of the Infrastructure Agreements. The recorded tract maps for Seaside Highlands also provided, defining the public rights-of-way. Three segments of the sewer system are outside of the public rights-of-way. Separate easement documents were prepared and submitted by the Developer for those pipe line segments.

Upon Board approval of the development, District staff will request that the Developer provide a one-year Warranty Bond to replace the Performance Bond currently on file with the District. The grant of easements, transfer of infrastructure and providing a Warranty Bond complete the Developer's required actions under the Infrastructure Agreements. Following acceptance and filing of the transfer and easement documents, the District's final required action is to refund any overpayment of review and inspection fees to the Developer.

Prior Committee or Board Action: The District entered into two Infrastructure Agreements with K&B Bakewell Seaside Venture, LLC. The Phase I agreement was entered into on December 27, 2002 and Phase II was entered into on December 11, 2003. On April 12, 2006 the Board reviewed this item and requested that it be placed on the April 26, 2006 consent calendar.

Financial Impact:     \_\_\_\_\_ Yes     \_\_\_X\_\_\_ No

Board Goals: *To improve/increase the District's water, recycled water and wastewater services; conservation activities; infrastructure and human resources to provide high quality services to meet the needs of the expanding service areas.*

Funding Source/Recap: Plan review and inspection are Developer financed. As of the end of last quarter, the Developer had paid the District \$10,236 above the actual review and inspection fees to date. After the actual costs of staff and legal reviews for this action are accounted for, the remainder of the fees provided, if any, must be refunded to the Developer, per the terms of the Infrastructure Agreements. This final accounting will take approximately 60-days, to allow a complete billing cycle to elapse.

Material Included for Information/Consideration:

- Resolution No. 2006-30
- Bill of Sale for Domestic Water System Facilities
- Bill of Sale for Sewer System Facilities
- Bill of Sale for Recycled Water System Facilities
- Tract Map, Tract 1396, Seaside Highlands Phase 1 (common attachment to all 3 Bills of Sale)
- Tract Map, Tract 1414, Seaside Highlands Phase 2 (common attachment to all 3 Bills of Sale)
- "Parcel B" Sanitary Sewer Easement
- "Parcel D" Sanitary Sewer Easement
- "Parcel G" Sanitary Sewer Easement

Recommendation: Consider adoption of Resolution No. 2006-30 to accept the title to water, reclaimed water and sewer infrastructure for Seaside Highlands and releasing the Performance Bonds.

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

Board Action

\_\_\_\_\_ Resolution No \_\_\_\_\_ Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

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

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

Reagendized \_\_\_\_\_ Date \_\_\_\_\_ No Action Taken \_\_\_\_\_

## **BILL OF SALE**

### **SEWER SYSTEM FACILITIES – Approximately 680-LF of 8-inch sewer main; approximately 800-LF of small diameter force main; sewer pump station; 5 manholes**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for sewer service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per accepted As-Built Plans dated JULY 2015, THE PROMONTORY, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is **\$591,441**.

### **WATER SYSTEM FACILITIES – Approximately 470-LF of 16" water main; 1,435-LF of 8-inch water main; 6 fire hydrants**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV's, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per accepted As-Built Plans dated JULY 2014, THE PROMONTORY, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is **\$418,434**.

### **RECLAIMED WATER SYSTEM FACILITIES – Approximately 400-LF of 4-inch reclaimed water main**

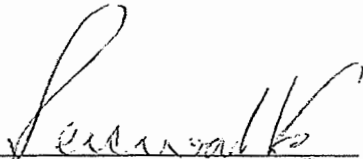
For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for reclaimed water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the reclaimed water installation, including mains, laterals, valves, PRV's, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per accepted As-Built Plans dated JULY 2015, THE PROMONTORY, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the reclaimed water system transferred to the District is **\$21,500**.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated November 4, 2013 between AMCAL Monterey Bay, LLC; and Marina Coast Water District. AMCAL Monterey Bay, LLC; represents and warrants that, to the knowledge of DEVELOPMENT ENTITY, its members, officers, and employees, AMCAL Monterey Bay, LLC; has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets described above comprise "Exhibit A" attached hereto:

### **SIGNATURE OF DEVELOPMENT ENTITY:**

I. AMCAL Monterey Bay, LLC,  
a Delaware Limited Liability company,

By: AMCAL Equities Managing Member

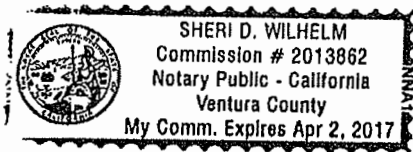
By:   
\_\_\_\_\_  
Percival Vaz, President and CEO

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA        )  
  ) ss  
COUNTY OF LOS ANGELES    )

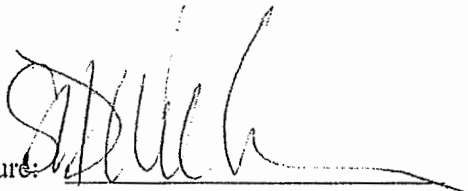
On July 28, 2015 before me, Sheri D. Wilhelm, Notary Public, personally appeared Percival Vaz, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

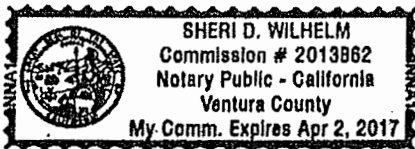
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



(Seal)

WITNESS my hand and official seal.

Signature: 





**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 200X-XX as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on DATE, the above Bill of Sale for Sewer System and Water System Facilities, dated \_\_\_\_\_, is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance \_\_\_\_\_.

By: \_\_\_\_\_  
General Manager  
MARINA COAST WATER DISTRICT

STATE OF CALIFORNIA            )  
  ) ss  
COUNTY OF MONTEREY        )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature: \_\_\_\_\_

August 3, 2015

Resolution No. 2015-42  
Resolution of the Board of Directors  
Marina Coast Water District

Accepting the Infrastructure Improvements Installed Under a Construction and Transfer of  
Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and AMCAL Monterey Bay, LLC;

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on August 3, 2015 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, AMCAL Monterey Bay, LLC, a California limited partnership (“Developer”), has constructed water, sewer and recycled water infrastructure for their The Promontory development project in the Ord Community portion of the City of Marina; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District on November 4, 2013; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is now complete for The Promontory development project and the Developer has satisfied all of the close-out conditions required in the Infrastructure Agreement; and,

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water, Sewer, and Recycled Water Infrastructure for the The Promontory development project and directs the General Manager and/or Deputy General Manager/District Engineer to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

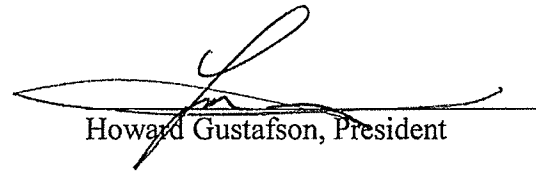
PASSED AND ADOPTED on August 3, 2015, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Moore, Shriner, Lee, Gustafson


Noes: Directors Le

Absent: Directors None

Abstained: Directors None

  
Howard Gustafson, President

ATTEST:

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

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2015-42 adopted August 3, 2015.

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

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: August 3, 201~~7~~<sup>5</sup>

Prepared By: Patrick Breen  
Presented By: Mike Wegely

Approved By: Bill Kocher

Agenda Title: Discussion and Possible Actoin to Consider Adoption of Resolution No. 2015-42 to Accept the Infrastructure Improvements Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and AMCAL Monterey Bay, LLC.

Staff Recommendation: The Board adopt Resolution No. 2015-42 accepting the infrastructure improvements installed under the Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and AMCAL Monterey Bay, LLC.

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

AMCAL Monterey Bay, LLC is constructing The Promontory development project in the City of Marina portion of the Ord Community. The District entered into a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with AMCAL Monterey Bay, LLC by adopting Resolution No. 2013-59 on November 4, 2013.

Discussion/Analysis: AMCAL Monterey Bay, LLC installed the off-site and on-site improvements on behalf of MCWD. The on-site improvements made by AMCAL Monterey Bay, LLC for which acceptance of ownership is requested includes potable water pipelines and appurtenances, a recycled water pipeline, and sanitary sewer pipelines and appurtenances. A more detailed break-down of the infrastructure to be owned by MCWD may be found in the attached Bill of Sale. The total value of the infrastructure to be transferred to MCWD for ownership sums to approximately \$591,441.

The construction work was largely inspected and witnessed by Harris & Associates; their letter report – that includes their recommendation that it is appropriate for MCWD to own the installed infrastructure – is attached.

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or easements
- Conveyance of the property to MCWD by means of a bill-of-sale
- Submission of As-Built drawings for the work

- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a punch-list walk-through and the associated corrective work was completed on July 22, 2015. The easements appropriate for this transfer-of-ownership transaction were recorded in Monterey County on July 28, 2015; all currently proposed MCWD assets are located within the public right-of-way or easements in MCWD's favor (see attached easement document and associated plat maps). A Bill of Sale signed by the developer and awaiting this Board-action for Acceptance is attached as noted above. As-built drawings for the improvements described above were received and accepted as of July 14, 2015. A One-Year Warranty Bond, for approximately 20% of the infrastructure value enumerated above, is attached. In accord with the Infrastructure Agreement, this list fulfills the District's requirements and conditions for accepting ownership of the installed infrastructure.

Environmental Review Compliance: None required.

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

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2015-42; Harris & Associates letter report; recorded Easement document; Bill of Sale signed by AMCAL Monterey Bay, LLC; and Warranty Bond.

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

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Board Action

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

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

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

Marina Coast Water  
11 Reservation Road  
Marina, CA 93933  
(831) 384-6131



**BILL OF SALE**  
**DOMESTIC WATER, RECYCLED WATER AND SEWER SYSTEM FACILITIES**

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned does hereby transfer and convey to the Marina Coast Water District, a County Water District organized under California Law, and its successors and assigns, all right, title, and interest in and to the following:

1. The domestic water installation, valued at \$696,425.00, including pipelines, valves, service connections, fire hydrants, meters, and other appurtenances to said domestic water installation, constructed, installed, and located in the property described below; and
2. The sewer installation, valued at \$813,650.00, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed, installed, and located in the property described below, and
3. The recycled water installation, valued at \$24,000.00, including pipelines, valves, service connections, meters, and other appurtenances to said recycled water installation, constructed, installed, and located in the property described below.

The undersigned further warrants that the same is free and clear of any encumbrances.

Said property is described on Exhibit A attached hereto.

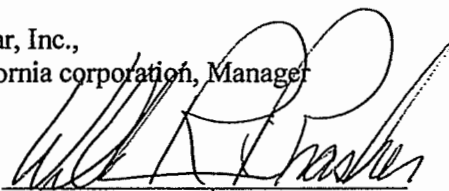
**SIGNATURE OF APPLICANT:**

CYPRESS MARINA HEIGHTS L.P.  
A California limited partnership

By: Chadmar/Watt Marina Partners LLC  
A California limited liability company,  
Its General Partner

By: Chadmar Marina Partners LLC,  
A California limited liability company,  
Its Manager

By: Chadmar, Inc.,  
A California corporation, Manager

By:   
William R. Brasher, Vice President

Date: 12/10/07

Exhibit A, Property Description  
to  
Bill of Sale for Domestic Water, Recycled Water and Sanitary Sewer Facilities

The lands included within Final Tract Map 1478, Marina Heights Phase 2, filed in the Office of the County Recorder of the County of Monterey, State of California, on October 6, 2006, in Volume 23 of the Cities and Town Maps at page 42, Monterey County Records. The water, sewer and recycled water infrastructure being conveyed is further defined by drawing set "As-Built Plans for Marina Heights Phase 2" dated September 28, 2007, sheets C1.1, C7.1 through C7.18 inclusive, and C8.1.

STATE OF California

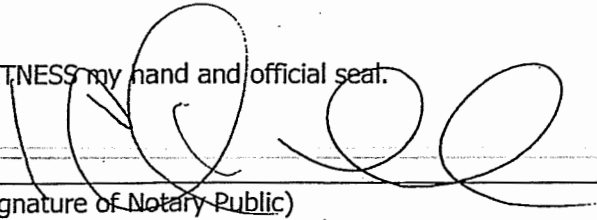
COUNTY OF Monterey

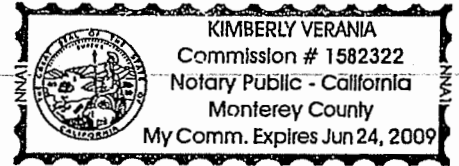
On Dec. 11, 2007 before me, Kimberly Verania, Notary Public  
(Name of Notary Public)

personally appeared William R. Brasher

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

  
(Signature of Notary Public)



(This area for notarial seal)



**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 2007-73 as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on Oct 10, 2007, the above Bill of Sale of Domestic Water System Facilities, dated Dec 14, 2007 is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under California Law.

Date of Acceptance 12-18-07

By   
General Manager  
MARINA COAST WATER DISTRICT

IN WITNESS WHEREOF, the other parties have duly caused their authorized signatures to be attached hereto, SIGNATURES MUST BE NOTARIZED.

APPLICANT AND PROPERTY OWNER:


**SIGNATURE OF APPLICANT:**

CYPRESS MARINA HEIGHTS L.P.  
A California limited partnership

By: Chadmar/Watt Marina Partners LLC  
A California limited liability company,  
Its General Partner

By: Chadmar Marina Partners LLC,  
A California limited liability company,  
Its Manager

By: Chadmar, Inc.,  
A California corporation, Manager

By:   
William R. Brasher, Vice President

**MARINA COAST WATER DISTRICT**

By   
General Manager

Date 12-18-07

Resolution No. 2007-73  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting Title to the Water, Sewer and Recycled Water Infrastructure  
within Marina Heights Phase 2 and Releasing the Performance Bonds

October 10, 2007

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on October 10, 2007 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Cypress Marina Heights, L.P., a California limited partnership (“Developer”) is constructing water, sewer and recycled water infrastructure for the Marina Heights development in the City of Marina; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District on January 13, 2006; and,

WHEREAS, the Developer provided Performance and Payment Bonds for the Phase 2 water, sewer and recycled water infrastructure within the project boundaries; and,

WHEREAS, the District has inspected the water, sewer and recycled water infrastructure during construction, with final inspection for Phase 2 on August 21, 2007, and it is completed to District standards; and,

WHEREAS, the Developer has installed said infrastructure within dedicated public rights-of-way, where feasible, and granted specific easements for those pipes outside rights-of-way; and,

WHEREAS, the Developer has prepared Bill of Sale documents transferring all water, sewer and recycled water infrastructure within the easements and rights-of-way to the District; and,

WHEREAS, the Developer has requested release of the Performance Bond under the terms of the Infrastructure Agreement, and will provide a One-Year Warranty Bond for this infrastructure; and,

WHEREAS, District’s Counsel has reviewed the easement and title documents and found them complete and correct; and,

WHEREAS, no other Developer actions are required under the Infrastructure Agreement for Phase 2 of the development.

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

- 1) Accept the transfer of the water, sewer and recycled water infrastructure within the Marina heights Phase 2 area; and,
- 2) Accept the One-Year Warranty Bond for said infrastructure; and,
- 3) Release the Performance and Payment Bonds for the completed work.

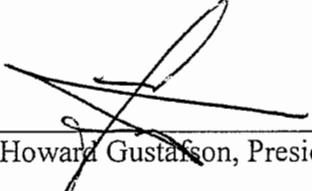
PASSED AND ADOPTED on October 10, 2007, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

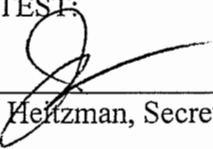
Ayes: Directors Moore, Lee, Nishi, Gustafson

Noes: Directors None

Absent: Directors Brown

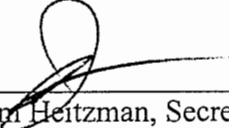
Abstained: Directors None

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

ATTEST:  
  
\_\_\_\_\_  
Jim Heitzman, 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. 2007-73 adopted October 10, 2007.

  
\_\_\_\_\_  
Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 7-B

Meeting Date: October 10, 2007

Submitted By: Jeff Cattaneo

Presented By: Andy Sterbenz

Agenda Title: Adopt Resolution No. 2007-73 to Accept Title to the Water, Sewer and Recycled Water Infrastructure within Marina Heights Phase 2 and Releasing the Performance Bonds

Detailed Description: The Board of Directors is requested to accept the water, sewer and recycled water infrastructure within the Phase 2 portion of Marina Heights and release the performance bonds. This portion of the work under the Infrastructure Agreement is complete.

Cypress Marina Heights, L.P., (hereinafter "Developer") is constructing the Marina Heights Development within the City of Marina portion of the Ord Community. On January 13, 2006 the District and Developer entered into an Infrastructure Agreement for installation of District water, sewer, and recycled water infrastructure. The District Engineer approved the Phase 1 improvement plans in April 2006, and the Phase 2 plans in September 2006. Work on Phases 1 and 2 of the Development has steadily proceeded for the past year, and Phase 2 is now complete. The final inspection was conducted on August 21, 2007. Phase 1 is substantially complete, but is awaiting the final paving of Marina Heights Drive to complete the punch list items.

The Developer has provided as-built drawings and a Bill of Sale transferring the water, sewer and recycled water infrastructure to the District, consistent with the requirements of the Infrastructure Agreement. All infrastructure is located within public rights of way, as dedicated on Final Map, Tract No. 1465, Marina Heights, Phase 1 and Tract No. 1478, Marina Heights, Phase 2, or within specific easements previously dedicated to and accepted by the District. When so directed by the District, the Developer will provide a One-year Warranty Bond to replace the Performance Bond on file with the District. This transfer of infrastructure and provision of a warranty bond completes the Developer's responsibilities under the Infrastructure Agreement for this Phase area. The agreement remains in effect for the remaining portions of the development.

The total value of the infrastructure funded and constructed by Cypress Marina Heights LP being transferred to the District is as follows:

Potable Water System:	\$ 696,425.00
Sewer System:	\$ 813,650.00
Recycled Water System:	<u>\$ 24,000.00</u>
Total:	\$1,534,075.00

Prior Committee or Board Action: Board Resolution 2005-70 on December 14, 2005, approved an Agreement for Construction and Transfer of Water, Sewer and Recycled Water Infrastructure with Cypress Marina Heights, LP at Cypress Marina Heights – Phases I, II and III. On April 25, 2007, the Board approved a Reimbursement Agreement for Water, Sewer, and Recycled Water

Facilities between Cypress Marina Heights, L.P. and the District. On July 22, 2007, the Board accepted the 18-inch sewer main constructed in Abrams Drive. On September 26, 2007, the Board accepted the 12-inch recycled water main constructed in Abrams Drive.

Board Goals/Objectives: *2007/2008 Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.*

Financial Impact:     Yes     No

Funding Source/Recap: Not applicable.

Material Included for Information/Consideration: Resolution No. 2007-73; and, Bill of Sale for Water, Sewer and Recycled Water Infrastructure.

Recommendation: Adopt Resolution No. 2007-73 Accepting Title to the Water, Sewer and Recycled Water Infrastructure within Marina Heights Phase 2 and Releasing the Performance Bonds

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

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Board Action

Resolution No     Motion By     Seconded By

Ayes     Abstained

Noes     Absent

Reagendized     Date     No Action Taken

## **BILL OF SALE**

### **SEWER SYSTEM FACILITIES – SEE EXHIBIT A-1**

For good and valuable consideration for sewer service installations, receipt of which is hereby acknowledged, the undersigned, JUNSAY OAKS, L.P. (“JO”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the public sewer installations, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per approved Junsay Oaks Senior Apartments On-Site Improvement Plans dated April 2018, on plan sheets C0.4, C0.5, and C2.1; see Exhibit A-1 for a summary depiction of sewer system improvements being transferred. JO further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is \$10,650.

### **WATER SYSTEM FACILITIES – SEE EXHIBIT A-1**

For good and valuable consideration for water service installations, receipt of which is hereby acknowledged, the undersigned, JUNSAY OAKS, L.P. (“JO”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installations, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per approved Junsay Oaks Senior Apartments Off-Site De Forest Road Improvement Plans dated April 2018, on plan sheets C0.4, C0.5, C0.6, C1.1, C1.2, and C1.3; see Exhibit A-1 for a summary depiction of water system improvements being transferred. JO further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$114,880.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated December 4, 2017 between Junsay Oaks, L.P. and Marina Coast Water District. JO represents and warrants that, to the knowledge of JO, its members, officers, and employees, JO has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets specified above are formally attached hereto by reference and are generally described in “Exhibit A-1”, attached hereto:

**[SIGNATURE PAGES TO FOLLOW]**



CERTIFICATE OF ACCEPTANCE

As per Resolution No. 2019- 92, as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on Nov. 18<sup>th</sup>, 2019, the above Bill of Sale for Sewer System and Water System Facilities, dated Dec 2, 2019 is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: 12/2/19, 2019.

By: [Signature]  
Keith Van Der Maaten  
General Manager  
MARINA COAST WATER DISTRICT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

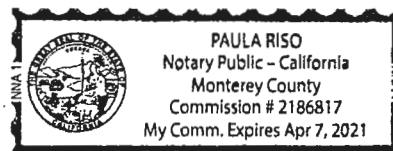
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF MONTEREY )

On December 2, 2019, before me, Paula Riso, a Notary Public in and for said State, personally appeared Keith Van Der Maaten, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

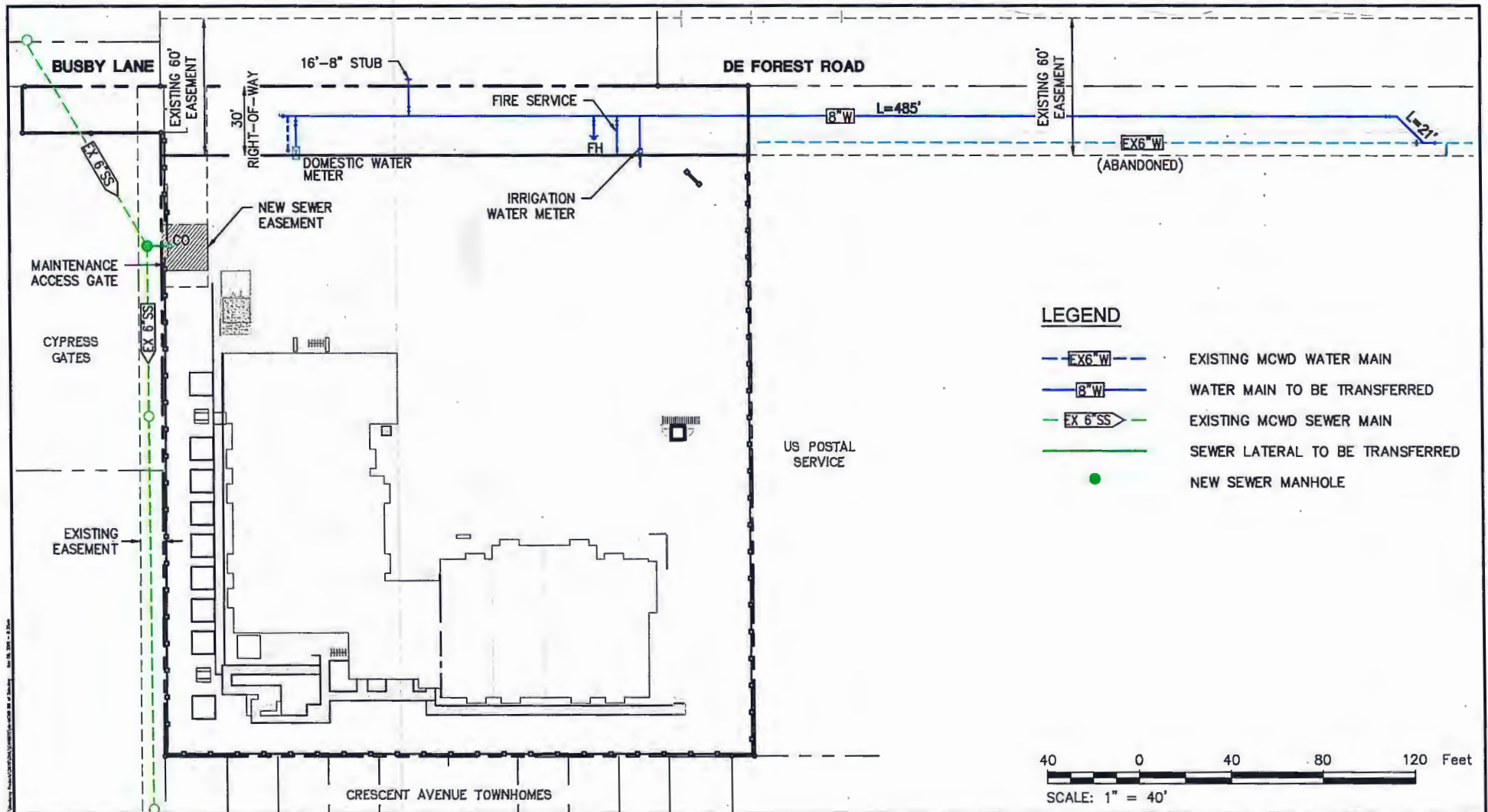
I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]  
Notary Public in and for said State

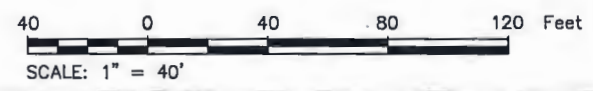






**LEGEND**

- EXISTING MCWD WATER MAIN
- WATER MAIN TO BE TRANSFERRED
- EXISTING MCWD SEWER MAIN
- SEWER LATERAL TO BE TRANSFERRED
- NEW SEWER MANHOLE



**EXHIBIT A-1**

WATER AND SEWER SYSTEM FACILITIES - MCWD BILL OF SALE  
**JUNSAY OAKS**  
 MARINA, CALIFORNIA

**Whitson Engineers**  
 6 Harris Court | Monterey, CA 93940 | 831 649-5225 | F 831 373-5065  
 CIVIL ENGINEERING | LAND SURVEYING | PROJECT MANAGEMENT | [www.whitsonengineers.com](http://www.whitsonengineers.com)  
 Project No.: 2878.00



Nov. 8, 2019  
 Sheet 1 of 1



November 18, 2019

Resolution No. 2019-82  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting the Infrastructure Improvements Installed Under a  
Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and Junsay Oaks, L.P. for the  
Junsay Oaks Senior Apartments Development Project

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

WHEREAS, Junsay Oaks, L.P., a California limited partnership (Developer), has constructed water and sewer infrastructure for their Junsay Oaks Senior Apartments development project in the Central Marina service area of MCWD's jurisdiction; and,

WHEREAS, the Developer entered into a Water, Sewer and Recycled Water Infrastructure Agreement with MCWD on March 19, 2018 with the adoption of Resolution No. 2018-17; and,

WHEREAS, construction of the water and sewer infrastructure is complete and the Developer has now satisfied all of the close-out conditions required by MCWD in the Infrastructure Agreement for the Junsay Oaks Senior Apartments development project; and,

WHEREAS, the Developer requests, in conformance with the Infrastructure Agreement, that the District take ownership of the installed infrastructure.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water and Sewer Infrastructure for the Junsay Oaks Senior Apartments development project and directs the General Manager and/or District Engineer to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

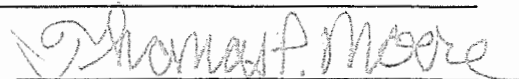
PASSED AND ADOPTED on November 18, 2019 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Cortez, Le, Zefferman, Shriner, Moore

Noes: Directors None

Absent: Directors None

Abstained: Directors None

  
Thomas P. Moore, President

ATTEST:



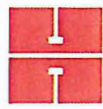
\_\_\_\_\_  
Keith Van Der Maaten, Secretary

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. 2019-82 adopted November 18, 2019.



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



**Harris & Associates**<sup>SM</sup>  
*Shaping the Future, One Project at a Time*<sup>SM</sup>

November 8, 2019

Marina Coast Water District

Brian True, P.E., Capital Projects Manager

2840 4<sup>th</sup> Avenue

Marina, CA 93933

**Subject: Junsay Oaks - Water distribution and waste water collection system**

**RE: Final report and recommendations**

Harris & Associates provided construction inspection for the installation of the potable and waste water collection systems for the Junsay Oaks L.P. development as an authorized Owner representative for the Marina Coast Water District.

## **POTABLE WATER SYSTEM**

### **Overview**

The potable water system work included of approximately 190 linear feet of 8-inch C900 SDR 14 (Incl. All Appurtenances), 332 linear feet of 8-inch C900 SDR 14 (Incl. All Appurtenances - in existing pavement), 1 each 4-inch potable service, 1 each 3-inch MCWD meter, 1 each 1<sup>1/2</sup>-inch irrigation service, 1 each 1-inch MCWD irrigation meter, 1 each 6-inch fire service, and 1 fire hydrant, 1 each 2<sup>1/2</sup> Blow off, 1 each 1<sup>1/2</sup> air relief valve. The piping was installed per manufacture's recommendations and approved project plans and specifications. All bell spigot joints of piping, valves, fire hydrants and associated appurtenances were installed by CHISPA, Inc. and witnessed by our inspector. All field related punch list items were completed as of 11/8/18.

### **Testing**

The potable water system was tested in accordance with the approved Hydrostatic Test and Disinfection Plan (based on MCWD standard specification section 15042) submitted by CHISPA, Inc. The potable water network was disinfected and allowed to sit for the required 24 hours. The network pressure was decreased to below that of the MCWD system to eliminate any chances of leakage back into the system. After the 24 hours the line was flushed to de-chlorinated the water; water during the flushing was monitored for chlorine residual.

After services were completely flushed of chlorine the line was tested for bacteria by a certified lab (MBAS) and witnessed by the inspector; two samples were taken at each location in accordance to AWWA and MCWD standards.

All bacterial testing was performed on 7/5/2018 and 7/6/2018; all samples taken were absent of coliform bacteria. Based on the successful testing of this system, the potable water system was eligible to be placed in service effective 7/12/2018.

## **SANITARY SEWER COLLECTION SYSTEM**

### **Overview**

The sanitary sewer (SS) collection system work consisted of approximately 15 feet of 6-inch SDR 35 PVC sanitary sewer main and 1 manhole. All elements of the SS system were installed by CHIPA, Inc. per manufacturer's recommendations and project plans and specifications; the installation of this infrastructure was witnessed by our inspector. All field related punch list items were completed as of 10/1/19.

### **Testing**

Based on the satisfactory testing of the sanitary collection system elements, the entire system became eligible to be placed in service as of 10/1/2019.

## **RECORD DRAWING/EASEMENT DOCUMENT REVIEW**

A field review was conducted to confirm the accuracy of the record drawings; the final set of record drawings submitted appears to accurately reflect the "as-built" condition in the field. In addition, a review of the associated recorded maps for the area indicated that the "as-built" condition is consistent with the boundaries shown on the maps.

## **RECOMMENDATIONS**

The potable water distribution and sanitary sewer collection systems for Junsay Oaks development as detailed above were built in accordance with the MCWD standards and the approved plans (including subsequent revisions) submitted by Whitson Engineering for this phase. Based on our observations and the results of the testing performed, the systems detailed herein are eligible to be placed in service.

Based on the foregoing information, Harris & Associates recommends that MCWD accept and incorporate the water distribution systems and sanitary sewer collection system described above for Junsay Oaks Senior Apartments.

Regards,

**HARRIS & ASSOCIATES**



Dana Van Horn, PE, CSD  
Construction Manager

Attach

# MEMORANDUM

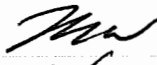
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Marina Coast Water District

**DATE:** November 22, 2019

**CONTRACT #:** N/A

**TO:** Keith Van Der Maaten – General Manager

**VIA:** Mike Wegley – District Engineer 

**FROM:** Brian True – Senior Civil Engineer 

**SUBJECT:** Signing the Bill of Sale for the Junsay Oaks Senior Apartments Development Project

Please find for your accepting signature the original Bills of Sale for the sewer and water infrastructure transferred to MCWD ownership by Junsay Oaks, LLPP for their Junsay Oaks Senior Apartments development project. The Board adopted Resolution No. 2019-82 (attached) on November 18, 2019 authorizing you to execute the document.

Staff recommends that you sign the Bill of Sale document based on my personal review and a recommendation by Harris & Associates that MCWD accept ownership of the infrastructure (see attached).

If you agree with staff's recommendation, please sign and date original copies where indicated in the presence of a Notary Public. Please return the original wet-signed documents to me and I will supply CHISPA (representing Junsay Oaks LLP) with their copy of the original document. Please do not hesitate to contact me (ext. 5937) if you have any questions.

## **BILL OF SALE**

### **SEWER SYSTEM FACILITIES – SEE EXHIBIT A-1**

For good and valuable consideration for sewer service installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installations, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per approved plans dated May 2007, East Garrison Phase 1 Off-Site Improvement Plans from plan sheets 1-22 and May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 1-76 and 93A – 97; see Exhibit A-1 for a summary depiction of sewer system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is \$1,631,830.

### **WATER SYSTEM FACILITIES – SEE EXHIBIT A-2**

For good and valuable consideration for water service installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installations, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per approved plans dated May 2007, East Garrison Phase 1 Off-Site Improvement Plans from plan sheets 1-22 and May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 1-76 and 93A – 97; see Exhibit A-2 for a summary depiction of water system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$1,801,870.

### **RECYCLED WATER SYSTEM FACILITIES – SEE EXHIBIT A-3**

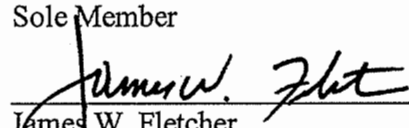
For good and valuable consideration for recycled water installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the recycled water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said recycled water installation, constructed and installed in accepted and recorded easements per approved plans dated May 2007, East Garrison Phase 1 Off-Site Improvement Plans from plan sheets 1-22 and May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 1-76 and 93A – 97; see Exhibit A-3 for a summary depiction of recycled water system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the recycled water system transferred to the District is \$386,380.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated March 27, 2012 between UCP EAST GARRISON, LLC ("UCP") and Marina Coast Water District. UCP represents and warrants that, to the knowledge of UCP, its members, officers, and employees, UCP has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets specified above are formally attached hereto by reference and are generally described in "Exhibit A-1", "Exhibit A-2", and "Exhibit A-3" attached hereto:

**SIGNATURE OF DEVELOPMENT ENTITY:**

UCP EAST GARRISON, LLC,  
a Delaware limited liability company

By: UCP, LLC, a Delaware limited liability company  
Its: Sole Member

By:   
\_\_\_\_\_  
James W. Fletcher  
Vice President  
6489 Camden Ave., Suite 204  
San Jose, CA 95120

**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 2012-59, as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on August 14, 2012, the above Bill of Sale for Sewer System and Water System Facilities, dated September 11, 2012 is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: October \_\_\_\_, 2012.

By: \_\_\_\_\_  
Carl Niizawa  
Deputy General Manager / District Engineer  
MARINA COAST WATER DISTRICT



STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF MONTEREY )  
 Santa Clara

On Sept. 26, 2012 before me, Julie Atwood, Notary Public,  
personally appeared James W. Fletcher,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.



(Seal)

WITNESS my hand and official seal.

Signature:

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF MONTEREY )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature: \_\_\_\_\_

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated March 27, 2012 between UCP EAST GARRISON, LLC ("UCP") and Marina Coast Water District. UCP represents and warrants that, to the knowledge of UCP, its members, officers, and employees, UCP has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets specified above are formally attached hereto by reference and are generally described in "Exhibit A-1", "Exhibit A-2", and "Exhibit A-3" attached hereto:

**SIGNATURE OF DEVELOPMENT ENTITY:**

UCP EAST GARRISON, LLC,  
a Delaware limited liability company

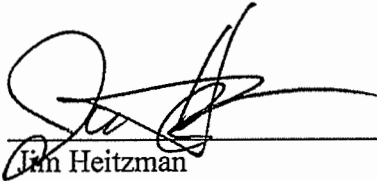
By: UCP, LLC, a Delaware limited liability company  
Its: Sole Member

By: \_\_\_\_\_  
James W. Fletcher  
Vice President  
6489 Camden Ave., Suite 204  
San Jose, CA 95120

**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 2012-59, as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on September 11, 2012, the above Bill of Sale for Sewer System and Water System Facilities, dated September 11, 2012 is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: October 2, 2012.

By:  \_\_\_\_\_  
Jim Heitzman  
General Manager  
MARINA COAST WATER DISTRICT

ACKNOWLEDGEMENT

Dated: October 2, 2012

STATE OF CALIFORNIA

COUNTY OF MONTEREY}

On October 2, 2012, before me, Paula Riso, Notary Public  
personally appeared Jim Heitzman, who proved to me on the  
basis of satisfactory evidence to be the person whose name is subscribed to the within instrument  
and acknowledged to me that he executed the same in his authorized capacity, and that by his  
signature on the instrument the person or the entity upon behalf of which the person acted,  
executed the instrument.

WITNESS my hand and official seal.



Signature Paula Riso

(This area for official notarial seal)

September 11, 2012

Resolution No. 2012-59  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting the Infrastructure Improvements  
Installed Under a Construction and Transfer of  
Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and UCP East Garrison, LLC and  
Accept Ownership of the Property for the East Garrison Lift Station

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on September 11, 2012 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, UCP East Garrison, LLC, a Delaware limited liability corporation (“Developer”), has constructed water, sewer and recycled water infrastructure for Phase I of their East Garrison I Development in Monterey County; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District on September 13, 2011; and,

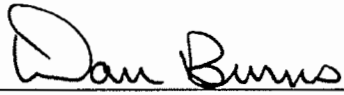
WHEREAS, construction of the water, sewer and recycled water infrastructure is now complete for Phase I of the East Garrison I development and the Developer has satisfied all of the close-out conditions required in the Infrastructure Agreement for Phase 1; and,

WHEREAS, the Developer requests that MCWD take ownership of the parcel of land for the MCWD-owned sanitary sewer lift station that will serve the overall East Garrison development and has prepared and executed a Grant Deed to that effect that awaits MCWD execution.

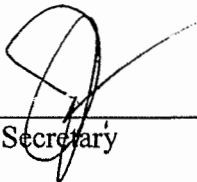
NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of the Water, Sewer, and Recycled Water Infrastructure within Phase 1 of the East Garrison I development and directs the General Manager and/or Deputy General Manager/District Engineer to take all actions and execute all documents, including specifically the Grant Deed for the parcel of land for the sanitary sewer lift station, as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on September 11, 2012, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Nishi, Lee, Gustafson, Burns  
Noes: Directors Shriner  
Absent: Directors None  
Abstained: Directors None


  
\_\_\_\_\_  
Dan Burns, President

ATTEST:

  
\_\_\_\_\_  
Jim Heitzman, 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. 2012-59 adopted September 11, 2012.

  
\_\_\_\_\_  
Jim Heitzman, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 8-G

Meeting Date: September 11, 2012

Submitted By: Carl Niizawa  
Reviewed By: Jim Heitzman

Presented By: Carl Niizawa

Agenda Title: Consider Adoption of Resolution No. 2012-59 to Accept the Infrastructure Improvements Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and UCP East Garrison, LLC and Accept Ownership of the Property for the East Garrison Lift Station

Detailed Description: The Board of Directors is requested to accept from UCP East Garrison, LLC (UCP EGP) the on-site improvements they have installed on behalf of MCWD. EGP is constructing the East Garrison Development in the Monterey County portion of the Ord Community. The District entered into a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with UCP EG by adopting Resolution No. 2011-67 on September 13, 2011.

The on-site improvements made by UCP EG for which acceptance of ownership is requested are described in Table 1 below. A depiction of the infrastructure may be found in association with the attached Bill of Sale document.

**Table 1:**

<u>Quantity</u>	<u>Item Description</u>	<u>Value</u>
18,705-LF	Sanitary Sewer Pipelines: 8-inch, 10-inch, 15-inch diameters; PVC, SDR-35; includes 1,200-LF of pipeline greater than 15-feet deep	\$861,730
102-EA	Manholes	\$310,000
415-EA	Sewer Service Laterals: 4-inch, 6-inch, and 8-inch diameters; PVC	\$460,100
	<b>Sewer Subtotal</b>	<b>\$1,631,830</b>
20,505-LF	Potable Water Pipelines: 8-inch and 12-inch diameters; C900 PVC, Class 150 and 200; includes all appurtenances	\$1,130,180
591-LF	Potable Water Pipelines: 16-inch and 20-inch diameters; Ductile Iron Pipe, Class 250; includes all appurtenances	\$54,990
28-EA	Fire Services: 6-inch and 8-inch diameters; PVC and DIP	\$84,300
36-EA	Fire Hydrants: residential and commercial varieties	\$131,000
298-EA	Potable Water Service Laterals: 1-inch, 2-inch, and 4-inch diameters, includes manifolds; PVC	\$401,400
	<b>Water Subtotal</b>	<b>\$1,801,870</b>

6,580-LF	Recycled Water Pipelines: 4-inch, 8-inch, 12-inch diameters; C900 PVC, Class 150 and 200; includes all appurtenances	\$332,380
2-EA	Backflow Prevention Devices: 8-inch diameter; reduced pressure principle variety	\$32,000
20-EA	Irrigation Service Laterals: 2-inch and 4-inch diameters; PVC	\$22,000
	<b>Recycled Subtotal</b>	<b>\$386,380</b>
	<b>Total Value</b>	<b>\$3,820,080</b>

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or easements
- Conveyance of the property to MCWD by means of a bill-of-sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD completed the punch-list walk-through on July 30, 2012 and associated corrective work on August 31, 2012. The rights-of-way appropriate for this transfer-of-ownership transaction were recorded in the East Garrison Phase 1 Final Map, Tract 1489, recorded in Monterey County on June 28, 2007; all currently proposed MCWD assets are located within the public right-of-way or public utility easements. As-built drawings for the improvements described above were received and accepted as of August 31, 2012. A Bill of Sale and a One-Year Warranty Bond (for 20% of the infrastructure value enumerated above) are processed and awaiting this Board action; the draft Bill of Sale consistent with the values described above is attached. In accord with the Infrastructure Agreement, this list fulfills the District's requirements regarding review of infrastructure as a condition of its acceptance.

In addition to accepting ownership of the infrastructure for the East Garrison development, UCP EG has requested that MCWD take ownership of the parcel of land previously recorded on their Final Map on which the sanitary sewer lift station serving all the East Garrison parcels will be located. The lift station facility itself currently exists in a non-operational state and is already owned by MCWD. A signed (by UCP EG) Grant Deed is attached and awaits the Boards direction by this action for the General Manager/Deputy General Manager to execute the Grant Deed on behalf of MCWD.

Environmental Review Compliance: None required.

Prior Committee or Board Action: Board Resolution No. 2011-67 on September 13, 2011, approved the Infrastructure Agreement for the East Garrison development.

Board Goals/Objectives: *Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.*





## **BILL OF SALE**

### **SEWER SYSTEM FACILITIES – SEE EXHIBIT A-1**

For good and valuable consideration for sewer service installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installations, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per approved plans dated March 2008, East Garrison Phase 2 Improvement Plans from plan sheets 1-61, 71-72, and 74 and approved plans dated May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 53-55; see Exhibit A-1 for a summary depiction of sewer system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is \$724,727.

### **WATER SYSTEM FACILITIES – SEE EXHIBIT A-2**

For good and valuable consideration for water service installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installations, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per approved plans dated March 2008, East Garrison Phase 2 Improvement Plans from plan sheets 1-61, 71-72, and 74 and approved plans dated May 2007, East Garrison Phase 1 On-Site Improvement Plans from plan sheets 36 and 53-55; see Exhibit A-2 for a summary depiction of water system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$1,808,090.

### **RECYCLED WATER SYSTEM FACILITIES – SEE EXHIBIT A-3**

For good and valuable consideration for recycled water installations, receipt of which is hereby acknowledged, the undersigned, UCP EAST GARRISON, LLC (“UCP”), does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the recycled water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said recycled water installation, constructed and installed in accepted and recorded easements per approved plans dated March 2008, East Garrison Phase 2 Improvement Plans from plan sheets 1-61, 71-72, and 74; see Exhibit A-3 for a summary depiction of recycled water system improvements being transferred. UCP further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the recycled water system transferred to the District is \$113,821.



## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

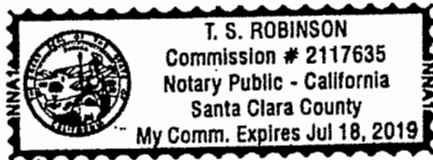
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California


County of Santa Clara

On February 9, 2016 before me, T.S. Robinson, Notary Public, personally appeared James W. Fletcher, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

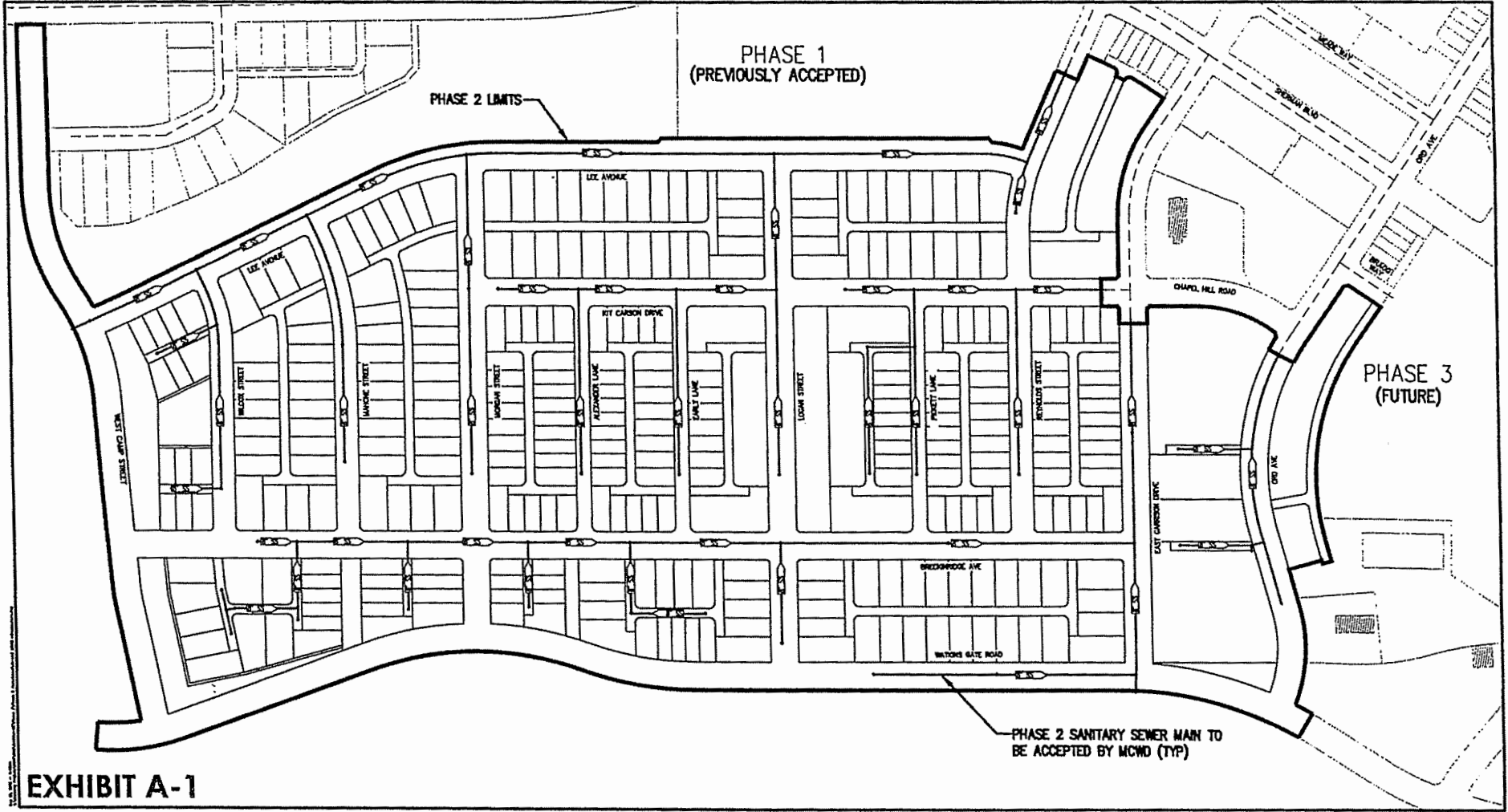
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

  
\_\_\_\_\_  
Signature of Notary Public





**PHASE 2 MCWD SANITARY SEWER INFRASTRUCTURE**  
**EAST GARRISON**  
 MONTEREY COUNTY, CALIFORNIA

Whitson Engineers  
 1950 Blue Lakeside Lane | Suite 105 | Monterey, CA 93940 | 831.645.2222 | F. 831.372.4068  
 CIVIL ENGINEERING • LAND SURVEYING • PROJECT MANAGEMENT | www.whitsonengineers.com

**WE**  
 Dec. 28, 2012  
 Sheet 1 of 3



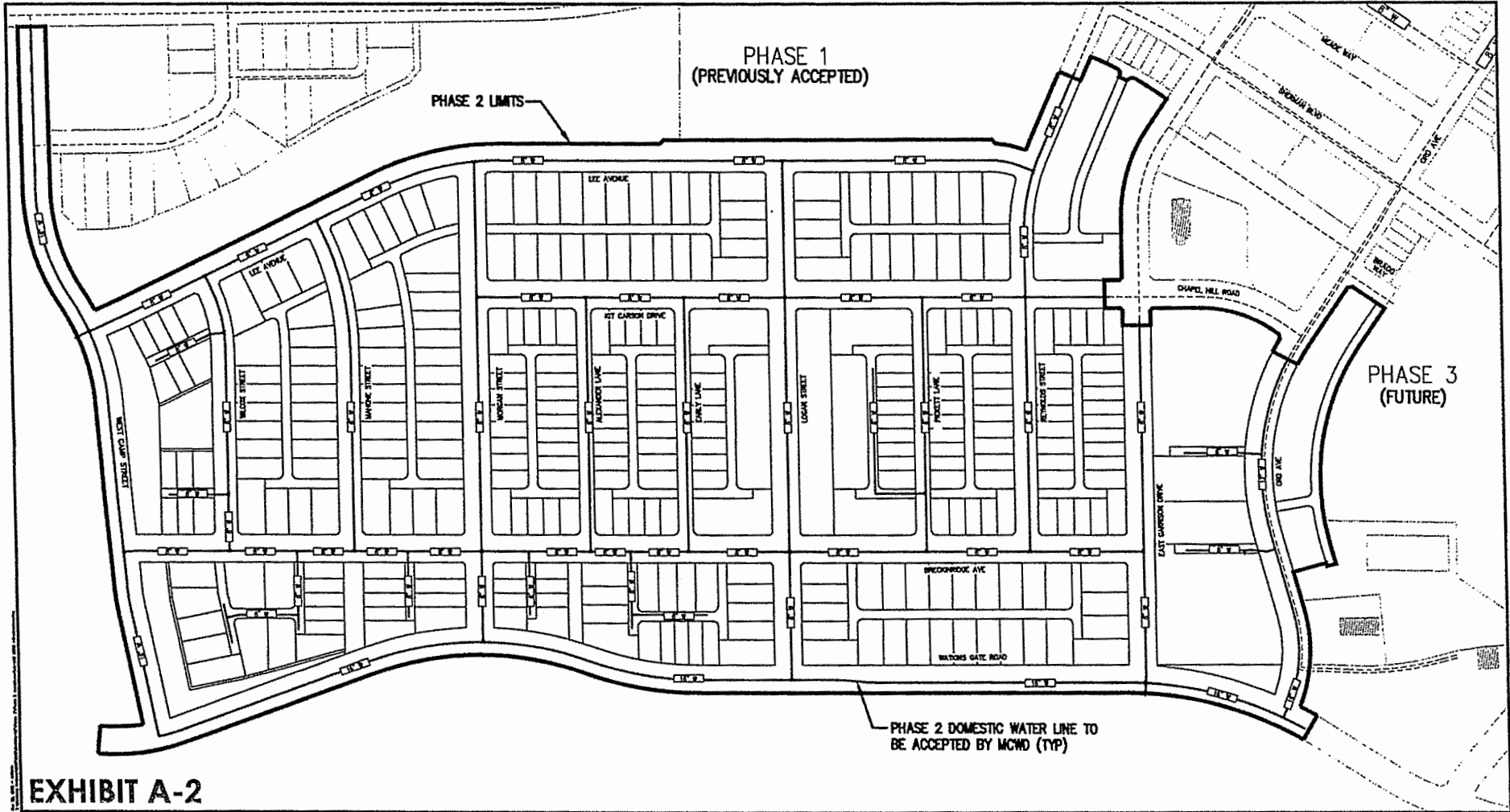


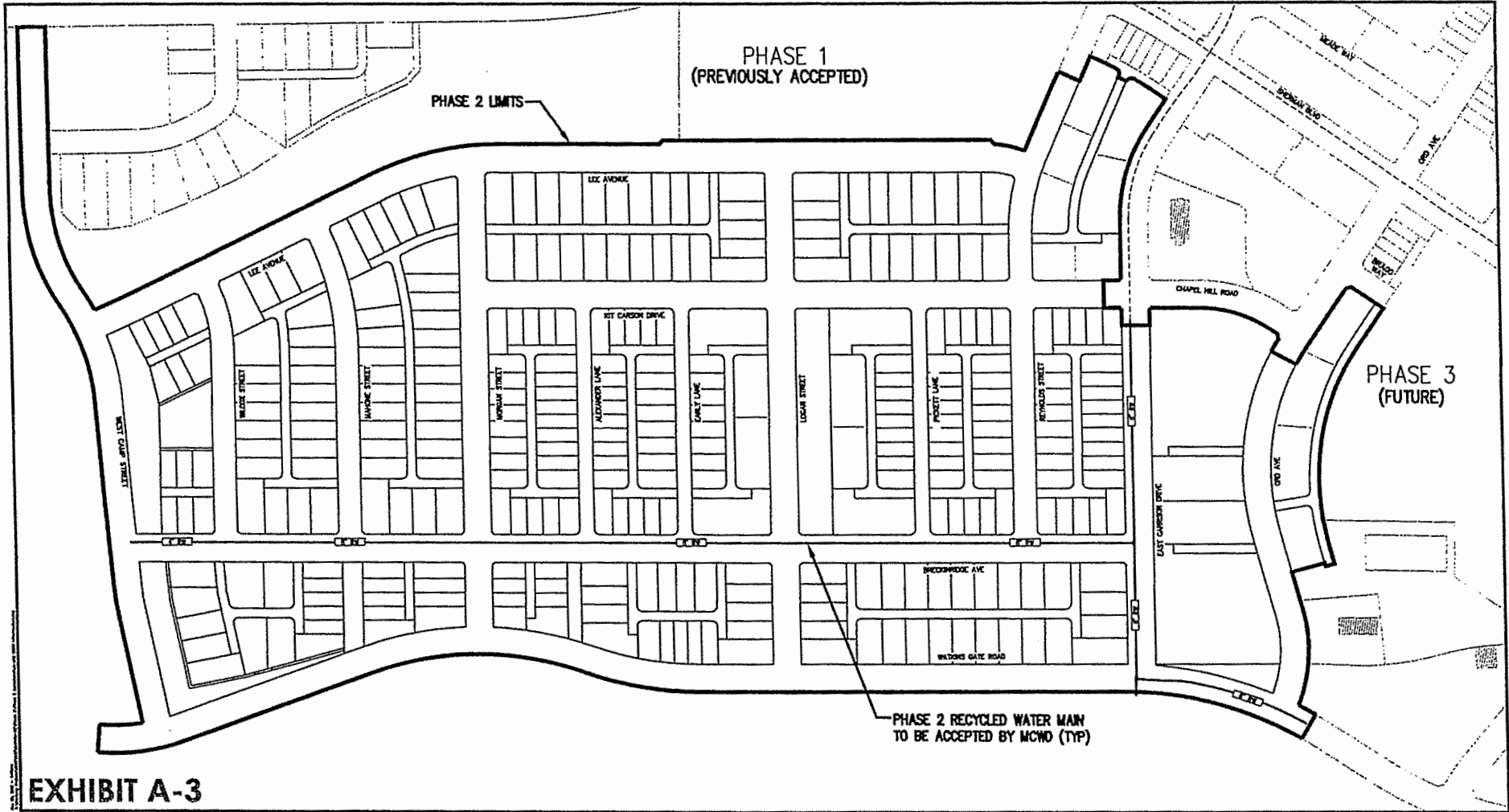
EXHIBIT A-2

PHASE 2 MCWD DOMESTIC WATER INFRASTRUCTURE  
**EAST GARRISON**  
 MONTEREY COUNTY, CALIFORNIA

Wilson Engineers  
 9090 Blue Larkspur Lane | Suite 100 | Monterey, CA 93940 | 831 849-8225 | F. 831 373-5048  
 Civil, Electrical, Land Surveying • Project Management | www.wilsonengineers.com

**WE**  
 Dec. 28, 2015  
 Sheet 2 of 3

  
 1" = 200'



**EXHIBIT A-3**

**PHASE 2 MCWD RECYCLED WATER INFRASTRUCTURE  
EAST GARRISON  
MONTEREY COUNTY, CALIFORNIA**

Whitson Engineers  
9659 Blue Larkspur Lane | Suite 105 | Monterey, CA 93940 | 831.648.6226 | F. 831.373.5055  
CIVIL ENGINEERING • LAND SURVEYING • PROJECT MANAGEMENT | www.whitsonengineers.com



Dec. 28, 2015  
Sheet 3 of 3



1" = 200'

February 1, 2016

Resolution No. 2016-05  
Resolution of the Board of Directors  
Marina Coast Water District  
Accepting the Infrastructure Improvements Installed Under a  
Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and UCP East Garrison LLC for the  
East Garrison – Phase 2 Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (District, MCWD), at a regular meeting duly called and held on February 1, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, UCP East Garrison LLC, a Delaware limited liability company (Developer), has constructed water, sewer and recycled water infrastructure for their East Garrison – Phase 2 development project in the Ord Community portion of the County of Monterey; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with MCWD in September 2011 by the adoption of Resolution No. 2011-67 that was fully executed on March 27, 2012; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is complete and the Developer has now satisfied all of the close-out conditions required in the Infrastructure Agreement for the East Garrison – Phase 2 development project; and,

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water, Sewer, and Recycled Water Infrastructure for the East Garrison – Phase 2 development project and directs 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 February 1, 2016 by the Board of Directors of the Marina Coast Water District by the following roll call vote:


Ayes: Directors Shriner, Moore, Gustafson

Noes: Directors Lee

Absent: Directors None

Abstained: Directors None






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Howard Gustafson, President

ATTEST:



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Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2016-05 adopted February 1, 2016.



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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-C

Meeting Date: February 1, 2016

Prepared By: Brian True  
Presented By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2016-05 to Accept the Infrastructure Improvements Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and UCP East Garrison LLC for the East Garrison – Phase 2 Development Project

Staff Recommendation: The Board considers adopting Resolution No. 2016-05 accepting the infrastructure improvements installed under the Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and UCP East Garrison LLC for the East Garrison – Phase 2 development project.

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

Union Community Partners, under the entity named UCP East Garrison LLC (Developer), constructed the East Garrison – Phase 2 development project in the Ord Community portion of Monterey County. The District entered into a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with the Developer by adopting Resolution No. 2011-67 on September 13, 2011. The Infrastructure Agreement was fully executed with the acceptance and execution of the Infrastructure Agreement by Monterey County’s East Garrison Public Financing Authority on March 27, 2012. The infrastructure installation is now complete and the Developer requests that, consistent with the Infrastructure Agreement, MCWD now accept the transfer of ownership of the said infrastructure.

Discussion/Analysis: The infrastructure improvements made by the Developer for which acceptance of ownership is requested includes potable water pipelines and appurtenances, recycled water pipelines, and sanitary sewer pipelines and appurtenances. The Developer installed all improvements on behalf of MCWD within the boundaries of the East Garrison – Phase 2 development project; a depiction of the infrastructure to be owned by MCWD may be found within the attached Bill of Sale that includes Exhibits mapping the locations of the infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership totals approximately \$2,646,638.

Please take note of two variances in the ownership transfer:

- 1) The value of the infrastructure coming to MCWD’s ownership and the One-Year Warranty Bond value do not correspond perfectly to the stated requirements in the

Infrastructure Agreement (the Warranty Bond value needs to be 20% of the value of the installed infrastructure). This occurred because some small water and sewer segments of Phase 2 were installed and entered into service as part of East Garrison – Phase 1 but did not come into formal MCWD ownership and were covered under the prior warranty bond. Thus, the one-Year Warranty Bond value is slightly less than the 20% of the overall value of the reported Bill of Sale values for sewer, water, and recycled water facilities; however, the Warranty Bond value adequately covers the infrastructure installed and coming to MCWD's ownership for this phase of the development project.

2) A Ten-Year Warranty Bond has been provided by the Developer to minimize MCWD's liability for a potable water pipeline segment in Ord Avenue that was previously installed during Phase 1 prior to construction of the street with Phase 2. Following installation of the remaining utilities, curb, gutter and sidewalk and just prior to paving for Phase 2, it was discovered that the top of the water valve nuts were within inches of finish pavement grade. Potholing revealed and confirmed that the existing water main depth was shallower than the District standard cover.

Reviewing available options showed that other utilities constrained potential re-alignment or deepening of the water pipeline. Thus, the Developer mitigated the situation by increasing the thickness of the pavement in the affected area and providing a separate Ten-Year Warranty Bond to cover the prospective replacement of up to 100-LF of 12-inch PVC potable water pipeline and valves in the event of leaks or failure. Staff supports accepting the \$36,000 Ten-year Warranty Bond with the ownership transfer.

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a Bill of Sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a punch-list walk-through and the associated corrective work was completed in January 2016. The easements appropriate for this transfer-of-ownership transaction were recorded in Monterey County throughout 2014 and 2015, with the Final Map recorded in January 2015; all currently proposed MCWD infrastructure/assets are located within the public right-of-way and public utility easements recorded on the subdivision's Final Map (no private easements were required for this project phase). A Bill of Sale is prepared for execution and is awaiting this Board-action for Acceptance. As-Built drawings for the improvements described above were received and accepted as adequate on January 20, 2016. Two Warranty Bonds have been provided; one One-Year Warranty Bond is for the sanitary sewer, water, and recycled water infrastructure and the other is a Ten-Year Warranty Bond to limit MCWD's liability for a non-conforming water pipeline in Ord Avenue. In accord with the Infrastructure Agreement, this list fulfills the District's requirements and conditions for accepting ownership of the installed infrastructure.

Environmental Review Compliance: None required.

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

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2016-05; Bill of Sale prepared for execution; and Warranty Bonds (one for Sewer, Water, and Recycled Water infrastructure and one for the Ord Avenue water pipeline).

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

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Board Action

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

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

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

## **BILL OF SALE**

**SEWER SYSTEM FACILITIES – Approximately 1,164 LF of 8-inch sewer main; approximately 279 LF of 15-inch sewer main; and 11 sanitary sewer manholes (the “Sewer System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, Marina Community Partners, LLC, a Delaware limited liability company (“MCP”), does hereby transfer and convey to the Marina Coast Water District (the “District”), a County Water District organized under the laws of the State of California, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in that Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the two parties dated January 24, 2007 (“Infrastructure Agreement”), all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit A attached hereto. The fair market value of the Sewer System Facilities transferred to the District is **\$140,187.00**.

**WATER SYSTEM FACILITIES – Approximately 1,649 LF of 8-inch water main; approximately 730 LF of 12-inch water main; 9 fire hydrants; 1 4-inch vault service line; 1 4-inch water service line; and 2 2-inch irrigation service lines (the “Water System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, MCP does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit B attached hereto. The fair market value of the Water System Facilities transferred to the District is **\$233,226.00**.

**RECYCLED WATER SYSTEM FACILITIES – Approximately 558 LF of 4-inch recycled water main; 2 2-inch irrigation service line (the “Recycled Water System Facilities” and, together with the Sewer System Facilities and the Water System Facilities, the “Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, MCP does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, all right, title, and interest in and to the recycled water installation, including mains, laterals, valves, PRV’s, and other appurtenances to said recycled water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit C attached hereto. The fair market value of the Recycled Water System Facilities transferred to the District is **\$20,624.00**.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement. MCP represents and warrants that, to the knowledge of MCP, MCP has title to and the legal right to transfer and dispose of the Facilities. The transfer evidenced by this Bill of Sale is subject to the following conditions:

1. District represents and warrants to MCP that, prior to its execution and delivery of this Bill of Sale, District has been given a sufficient opportunity to inspect and investigate the Facilities. Except as expressly set forth in the Infrastructure Agreement, District acknowledges that there are no other implied or express warranties regarding the Facilities.

2. By signing below, MCP and District hereby further agree that nothing herein shall be construed as a sale, conveyance, transfer or assignment of any other equipment other than the Facilities.

3. If either party brings suit against the other to enforce or interpret this Bill of Sale, the prevailing party shall be entitled to reasonable attorneys' fees and such other relief as may be awarded by the court.

4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of law or conflict of law principles.

5. If any provision of this Bill of Sale to any extent is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Bill of Sale shall not be affected thereby.

6. This Bill of Sale constitute the entire agreement between the parties concerning the subject matter hereof and has been entered into in reliance solely on the contents hereof and thereof. This Bill of Sale may not be amended or modified except in writing signed by both parties. This Bill of Sale supersede any previous agreements concerning the subject matter hereof, written or oral, between the parties hereto.

7. This Bill of Sale shall be binding upon the successors and assigns of the parties hereto. All representations, warranties, acknowledgments, covenants, releases, and waivers made by District in this Bill of Sale, and all disclaimers made by MCP in this Bill of Sale, and all provisions of this Bill of Sale shall survive the execution and delivery of this Bill of Sale.


8. MCP and District each warrant to the other that it is duly authorized to execute this Bill of Sale, and that such execution is binding upon it without further action or ratification. The parties acknowledge their intent that this Bill of Sale and any related signature or record shall be binding whether created, transmitted or effected by traditional or electronic means. This Bill of Sale may be executed in one or more identical counterparts, each of which when taken together will constitute one and the same instrument.

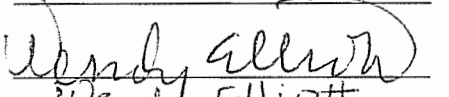
[SIGNATURE PAGE FOLLOWS]

**SIGNATURE OF MCP:**

MARINA COMMUNITY PARTNERS, LLC  
a Delaware limited liability company

By: Shea Homes Limited Partnership  
a California Limited Partnership, its managing member

By:   
Name: Donald A. Hofer  
Title: Assistant Secretary

By:   
Name: Wendy Elliott  
Title: Authorized Agent

DATED: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF MONTEREY        )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of \_\_\_\_\_, a \_\_\_\_\_ which the person acted, executed the instrument.

I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary/Public in and for said State

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California )SS  
COUNTY OF Alameda )

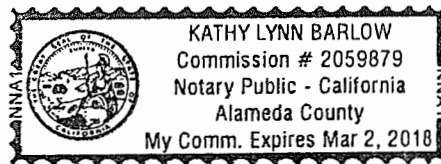
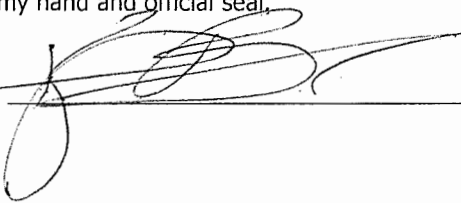
On March 24, 2016 before me, Kathy Lynn Barlow, Notary Public, personally appeared Donald A Hofer and Wendy Elliott

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal,

Signature \_\_\_\_\_



This area for official notarial seal.

### OPTIONAL SECTION CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- INDIVIDUAL
- CORPORATE OFFICER(S) TITLE(S):
- PARTNER(S)       LIMITED       GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER

SIGNER IS REPRESENTING:

\_\_\_\_\_  
Name of Person or Entity

\_\_\_\_\_  
Name of Person or Entity

### OPTIONAL SECTION

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

**THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW**

TITLE OR TYPE OF DOCUMENT: \_\_\_\_\_

NUMBER OF PAGES \_\_\_\_\_ DATE OF DOCUMENT \_\_\_\_\_

SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_



**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 2016-17 as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on March 21, 2016, the above Bill of Sale for Sewer System, Water System and Reclaimed Water System Facilities, dated March 21, 2016, is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: 4/13/16

By:   
 General Manager  
 MARINA COAST WATER DISTRICT


A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

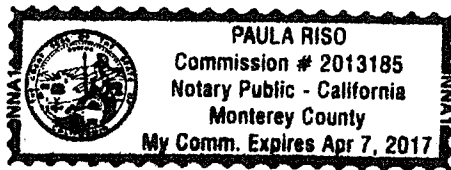
STATE OF CALIFORNIA            )  
   ) ss.  
 COUNTY OF MONTEREY        )

On April 13, 2016, before me, Paula Riso, a Notary Public, personally appeared Keith Van Der Maaten, who proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of MARINA COAST WATER DISTRICT, a county water district and political subdivision of the State of California which the person acted, executed the instrument.

I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
 Notary Public in and for said State



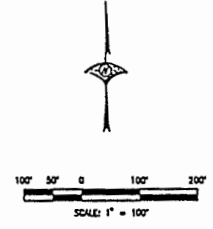
# EXHIBIT A

## SANITARY SEWER SYSTEM

### THE DUNES ON MONTEREY BAY

#### PHASE 1C - FIRST PHASE (DUNES 1C1)

SHEA HOMES  
CITY OF MARINA CALIFORNIA  
FEBRUARY 2018



**LEGEND**

- SANITARY SEWER PIPELINES TO BE TRANSFERRED
- PROJECT BOUNDARY
- SANITARY SEWER MANHOLE
- SANITARY SEWER PIPE SIZE (OF X" DIAMETER)



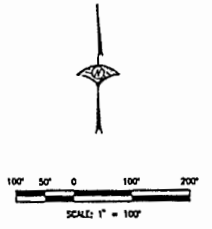
# EXHIBIT B

## DOMESTIC WATER SYSTEM






### THE DUNES ON MONTEREY BAY

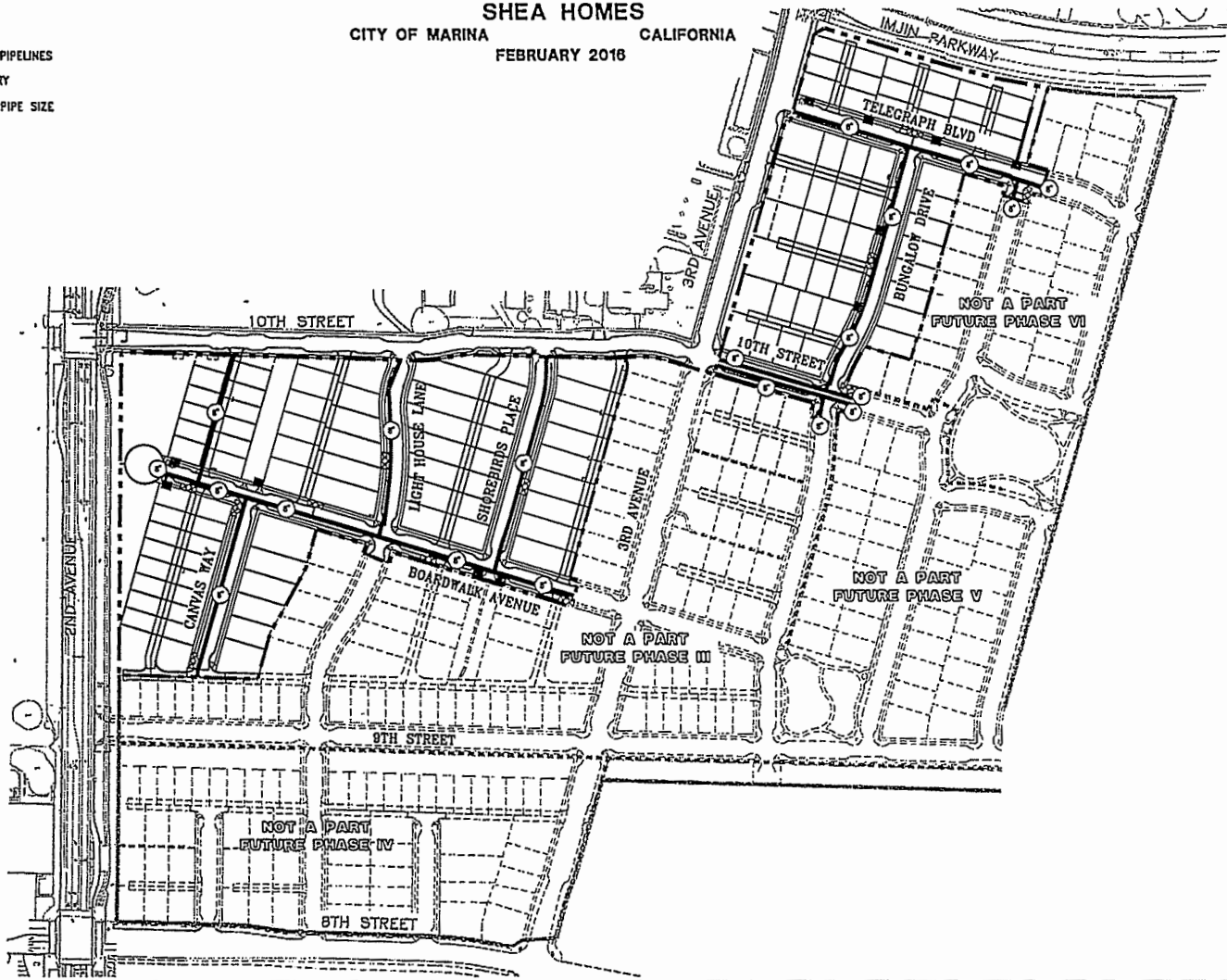
#### PHASE 1C - FIRST PHASE (DUNES 1C1)

SHEA HOMES  
CITY OF MARINA CALIFORNIA  
FEBRUARY 2016



**LEGEND**

-  DOMESTIC WATER PIPELINES
-  PROJECT BOUNDARY
-  DOMESTIC WATER PIPE SIZE  
(OF "X" DIAMETER)
-  FIRE HYDRANT
-  METER VAULT



March 21, 2016

Resolution No. 2016-17  
Resolution of the Board of Directors  
Marina Coast Water District

Accepting the The Dunes on Monterey Bay Phase 1C – First Phase Infrastructure Improvements  
Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and Shea Homes, L.P. for  
The Dunes On Monterey Bay – Phase 1C Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (District, MCWD), at a regular meeting duly called and held on March 21, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Shea Homes, L.P., a California limited partnership (Developer), entered into a Water, Sewer and Recycled Water Infrastructure Agreement (Infrastructure Agreement) for The Dunes On Monterey Bay – Phase 1C development project in the Ord Community portion of the City of Marina with MCWD on October 20, 2014 by the adoption of Resolution No. 2014-44; and,

WHEREAS, the Developer prepared plans for the development project titled The Dunes on Monterey Bay Phase 1C – First Phase (1C1); and,

WHEREAS, the Developer has constructed water, sewer and recycled water infrastructure for 1C1; and,

WHEREAS, construction of the 1C1 water, sewer and recycled water infrastructure is complete and the Developer has now satisfied all of the close-out conditions required for 1C1 in the Infrastructure Agreement for The Dunes On Monterey Bay – Phase 1C development project; and,

WHEREAS, the Developer requests that the District take ownership of the 1C1 installed infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership in this proposed action is \$1,569,946.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of The Dunes on Monterey Bay Phase 1C – First Phase Water, Sewer, and Recycled Water Infrastructure for The Dunes On Monterey Bay – Phase 1C development project and directs the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

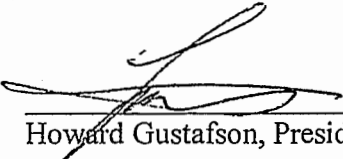
PASSED AND ADOPTED on March 21, 2016 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Shriner, Lee, Moore, Gustafson


Noes: Directors None

Absent: Directors None

Abstained: Directors None


  
Howard Gustafson, President

ATTEST:

  
Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2016-17 adopted March 21, 2016.

  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: March 21, 2016

Prepared By: Brian True

Approved By: Keith Van Der Maaten

Reviewed By: Michael Wegley

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2016-17 to Accept The Dunes on Monterey Bay Phase 1C – First Phase Infrastructure Improvements Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Shea Homes, L.P. for The Dunes on Monterey Bay – Phase 1C Development Project

Staff Recommendation: The District Board consider adopting Resolution No. 2016-17 accepting The Dunes on Monterey Bay Phase 1C – First Phase infrastructure improvements installed under the Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Shea Homes, L.P. for the Dunes on Monterey Bay – Phase 1C development project.

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

Shea Homes, L.P. (Developer) entered into a Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with Marina Coast Water District (MCWD) for The Dunes on Monterey Bay – Phase 1C development project in the Ord Community portion of the City of Marina through MCWD's Resolution No. 2014-44 on October 20, 2014. The Developer then commissioned plans for and began work on the development with project plans titled The Dunes on Monterey Bay Phase 1C – First Phase (1C1). The infrastructure installation for 1C1 is now complete and the Developer requests that, consistent with the Infrastructure Agreement, MCWD now accept the transfer of ownership of the 1C1 infrastructure.

Discussion/Analysis: The 1C1 infrastructure improvements made by the Developer for which acceptance of ownership is requested includes potable water pipelines and appurtenances, recycled water pipelines and appurtenances, and sanitary sewer pipelines and appurtenances. The Developer installed all 1C1 improvements on behalf of MCWD within the boundaries of Dunes on Monterey Bay – Phase 1C development project; a depiction of the 1C1 infrastructure to be owned by MCWD may be found within the attached Bills of Sale that includes Exhibits mapping the locations of the infrastructure. The reason there are two Bills of Sale is because the infrastructure within 3<sup>rd</sup> Avenue and 10th Street was largely installed and tested (and placed in-service) in 2007 by Marina Community Partners (MCP). The Developer is the majority partner of MCP and more recently has taken direct responsibility for constructing the residential products within the Dunes on Monterey Bay development. However, the actual current owner of the 1C1 infrastructure installed in 2007 and completed most recently by the Developer is, in fact, MCP; thus the need to have two distinct Bills of Sale transferring ownership of all 1C1 water,

8/01/07  
ML

sewer, and recycled water infrastructure to MCWD at this time. The fact that project phase 1C1 is a continuation of previous efforts also leads to the rationale behind having only a single Warranty Bond. This occurs because the bond covering the work both in the past and today was put-in place originally by MCP; thus, MCP is providing the Warranty Bond that covers all the infrastructure being accepted for ownership by MCWD today. The total value of the infrastructure to be transferred to MCWD for ownership in this proposed action is \$1,569,946.

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a Bill of Sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a 1C1 punch-list walk-through and the associated corrective work was completed in January 2016. The easements appropriate for this transfer-of-ownership transaction were recorded in Monterey County as part of the Final Map recorded in February 2015; all currently proposed MCWD infrastructure/assets are located within the public right-of-way and public utility easements recorded on the subdivision's Final Map (no private easements were required for this project phase). Two Bills of Sale are prepared for execution and are awaiting this Board-action for Acceptance (see attached). As-Built drawings for the 1C1 improvements described above were received and accepted as adequate on March 3, 2016. The drafted Warranty Bond for 1C1 has been provided (see attached) and awaits this Board-action to be executed completely and provided to MCWD. The value of the draft Warranty Bond reflects the Infrastructure Agreement requirement for being 20% of the value of the infrastructure being transferred. In accord with the Infrastructure Agreement, this list fulfills the District's requirements and conditions for accepting ownership of the 1C1 installed infrastructure.

Environmental Review Compliance: None required.

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

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2016-17; Bills of Sale (one from MCP and one from Shea Homes, L.P.) prepared for execution; and draft Warranty Bond.

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

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Board Action

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

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

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

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

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



## **BILL OF SALE**

**SEWER SYSTEM FACILITIES – Approximately 2,655 LF of 8-inch sewer main; approximately 437 LF of 15-inch sewer main; approximately 20 sanitary sewer manholes; and approximately 71 sewer service laterals (the “Sewer System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, Shea Homes Limited Partnership, a California limited partnership (“SHLP”), does hereby transfer and convey to the Marina Coast Water District (the “District”), a County Water District organized under the laws of the State of California, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in that Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the two parties dated October 5, 2014 (“Infrastructure Agreement”), all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated January 26, 2017, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – Second Phase Record Drawings, Plan Sheets 1 through 55 as depicted on Exhibit A attached hereto. The fair market value of the Sewer System Facilities transferred to the District is **\$356,740.00**.

**WATER SYSTEM FACILITIES – Approximately 3,334 LF of 8-inch water main; approximately 773 LF of 12-inch water main; approximately 9 fire hydrants; approximately 89 - 1-inch water service lines; approximately 4 - 2 inch water service lines; approximately 2 - 4” water service lines; and approximately 1 - 2” irrigation service lines (the “Water System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, SHLP does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated January 26, 2017, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – Second Phase Record Drawings, Plan Sheets 1 through 55 as depicted on Exhibit B attached hereto. The fair market value of the Water System Facilities transferred to the District is **\$565,620.00**.

**RECYCLED WATER SYSTEM FACILITIES – Approximately 1,252 LF of 8-inch recycled water main; approximately 3 - 2-inch irrigation service line (the “Recycled Water System Facilities”; 1 recycled to domestic water connection and, together with the Sewer System Facilities and the Water System Facilities, the “Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, SHLP does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, all right, title, and interest in and to the recycled water installation, including mains, laterals, valves, PRV’s, and other appurtenances to said recycled water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated January 26, 2017, Street Improvement Plans for The Dunes on Monterey Bay

Phase 1 C – Second Phase Record Drawings, Plan Sheets 1 through 55 as depicted on Exhibit C attached hereto. The fair market value of the Recycled Water System Facilities transferred to the District is **\$97,560.00**.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement. SHLP represents and warrants that, to the knowledge of SHLP, SHLP has title to and the legal right to transfer and dispose of the Facilities. The transfer evidenced by this Bill of Sale is subject to the following conditions:

1. District represents and warrants to SHLP that, prior to its execution and delivery of this Bill of Sale, District has been given a sufficient opportunity to inspect and investigate the Facilities. Except as expressly set forth in the Infrastructure Agreement, District acknowledges that there are no other implied or express warranties regarding the Facilities.

2. By signing below, SHLP and District hereby further agree that nothing herein shall be construed as a sale, conveyance, transfer or assignment of any other equipment other than the Facilities.

3. If either party brings suit against the other to enforce or interpret this Bill of Sale, the prevailing party shall be entitled to reasonable attorneys' fees and such other relief as may be awarded by the court.

4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of law or conflict of law principles.

5. If any provision of this Bill of Sale to any extent is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Bill of Sale shall not be affected thereby.

6. This Bill of Sale constitute the entire agreement between the parties concerning the subject matter hereof and has been entered into in reliance solely on the contents hereof and thereof. This Bill of Sale may not be amended or modified except in writing signed by both parties. This Bill of Sale supersede any previous agreements concerning the subject matter hereof, written or oral, between the parties hereto.

7. This Bill of Sale shall be binding upon the successors and assigns of the parties hereto. All representations, warranties, acknowledgments, covenants, releases, and waivers made by District in this Bill of Sale, and all disclaimers made by SHLP in this Bill of Sale, and all provisions of this Bill of Sale shall survive the execution and delivery of this Bill of Sale.

8. SHLP and District each warrant to the other that it is duly authorized to execute this Bill of Sale, and that such execution is binding upon it without further action or ratification. The parties acknowledge their intent that this Bill of Sale and any related signature or record shall be binding whether created, transmitted or effected by traditional or electronic means. This Bill of Sale may be executed in one or more identical counterparts, each of which when taken together will constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 2017-\_\_\_\_ as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on \_\_\_\_\_, the above Bill of Sale for Sewer System, Water System and Reclaimed Water System Facilities, dated \_\_\_\_\_, is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: \_\_\_\_\_

By: \_\_\_\_\_

General Manager  
MARINA COAST WATER DISTRICT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF MONTEREY         )

On \_\_\_\_\_, 2017, before me, Paula Riso, a Notary Public, personally appeared Keith Van Der Maaten, who proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of MARINA COAST WATER DISTRICT, a county water district and political subdivision of the State of California which the person acted, executed the instrument.

I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public in and for said State

August 21, 2017

Resolution No. 2017-54  
Resolution of the Board of Directors  
Marina Coast Water District

Accepting the Infrastructure Improvements Installed Under a Construction and Transfer of  
Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and Shea Homes, L.P. for  
The Dunes On Monterey Bay 1C – Phase 2 Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (District, MCWD), at a regular meeting duly called and held on August 21, 2017, at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Shea Homes, L.P., a California limited partnership (Developer), entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement (Infrastructure Agreement) for The Dunes On Monterey Bay 1C – Phase 2 development project in the Ord Community portion of the City of Marina with MCWD on November 2, 2015 by the adoption of Resolution No. 2015-51; and,

WHEREAS, the Developer prepared plans for the development project titled The Dunes on Monterey Bay 1C –Phase 2 (1C2) ; and,

WHEREAS, the Developer has constructed water, sewer and recycled water infrastructure for 1C2; and,

WHEREAS, construction of the 1C2 water, sewer and recycled water infrastructure is complete and the Developer has now satisfied all of the close-out conditions required for 1C2 in the Infrastructure Agreement for The Dunes On Monterey Bay 1C – Phase 2 development project; and,

WHEREAS, the Developer requests that the District take ownership of the installed 1C2 infrastructure.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of water, sewer, and recycled water infrastructure for The Dunes On Monterey Bay 1C – Phase 2 development project and directs the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

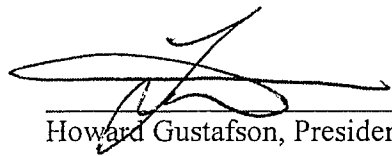
PASSED AND ADOPTED on August 21, 2017 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Shriner, Cortez, Lee, Moore, Gustafson

Noes: Directors None

Absent: Directors None

Abstained: Directors None



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Howard Gustafson, President

ATTEST:



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Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2016-54 adopted August 21, 2017.



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Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-B

Meeting Date: August 21, 2017

Prepared By: Brian True  
Reviewed By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-54 to Accept the Infrastructure Improvements Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Shea Homes, L.P. for The Dunes on Monterey Bay 1C – Phase 2 Development Project

Staff Recommendation: The District Board consider adopting Resolution No. 2017-54 accepting the infrastructure improvements installed under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Shea Homes, L.P. for the Dunes on Monterey Bay 1C – Phase 2 development project.

*Background: 5-year Strategic Plan, Strategic Element 2.0 Infrastructure – Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District Standards.*

Shea Homes, L.P. (Developer) entered into a Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with Marina Coast Water District (MCWD) for The Dunes on Monterey Bay 1C – Phase 2 development project in the Ord Community portion of the City of Marina through the adoption of Resolution No. 2015-51 on November 2, 2015. The Developer commissioned plans for and worked on the development with project plans titled The Dunes on Monterey Bay 1C – Phase 2 (1C2). The 1C2 infrastructure improvements includes potable water pipelines and appurtenances, recycled water pipelines and appurtenances, and sanitary sewer pipelines and appurtenances.

Discussion/Analysis: The infrastructure installation for 1C2 is complete and the Developer requests that MCWD now accept transfer of ownership of the 1C2 infrastructure consistent with the Infrastructure Agreement. The Developer installed all 1C2 improvements on behalf of MCWD within the boundaries of Dunes on Monterey Bay – Phase 1C development project. A depiction of the 1C2 infrastructure to be owned by MCWD is within the attached Bill of Sale that includes Exhibits mapping the locations of the infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership is \$1,019,920.

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Submission of As-Built drawings for the work
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a Bill of Sale
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a 1C2 punch-list walk-through and the associated corrective work was completed in June, 2017. As-Built drawings for the 1C2 improvements described above were received and accepted as adequate on July 21, 2017. An Engineers Estimate of Construction Costs (see attached) was submitted and accepted by MCWD staff that documents the dollar value of the infrastructure within this Dunes 1C2 phase being transferred for MCWD's ownership. The easements appropriate for this transfer-of-ownership transaction were recorded in Monterey County as part of the Final Map recorded in November 2015; all currently proposed MCWD infrastructure/assets were located within the public right-of-way and public utility easements recorded on the subdivision's Final Map (no private easements were required for this project phase).

A Bill of Sale prepared for acceptance and execution is ready for Board-action (see attached); the values in the Bill of Sale correspond to the values from the Engineer's Estimate. A draft Warranty Bond for 1C2 provided to MCWD (see attached) is ready for Board-action to be executed. The value of the draft Warranty Bond reflects the Infrastructure Agreement requirement to be 20% of the value of the infrastructure being transferred (20% of \$1,019,920 = \$203,984). In accord with the Infrastructure Agreement, this list fulfills the District's requirements and conditions for accepting ownership of the installed 1C2 infrastructure.

Environmental Review Compliance: None required.

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

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2017-54; Engineer's Estimate of Construction Costs; Bill of Sale prepared for execution; and, draft Warranty Bond.

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

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Board Action

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

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

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



## **BILL OF SALE**

**SEWER SYSTEM FACILITIES – Approximately 3,373 LF of 8-inch sewer main; approximately 291 LF of 12-inch sewer main; approximately 398 LF of 15-inch sewer main; 31 sanitary sewer manholes; and approximately 134 sewer service laterals (the “Sewer System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, Shea Homes Limited Partnership, a California limited partnership (“SHLP”), does hereby transfer and convey to the Marina Coast Water District (the “District”), a County Water District organized under the laws of the State of California, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in that Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the two parties dated October 5, 2014 (“Infrastructure Agreement”), all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit A attached hereto. The fair market value of the Sewer System Facilities transferred to the District is **\$546,393.00**.

**WATER SYSTEM FACILITIES – Approximately 3,776 LF of 8-inch water main; 12 fire hydrants; 59 - 1 1/2-inch water service lines; 4 - 2 inch water service lines; and 11 - 4” water service Lines (the “Water System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, SHLP does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated February 23, 2016, Street Improvement Plans for The Dunes on Monterey Bay Phase 1 C – First Phase Record Drawings, Plan Sheets 1 through 50 as depicted on Exhibit B attached hereto. The fair market value of the Water System Facilities transferred to the District is **\$629,516.00**.

✓ This Bill of Sale is in accordance with and subject to the Infrastructure Agreement. SHLP represents and warrants that, to the knowledge of SHLP, SHLP has title to and the legal right to transfer and dispose of the Facilities. The transfer evidenced by this Bill of Sale is subject to the following conditions:

1. District represents and warrants to SHLP that, prior to its execution and delivery of this Bill of Sale, District has been given a sufficient opportunity to inspect and investigate the Facilities. Except as expressly set forth in the Infrastructure Agreement, District acknowledges that there are no other implied or express warranties regarding the Facilities.

2. By signing below, SHLP and District hereby further agree that nothing herein shall be construed as a sale, conveyance, transfer or assignment of any other equipment other than the Facilities.

3. If either party brings suit against the other to enforce or interpret this Bill of Sale, the prevailing party shall be entitled to reasonable attorneys' fees and such other relief as may be awarded by the court.

4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of law or conflict of law principles.

5. If any provision of this Bill of Sale to any extent is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Bill of Sale shall not be affected thereby.

6. This Bill of Sale constitute the entire agreement between the parties concerning the subject matter hereof and has been entered into in reliance solely on the contents hereof and thereof. This Bill of Sale may not be amended or modified except in writing signed by both parties. This Bill of Sale supersede any previous agreements concerning the subject matter hereof, written or oral, between the parties hereto.

7. This Bill of Sale shall be binding upon the successors and assigns of the parties hereto. All representations, warranties, acknowledgments, covenants, releases, and waivers made by District in this Bill of Sale, and all disclaimers made by SHLP in this Bill of Sale, and all provisions of this Bill of Sale shall survive the execution and delivery of this Bill of Sale.

8. SHLP and District each warrant to the other that it is duly authorized to execute this Bill of Sale, and that such execution is binding upon it without further action or ratification. The parties acknowledge their intent that this Bill of Sale and any related signature or record shall be binding whether created, transmitted or effected by traditional or electronic means. This Bill of Sale may be executed in one or more identical counterparts, each of which when taken together will constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California )SS  
COUNTY OF Alameda )

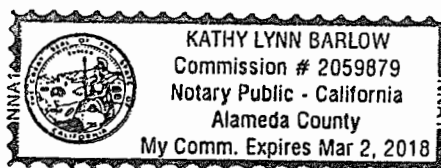
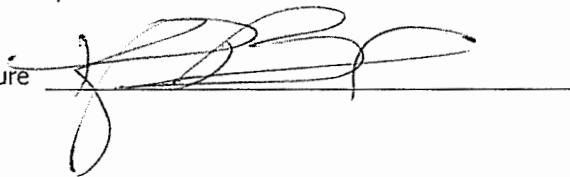
On March 24, 2016 before me, Kathy Lynn Barlow, Notary Public, personally appeared Donald A Hofer and Wendy Elliott

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



This area for official notarial seal.

### OPTIONAL SECTION CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- INDIVIDUAL  
 CORPORATE OFFICER(S) TITLE(S):  
 PARTNER(S)  LIMITED  GENERAL  
 ATTORNEY-IN-FACT  
 TRUSTEE(S)  
 GUARDIAN/CONSERVATOR  
 OTHER

SIGNER IS REPRESENTING:

\_\_\_\_\_  
Name of Person or Entity

\_\_\_\_\_  
Name of Person or Entity

### OPTIONAL SECTION

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

#### THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: \_\_\_\_\_

NUMBER OF PAGES \_\_\_\_\_ DATE OF DOCUMENT \_\_\_\_\_

SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_



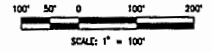
# EXHIBIT A

## SANITARY SEWER SYSTEM

### THE DUNES ON MONTEREY BAY

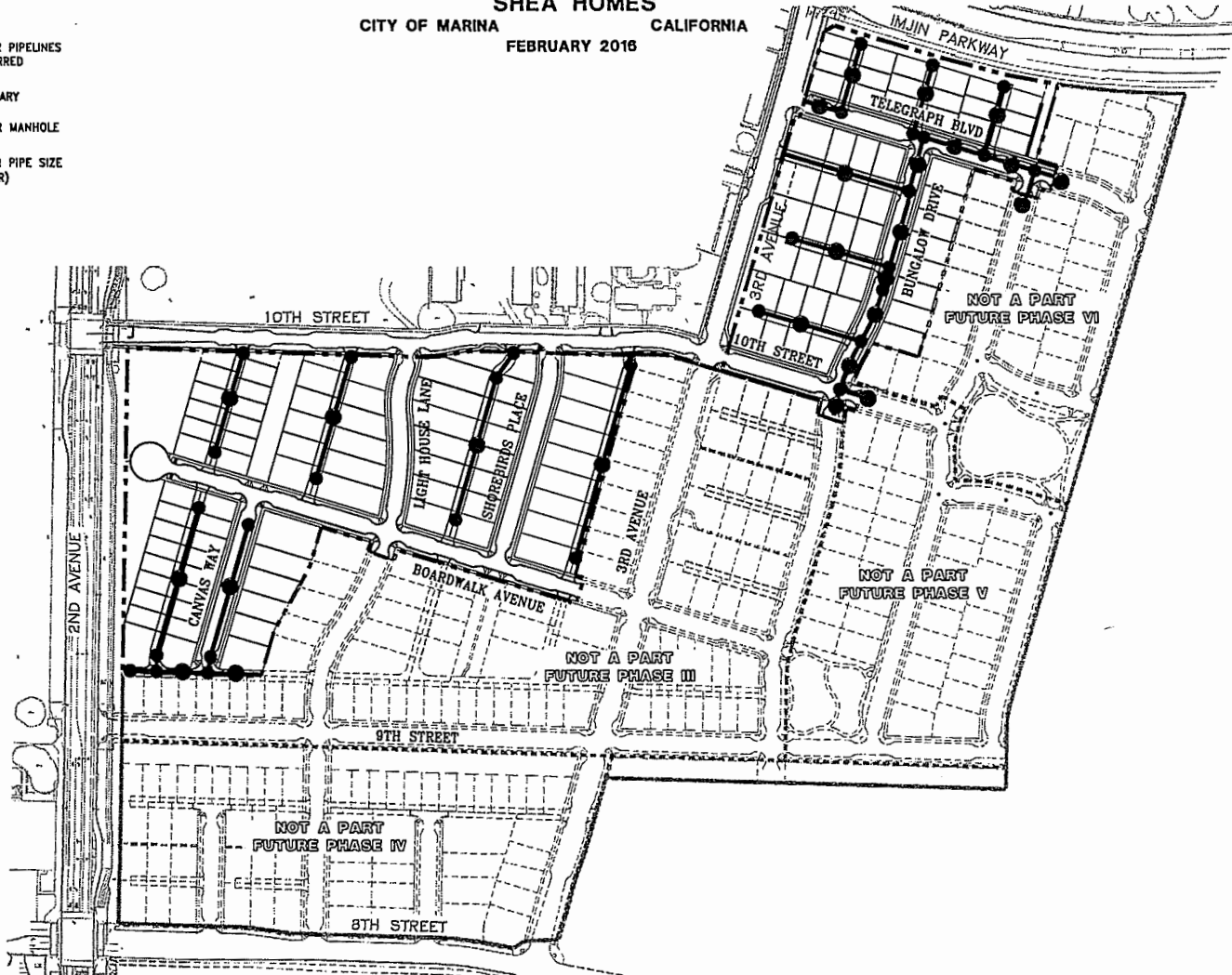
#### PHASE 1C - FIRST PHASE (DUNES 1C1)

SHEA HOMES  
CITY OF MARINA CALIFORNIA  
FEBRUARY 2016



#### LEGEND

- SANITARY SEWER PIPELINES TO BE TRANSFERRED
- PROJECT BOUNDARY
- SANITARY SEWER MANHOLE
- SANITARY SEWER PIPE SIZE (OF X" DIAMETER)



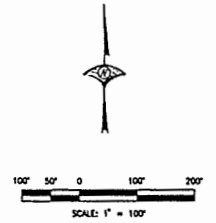
# EXHIBIT B

## DOMESTIC WATER SYSTEM






### THE DUNES ON MONTEREY BAY

#### PHASE 1C - FIRST PHASE (DUNES 1C1)

SHEA HOMES  
CITY OF MARINA CALIFORNIA  
FEBRUARY 2018



#### LEGEND

-  DOMESTIC WATER PIPELINES
-  PROJECT BOUNDARY
-  DOMESTIC WATER PIPE SIZE  
(OF X" DIAMETER)
-  FIRE HYDRANT
-  METER VAULT



THIS DOCUMENT IS THE PROPERTY OF WOOD ROGERS AND SHOULD NOT BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM.

March 21, 2016

Resolution No. 2016-17  
Resolution of the Board of Directors  
Marina Coast Water District

Accepting the The Dunes on Monterey Bay Phase 1C – First Phase Infrastructure Improvements  
Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and Shea Homes, L.P. for  
The Dunes On Monterey Bay – Phase 1C Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (District, MCWD), at a regular meeting duly called and held on March 21, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Shea Homes, L.P., a California limited partnership (Developer), entered into a Water, Sewer and Recycled Water Infrastructure Agreement (Infrastructure Agreement) for The Dunes On Monterey Bay – Phase 1C development project in the Ord Community portion of the City of Marina with MCWD on October 20, 2014 by the adoption of Resolution No. 2014-44; and,

WHEREAS, the Developer prepared plans for the development project titled The Dunes on Monterey Bay Phase 1C – First Phase (1C1); and,

WHEREAS, the Developer has constructed water, sewer and recycled water infrastructure for 1C1; and,

WHEREAS, construction of the 1C1 water, sewer and recycled water infrastructure is complete and the Developer has now satisfied all of the close-out conditions required for 1C1 in the Infrastructure Agreement for The Dunes On Monterey Bay – Phase 1C development project; and,

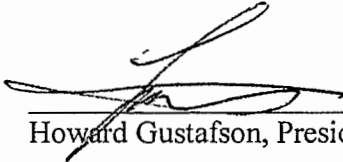
WHEREAS, the Developer requests that the District take ownership of the 1C1 installed infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership in this proposed action is \$1,569,946.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of The Dunes on Monterey Bay Phase 1C – First Phase Water, Sewer, and Recycled Water Infrastructure for The Dunes On Monterey Bay – Phase 1C development project and directs 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 21, 2016 by the Board of Directors of the Marina Coast Water District by the following roll call vote:



Ayes: Directors Shriner, Lee, Moore, Gustafson  
Noes: Directors None  
Absent: Directors None  
Abstained: Directors None


  
Howard Gustafson, President

ATTEST:

  
Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2016-17 adopted March 21, 2016.

  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 9-A

Meeting Date: March 21, 2016

Prepared By: Brian True  
Reviewed By: Michael Wegley

Approved By: Keith Van Der Maaten

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2016-17 to Accept The Dunes on Monterey Bay Phase 1C – First Phase Infrastructure Improvements Installed Under a Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Shea Homes, L.P. for The Dunes on Monterey Bay – Phase 1C Development Project

Staff Recommendation: The District Board consider adopting Resolution No. 2016-17 accepting The Dunes on Monterey Bay Phase 1C – First Phase infrastructure improvements installed under the Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Shea Homes, L.P. for the Dunes on Monterey Bay – Phase 1C development project.

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

Shea Homes, L.P. (Developer) entered into a Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with Marina Coast Water District (MCWD) for The Dunes on Monterey Bay – Phase 1C development project in the Ord Community portion of the City of Marina through MCWD's Resolution No. 2014-44 on October 20, 2014. The Developer then commissioned plans for and began work on the development with project plans titled The Dunes on Monterey Bay Phase 1C – First Phase (1C1). The infrastructure installation for 1C1 is now complete and the Developer requests that, consistent with the Infrastructure Agreement, MCWD now accept the transfer of ownership of the 1C1 infrastructure.

Discussion/Analysis: The 1C1 infrastructure improvements made by the Developer for which acceptance of ownership is requested includes potable water pipelines and appurtenances, recycled water pipelines and appurtenances, and sanitary sewer pipelines and appurtenances. The Developer installed all 1C1 improvements on behalf of MCWD within the boundaries of Dunes on Monterey Bay – Phase 1C development project; a depiction of the 1C1 infrastructure to be owned by MCWD may be found within the attached Bills of Sale that includes Exhibits mapping the locations of the infrastructure. The reason there are two Bills of Sale is because the infrastructure within 3<sup>rd</sup> Avenue and 10th Street was largely installed and tested (and placed in-service) in 2007 by Marina Community Partners (MCP). The Developer is the majority partner of MCP and more recently has taken direct responsibility for constructing the residential products within the Dunes on Monterey Bay development. However, the actual current owner of the 1C1 infrastructure installed in 2007 and completed most recently by the Developer is, in fact, MCP; thus the need to have two distinct Bills of Sale transferring ownership of all 1C1 water,

8/01/07  
mc

sewer, and recycled water infrastructure to MCWD at this time. The fact that project phase 1C1 is a continuation of previous efforts also leads to the rationale behind having only a single Warranty Bond. This occurs because the bond covering the work both in the past and today was put-in place originally by MCP; thus, MCP is providing the Warranty Bond that covers all the infrastructure being accepted for ownership by MCWD today. The total value of the infrastructure to be transferred to MCWD for ownership in this proposed action is \$1,569,946.

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a Bill of Sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a 1C1 punch-list walk-through and the associated corrective work was completed in January 2016. The easements appropriate for this transfer-of-ownership transaction were recorded in Monterey County as part of the Final Map recorded in February 2015; all currently proposed MCWD infrastructure/assets are located within the public right-of-way and public utility easements recorded on the subdivision's Final Map (no private easements were required for this project phase). Two Bills of Sale are prepared for execution and are awaiting this Board-action for Acceptance (see attached). As-Built drawings for the 1C1 improvements described above were received and accepted as adequate on March 3, 2016. The drafted Warranty Bond for 1C1 has been provided (see attached) and awaits this Board-action to be executed completely and provided to MCWD. The value of the draft Warranty Bond reflects the Infrastructure Agreement requirement for being 20% of the value of the infrastructure being transferred. In accord with the Infrastructure Agreement, this list fulfills the District's requirements and conditions for accepting ownership of the 1C1 installed infrastructure.

Environmental Review Compliance: None required.

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

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2016-17; Bills of Sale (one from MCP and one from Shea Homes, L.P.) prepared for execution; and draft Warranty Bond.

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

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Board Action

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

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

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

## **BILL OF SALE**

**SEWER SYSTEM FACILITIES – Approximately 1,919 LF of 8-inch sewer main; approximately 485 LF of 15-inch sewer main; approximately 1,900 LF of 24-inch sewer main; approximately 1,106 LF of 27-inch sewer main; approximately 24 LF of 30-inch sewer main; approximately 13 sewer service laterals ranging in size from 4” to 6” in diameter; and 31 manholes (the “Sewer System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, Shea Marina Village, LLC, a California limited liability company (“SMV”), does hereby transfer and convey to the Marina Coast Water District (the “District”), a County Water District organized under the laws of the State of California, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in that Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the two parties dated December 15, 2005 (“Infrastructure Agreement”), all right, title, and interest in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated March 2007, Sanitary Sewer Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1 through 12 (G1 and G2 and SS1-SS10) as depicted on Exhibit A attached hereto. The fair market value of the Sewer System Facilities transferred to the District is **\$1,991,000**.

**WATER SYSTEM FACILITIES – Approximately 1,638 LF of 8-inch water main; approximately 3,771 LF of 12-inch water main; 7-2-inch water service lines; 8 fire service lines; and 16 fire hydrants (the “Water System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, SMV does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, all right, title, and interest in and to the water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated September 2007, Domestic Water Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1 through 10 (G1-G3 and DW1–DW7) as depicted on Exhibit B attached hereto. The fair market value of the Water System Facilities transferred to the District is **\$893,813**.

**RECYCLED WATER SYSTEM FACILITIES – Approximately 975-LF of 4-inch recycled water main; and 1,124-LF of 8-inch recycled water main; 3-2-inch irrigation service lines, and 1 4-inch reduced pressure principle backflow assembly (the “Recycled Water System Facilities” and, together with the Sewer System Facilities and the Water System Facilities, the “Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, SMV does hereby transfer and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement between the two parties dated December 15, 2005, all right, title, and interest in and to the recycled water installation, including mains, laterals, valves, PRV’s, and other appurtenances to said recycled water installation, constructed and installed in accepted and

recorded easements per Final accepted As-Built Plans dated September 2007, Domestic Water Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1,2,3 and 11 (G1-G3 and DW8), as depicted on Exhibit C attached hereto. The fair market value of the Recycled Water System Facilities transferred to the District is \$236,187.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement. SMV represents and warrants that, to the knowledge of SMV, SMV has title to and the legal right to transfer and dispose of the Facilities. The transfer evidenced by this Bill of Sale is subject to the following conditions:

1. District represents and warrants to SMV that, prior to its execution and delivery of this Bill of Sale, District has been given a sufficient opportunity to inspect and investigate the Facilities. Except as expressly set forth in the Infrastructure Agreement, District acknowledges that there are no other implied or express warranties between the parties.

2. By signing below, SMV and District hereby further agree that nothing herein shall be construed as a sale, conveyance, transfer or assignment of any other equipment other than the Facilities.

3. If either party brings suit against the other to enforce or interpret this Bill of Sale, the prevailing party shall be entitled to reasonable attorneys' fees and such other relief as may be awarded by the court.

4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of law or conflict of law principles.

5. If any provision of this Bill of Sale to any extent is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Bill of Sale shall not be affected thereby.

6. This Bill of Sale constitute the entire agreement between the parties concerning the subject matter hereof and has been entered into in reliance solely on the contents hereof and thereof. This Bill of Sale may not be amended or modified except in writing signed by both parties. This Bill of Sale supersede any previous agreements concerning the subject matter hereof, written or oral, between the parties hereto.

7. This Bill of Sale shall be binding upon the successors and assigns of the parties hereto. All representations, warranties, acknowledgments, covenants, releases, and waivers made by District in this Bill of Sale, and all disclaimers made by SMV in this Bill of Sale, and all provisions of this Bill of Sale shall survive the execution and delivery of this Bill of Sale.

8. SMV and District each warrant to the other that it is duly authorized to execute this Bill of Sale, and that such execution is binding upon it without further action or ratification. The parties acknowledge their intent that this Bill of Sale and any related signature or record shall be binding whether created, transmitted or effected by traditional or electronic means. This Bill of Sale may be executed in one or more identical counterparts, each of which when taken together will constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Orange )  
On January 12, 2016 before me, Amanda Rose Keady, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared Steve Schafenecker and Julia Guizan  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Amanda Rose Keady  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

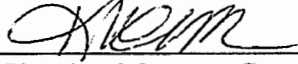
Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



**CERTIFICATE OF ACCEPTANCE**

As per Resolution No. 2016-04 as set forth in the minutes of a meeting of the Board of Directors of the Marina Coast Water District held on January 11, 2016, the above Bill of Sale for Sewer System, Water System and Reclaimed Water System Facilities, dated January 12, 2016, is hereby accepted by order of the Board of Directors of the Marina Coast Water District, a County Water District organized under the laws of the State of California.

Date of Acceptance: February 17, 2016  
By:   
Keith Van Der Maaten - General Manager  
MARINA COAST WATER DISTRICT

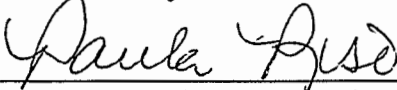
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

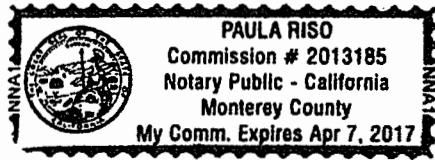
STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF MONTEREY         )

On February 17, 2016, before me, Paula Riso, a Notary Public, personally appeared Keith Van Der Maaten, who proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of MARINA COAST WATER DISTRICT, a county water district and political subdivision of the State of California which the person acted, executed the instrument.

I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Notary Public in and for said State



# EXHIBIT A

## SANITARY SEWER SYSTEM

### THE DUNES ON MONTEREY BAY





#### PHASE 1A - COMMERCIAL FAST TRACK

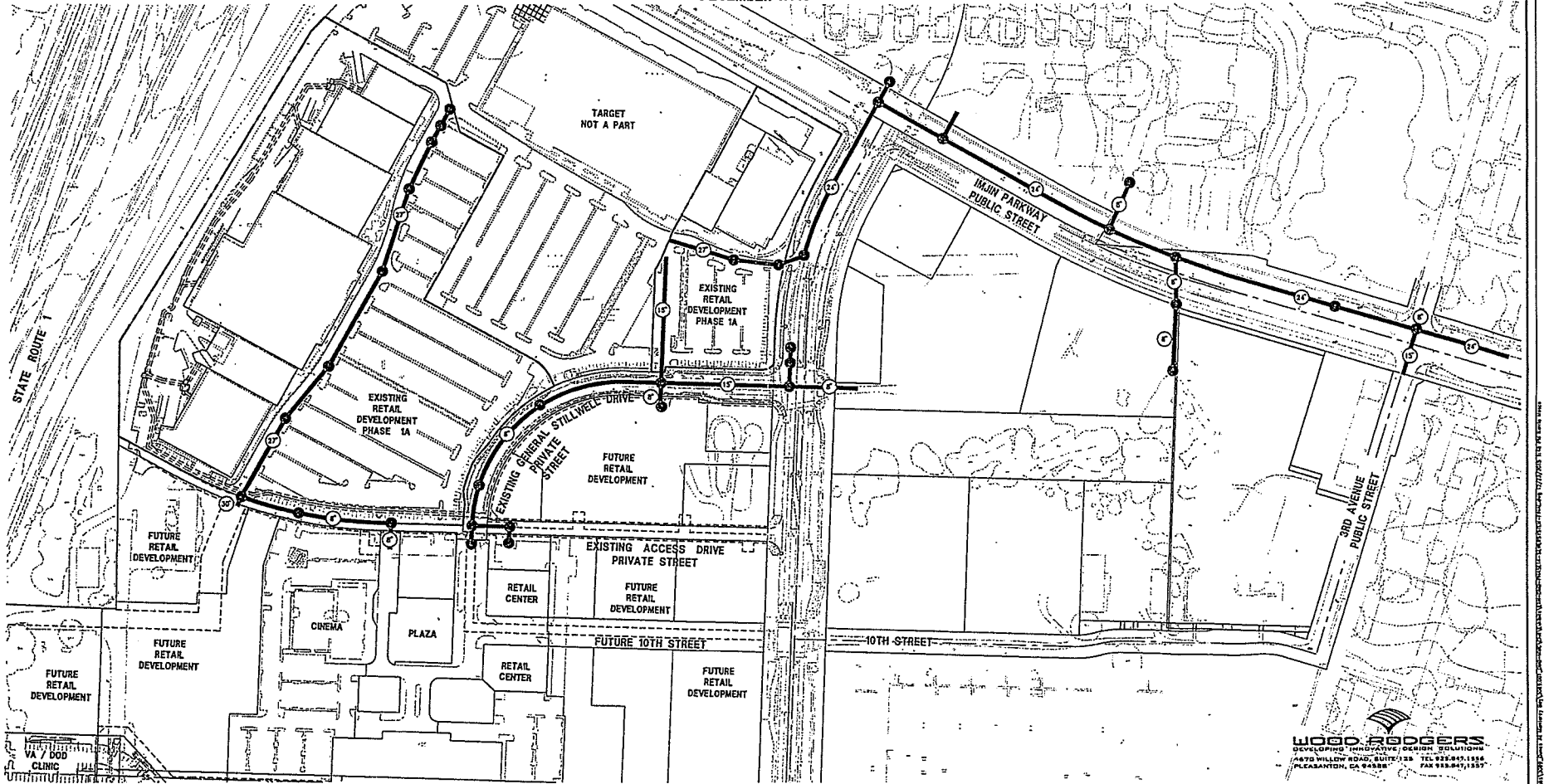
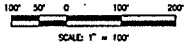
SHEA MARINA VILLAGE, LLC

CITY OF MARINA CALIFORNIA

DECEMBER 2015

#### LEGEND

-  SANITARY SEWER PIPELINES TO BE TRANSFERRED
-  PROJECT BOUNDARY
-  SANITARY SEWER PIPE SIZE (OF X" DIAMETER)
-  SANITARY SEWER MANHOLE



**WOOD ROGERS**  
ENGINEERING AND ARCHITECTURE  
4670 WILLOW ROAD, SUITE 325 TEL 925.847.1556  
PLEASANTON, CA 94588 FAX 925.847.1557




# EXHIBIT B

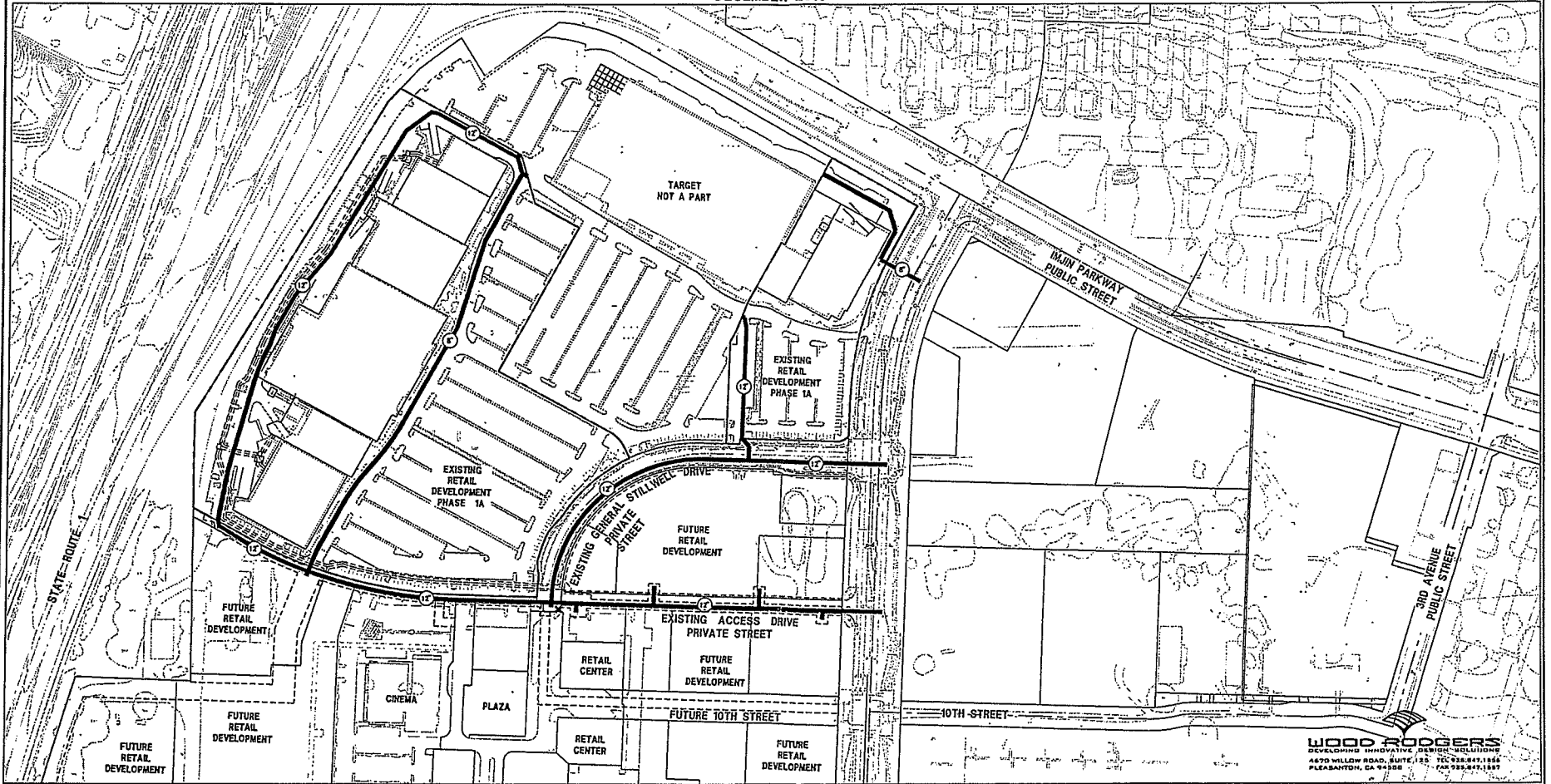
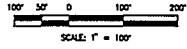
## DOMESTIC WATER SYSTEM

### THE DUNES ON MONTEREY BAY PHASE 1A - COMMERCIAL FAST TRACK

SHEA MARINA VILLAGE, LLC  
CITY OF MARINA CALIFORNIA  
DECEMBER 2015

#### LEGEND

-  DOMESTIC WATER PIPELINES
-  PROJECT BOUNDARY
-  DOMESTIC WATER PIPE SIZE (OF X" DIAMETER)



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DEVELOPING INNOVATIVE DESIGN SOLUTIONS  
4670 WILLOW ROAD, SUITE 125 TECUMSEH, GA 30588  
PHONE 770-947-1886 FAX 770-947-1887

C:\Users\jrogers\OneDrive\Documents\Projects\2015\12-15-15\12-15-15.dwg 12/15/2015 3:11 PM

# EXHIBIT C

## RECYCLED WATER SYSTEM

### THE DUNES ON MONTEREY BAY




#### PHASE 1A - COMMERCIAL FAST TRACK

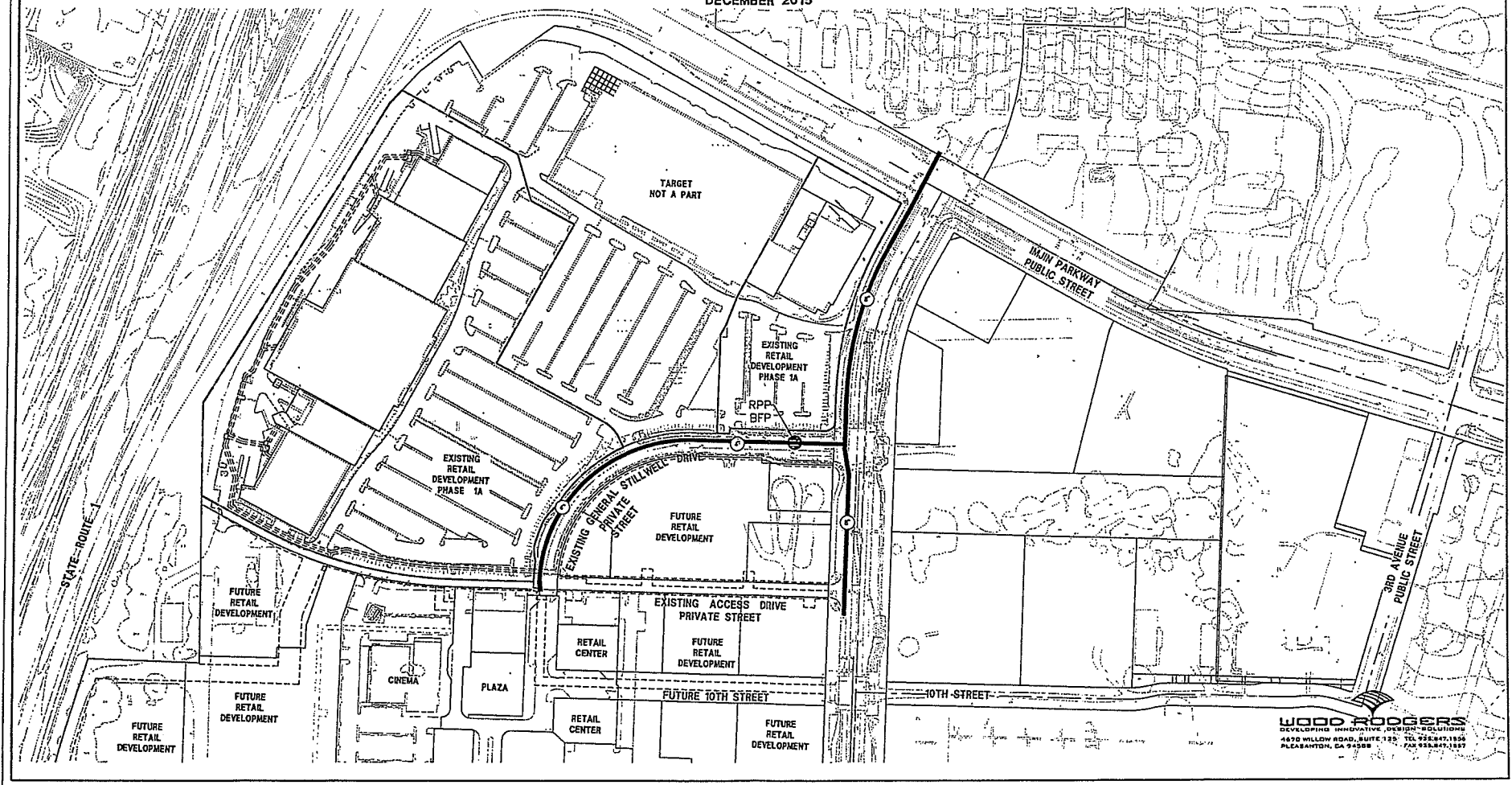
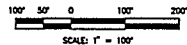
SHEA MARINA VILLAGE, LLC

CITY OF MARINA CALIFORNIA

DECEMBER 2015

#### LEGEND

-  RECYCLED WATER PIPELINES
-  PROJECT BOUNDARY
-  RECYCLED WATER PIPE SIZE (OF X" DIAMETER)



**WOOD ROGERS**  
DEVELOPING INNOVATIVE DESIGN SOLUTIONS  
1670 WILLOW ROAD, SUITE 125 TEL 925.647.1855  
PLEASANTON, CA 94508 FAX 925.647.1857

January 11, 2016

Resolution No. 2016-04  
Resolution of the Board of Directors  
Marina Coast Water District

Accepting the Infrastructure Improvements Installed Under a Construction and Transfer of  
Water, Sewer, and Recycled Water Infrastructure Agreement  
Between Marina Coast Water District and Marina Community Partners for the  
Dunes – Phase 1A Development Project

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a regular meeting duly called and held on January 11, 2016 at 211 Hillcrest Avenue, Marina, California as follows:

WHEREAS, Marina Community Partners LLC, a California limited liability corporation (“Developer”), has constructed water, sewer and recycled water infrastructure for their Dunes – Phase 1A development project in the Ord Community portion of the City of Marina; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District in December, 2005; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is complete and the Developer has now satisfied all of the close-out conditions required in the Infrastructure Agreement for the Dunes – 1A development project; and,

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water, Sewer, and Recycled Water Infrastructure for the Dunes – Phase 1A development project and directs the General Manager to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

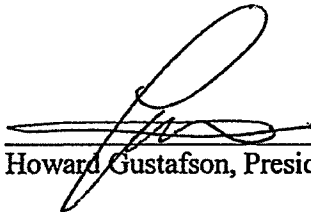
PASSED AND ADOPTED on January 11, 2016 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Shriner, Lee, Moore, Gustafson

Noes: Directors None

Absent: Directors None

Abstained: Directors None

  
Howard Gustafson, President

ATTEST:

  
Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2016-04 adopted January 11, 2016.

  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-C  
Prepared By: Brian True  
Presented By: Mike Wegley

Meeting Date: January 11, 2016  
Approved By: Keith Van Der Maaten

Agenda Title: Discussion and Possible Action to Consider Adoption of Resolution No. 2016-04 to Accept the Infrastructure Improvements Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Phase 1A Development Project

Staff Recommendation: The Board considers adopting Resolution No. 2016-04 accepting the infrastructure improvements installed under the Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Phase 1A development project.

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

Marina Community Partners (MCP) constructed the Dunes – Phase 1A (formerly University Villages – Phase 1A) development project in the City of Marina portion of the Ord Community. The District entered into a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with MCP by adopting Resolution No. 2005-71 on December 14, 2005.

Discussion/Analysis: The infrastructure improvements made by MCP for which acceptance of ownership is requested includes potable water pipelines and appurtenances, recycled water pipelines, and sanitary sewer pipelines and appurtenances. Marina Community Partners installed both off-site and on-site improvements on behalf of MCWD. A more detailed break-down of the infrastructure to be owned by MCWD may be found within the attached Bill of Sale. The included Exhibits depict the locations of the infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership totals approximately \$3,121,000.

Please note that the infrastructure was installed in 2007. There are several reasons the transfer of ownership is just now occurring. The most significant reason was the suspension of work brought on by the economic down-turn compounded by the loss of a key member of the development team. As the new team-members came in to resume the project, their focus was on moving the project forward (and generating revenue for the project) rather than on looking back to completing the remaining infrastructure agreement items. After all, the completed infrastructure was in-service and functioning well. Finally as attention was turned to completing the infrastructure agreement, specific barriers to achieving transfer of ownership were addressed

related to: A) required easement language changes; and, B) the understanding by both parties of exactly what infrastructure was to be transferred with which phase of the development project.

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a Bill-of-Sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a punch-list walk-through and the associated corrective work was completed by August, 2007. The easements appropriate for this transfer-of-ownership transaction were recorded in Monterey County on November 1, 2012 and December 1, 2015; all currently proposed MCWD assets are located within the public right-of-way, public utility easements recorded on the subdivision's Final Map, or easements in MCWD's favor. A Bill of Sale is prepared for execution and is awaiting this Board action for acceptance. As-built drawings for the improvements described above were received during the summer of 2007 and incorporated within MCWD's system-maps in November 2007. Two draft One-Year Warranty Bonds, for approximately 20% of the infrastructure values enumerated above, are prepared for implementation; one Warranty Bond is for the sanitary sewer infrastructure and the other is for the water and recycled water infrastructure. In accord with the Infrastructure Agreement, this fulfills the District's requirements and conditions for accepting ownership of the installed infrastructure.

The Bill of Sale is coming from Shea Marina Villages as MCP sold the property/land and associated appurtenances and infrastructure to Shea Marina Villages. Shea Marina Villages is a wholly owned subsidiary of Shea Properties, a partner with Marina Community Partners in this development.

Environmental Review Compliance: None required.

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

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2016-04; Bill of Sale prepared for execution; and Warranty Bonds (for Water and Sanitary Sewer infrastructure) prepared for execution and submittal.

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



---

Board Action

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

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

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

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

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

## QUIT CLAIM BILL OF SALE

**SEWER SYSTEM FACILITIES – Approximately 197 LF of 8-inch sewer main; approximately 15 LF of 15-inch sewer main; approximately 557 LF of 27-inch sewer main; 1 sewer service lateral ranging in size from 4” to 6” in diameter; and 5 manholes (the “Sewer System Facilities”)**

For good and valuable consideration, receipt of which is hereby acknowledged, Target Corporation, a Minnesota corporation (“Target”), does hereby quitclaim and convey to the Marina Coast Water District (the “District”), a County Water District organized under the laws of the State of California, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in that Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between Marina Community Partners, a Delaware limited liability company (“MCP”) and the District dated December 15, 2005 (“Infrastructure Agreement”), any right, title, or interest of Target in and to the sewer installation, including mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated March 2007, Sanitary Sewer Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1 through 12 (G1 and G2 and SS1-SS10) as depicted on Exhibit A attached hereto (the “Sewer System Plans”). Target makes no representation or warranty as to the accuracy or completeness of the Sewer System Plans.

**WATER SYSTEM FACILITIES – Approximately 654 LF of 8-inch water main; approximately 791 LF of 12-inch water main; one 2-inch water service line; 1 fire service line; and 3 fire hydrants (the “Water System Facilities”).**

For good and valuable consideration, receipt of which is hereby acknowledged, Target does hereby quitclaim and convey to the District, and its successors and assigns, without recourse, covenant or warranty, express or implied, other than those contained herein and in the Infrastructure Agreement, any right, title, and interest of Target in and to the water installation, including mains, hydrants, laterals, valves, PRV’s, and other appurtenances to said water installation, constructed and installed in accepted and recorded easements per Final accepted As-Built Plans dated September 2007, Domestic Water Plans for University Village Phase 1 Commercial Fast Track, Plan Sheets 1 through 10 (G1-G3 and DW1-DW7) as depicted on Exhibit B attached hereto (the “Water System Plans”). Target makes no representation or warranty as to the accuracy or completeness of the Water System Plans.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement. Target represents and warrants that, to the knowledge of Target, Target has title to and the legal right to transfer and dispose of the Facilities. The transfer evidenced by this Bill of Sale is subject to the following conditions:

1. District represents and warrants to Target that, prior to its execution and delivery of this Bill of Sale, District has been given a sufficient opportunity to inspect and investigate the Facilities. Except as expressly set forth in the Infrastructure Agreement, District acknowledges that there are no other implied or express warranties regarding the Facilities.

2. By signing below, Target and District hereby further agree that nothing herein shall be construed as a sale, conveyance, transfer or assignment of any other equipment other than the

Facilities.

3. If either party brings suit against the other to enforce or interpret this Bill of Sale, the prevailing party shall be entitled to reasonable attorneys' fees and such other relief as may be awarded by the court.

4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of law or conflict of law principles.

5. If any provision of this Bill of Sale to any extent is found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Bill of Sale shall not be affected thereby.

6. This Bill of Sale constitutes the entire agreement between the parties concerning the subject matter hereof and has been entered into in reliance solely on the contents hereof and thereof. This Bill of Sale may not be amended or modified except in writing signed by both parties. This Bill of Sale supersedes any previous agreements concerning the subject matter hereof, written or oral, between the parties hereto.

7. This Bill of Sale shall be binding upon the successors and assigns of the parties hereto. All representations, warranties, acknowledgments, covenants, releases, and waivers made by District in this Bill of Sale, and all disclaimers made by Target in this Bill of Sale, and all provisions of this Bill of Sale shall survive the execution and delivery of this Bill of Sale.

8. Target and District each warrant to the other that it is duly authorized to execute this Bill of Sale, and that such execution is binding upon it without further action or ratification. The parties acknowledge their intent that this Bill of Sale and any related signature or record shall be binding whether created, transmitted or effected by traditional or electronic means. This Bill of Sale may be executed in one or more identical counterparts, each of which when taken together will constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]





# EXHIBIT A

## SANITARY SEWER SYSTEM





### THE DUNES ON MONTEREY BAY

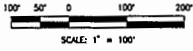
#### PHASE 1A - COMMERCIAL FAST TRACK

TARGET, INC.

CITY OF MARINA CALIFORNIA  
JANUARY 2016

#### LEGEND

-  SANITARY SEWER PIPELINES TO BE TRANSFERRED
-  PROJECT BOUNDARY
-  SANITARY SEWER PIPE SIZE (OF X" DIAMETER)
-  SANITARY SEWER MANHOLE



**WOOD ROGERS**  
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PLEASANTON, CA 94588 FAX 925.847.1557

# EXHIBIT B

## DOMESTIC WATER SYSTEM




### THE DUNES ON MONTEREY BAY

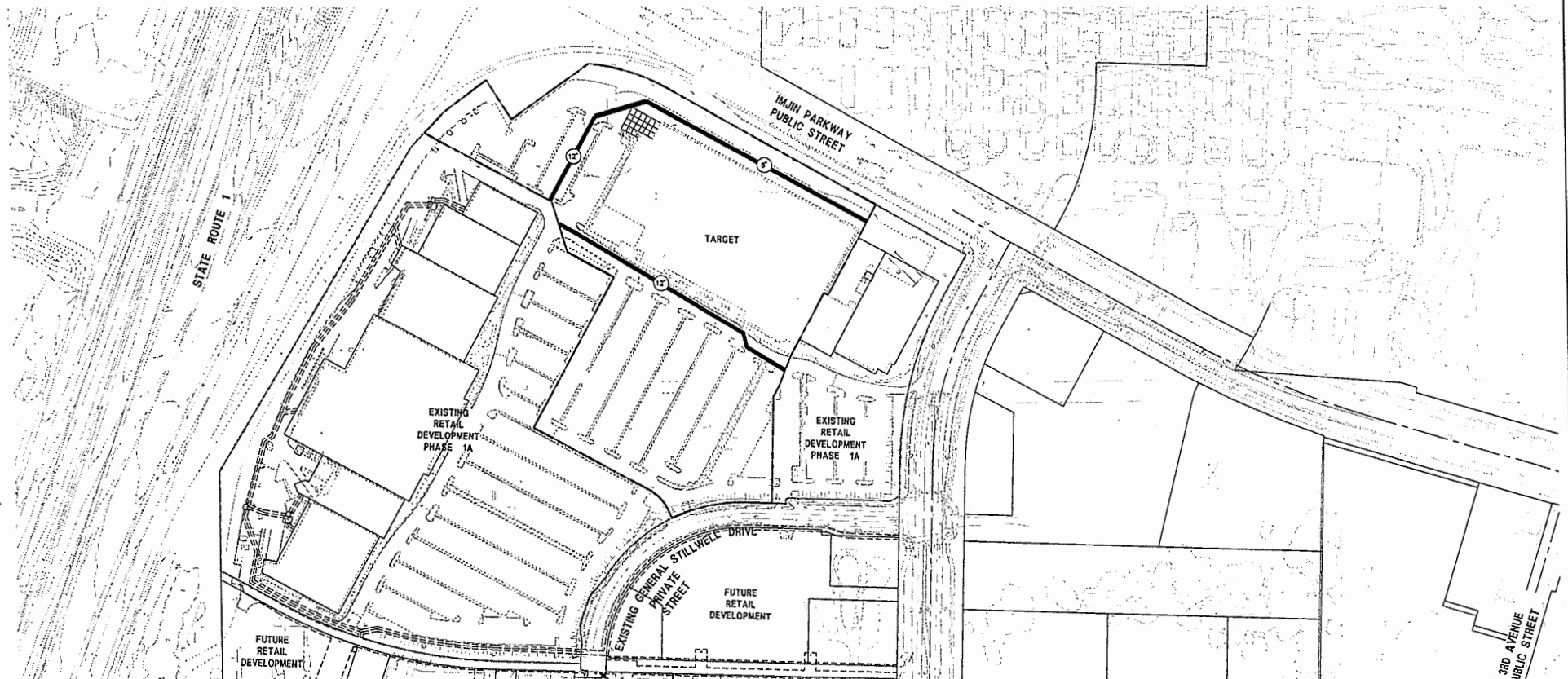
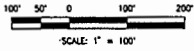
#### PHASE 1A - COMMERCIAL FAST TRACK

TARGET, INC.

CITY OF MARINA CALIFORNIA  
JANUARY 2016

#### LEGEND

-  DOMESTIC WATER PIPELINES
-  PROJECT BOUNDARY
-  DOMESTIC WATER PIPE SIZE (OF X" DIAMETER)



  
**WOOD RODGERS**  
DEVELOPING INNOVATIVE DESIGN SOLUTIONS  
4825 WILLOW ROAD, SUITE 125 TEL 925.847.1556  
FLEMINGTON, CA 94538 FAX 925.847.1557

DATE PLOTTED: 1/15/16 10:00 AM

April 17, 2017

Resolution No. 2017-24  
Resolution of the Board of Directors  
Marina Coast Water District

Accepting the Infrastructure Improvements Installed on the Target Parcel  
Under a Construction and Transfer of Water, Sewer, and Recycled Water  
Infrastructure Agreement Between Marina Coast Water District and  
Marina Community Partners for the Dunes – Phase 1A Development Project

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

WHEREAS, Marina Community Partners LLC, a California limited liability corporation (“Developer”), has constructed water, sewer and recycled water infrastructure for their Dunes – Phase 1A development project in the Ord Community portion of the City of Marina; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District in December, 2005; and,

WHEREAS, the Developer sold to Target Corporation a parcel of land within the Phase 1A development area that had water and sewer infrastructure installed within it that required transfer of ownership to MCWD; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is complete and the Developer and Target Corporation have now satisfied all of the close-out conditions required in the Infrastructure Agreement for the Dunes – 1A development project; and,

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of ownership of the Water and Sewer Infrastructure within the Target Parcel portion of the Dunes – Phase 1A development project and directs the General Manager and/or District Engineer to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

PASSED AND ADOPTED on April 17, 2017 by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Cortez, Shriner, Moore, Gustafson

Noes: Directors None

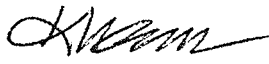
Absent: Directors Lee

Abstained: Directors None



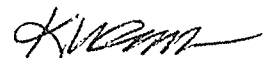
  
Howard Gustafson, President

ATTEST:

  
Keith Van Der Maaten, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2017-24 adopted April 17, 2017.

  
Keith Van Der Maaten, Secretary

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 10-C

Meeting Date: April 17, 2017

Prepared By: Brian True

Approved By: Keith Van Der Maaten

Agenda Title: Consider Adoption of Resolution No. 2017-24 to Accept the Infrastructure Improvements on the Target Parcel Installed Under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Phase 1A Development Project

Staff Recommendation: The Board considers adopting Resolution No. 2017-24 accepting the infrastructure improvements on the Target Parcel installed under the Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Marina Community Partners for the Dunes – Phase 1A development project.

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

Marina Community Partners (MCP) constructed the Dunes – Phase 1A (formerly University Villages – Phase 1A) development project in the City of Marina portion of the Ord Community. The District entered into a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement (Infrastructure Agreement) with MCP by adopting Resolution No. 2005-71 on December 14, 2005. On January 11, 2016, MCWD accepted the infrastructure installed under that Infrastructure Agreement by adopting Resolution 2016-04; however, the water and sewer infrastructure installed within the parcel of land owned by Target was excluded from that acceptance action because the title of the land had already passed from MCP to Target.

Discussion/Analysis: The infrastructure improvements made by MCP on the Target Parcel for which this acceptance of ownership is requested includes potable water pipelines, sanitary sewer pipelines, and appurtenant features for both networks (e.g. water valves, sewer manholes). Marina Community Partners installed water and sewer improvements on behalf of MCWD in front of and behind the large building housing the Target store on a parcel of property that they transferred ownership of to Target Corporation in 2007 (approximately). The recycled water network does not cross the Target Parcel but that parcel is served irrigation water from a connection located on MCP's portion of the parking lot. A more detailed break-down of the infrastructure to be owned by MCWD may be found within the attached Bill of Sale. The included Exhibits depict the locations of the infrastructure. The total value of the infrastructure to be transferred to MCWD for ownership totals \$256,822; \$151,344 in sewer infrastructure and \$105,478 in water infrastructure.

Please note that the infrastructure was installed in 2007 and the majority of the Dunes 1A infrastructure was accepted in January, 2016. There are several reasons the transfer of ownership of the Target Parcel's infrastructure is just now occurring. The most significant reason for the time between 2007 and 2016 was the suspension of work brought on by the economic down-turn

compounded by the loss of a key member of the development team. As the new team-members came in to resume the project, their focus was on moving the project forward (and generating revenue for the project) rather than on looking back to completing the remaining infrastructure agreement items; after all, the completed infrastructure was in-service and functioning well. The gap in time between the 2016 acceptance action and today's request may be attributed to Target Corporations lack of familiarity with the process that needed to take place and their recalcitrance in taking action based in that lack familiarity. Staff also observes that the Target Corporation is quite a substantial organization with myriad layers of bureaucracy such that making them take rapid action on their part was somewhat un-achievable on our part.

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

- Final inspection and walk-through by MCWD to verify completion of all punch-list items
- Completed easements for all pipelines outside of public rights-of-way or recorded public utility easements
- Conveyance of the property to MCWD by means of a bill-of-sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond

The developer and MCWD conducted a punch-list walk-through and the associated corrective work was completed by August, 2007. The easements appropriate for the transfer-of-ownership transaction are being recorded at Monterey County (see attached Easement document); all currently proposed MCWD assets are located within the public right-of-way, public utility easements recorded on the subdivision's Final Map, or easements in MCWD's favor. A Bill of Sale is prepared for execution and is awaiting this Board-action for Acceptance (see attached bill of Sale document). As-built drawings for the improvements described above were received during the summer of 2007 and incorporated within MCWD's system-maps since November 2007. The District Engineer and District Counsel have determined that the One-Year Warranty Bond requirement in this specific instance may be waived. The functionality and benefit of holding a one-Year Warranty Bond is highly questionable at this late date since installation (again, the infrastructure has served well for approximately 10-years already). In accord with the Infrastructure Agreement, this list fulfills the District's requirements and conditions for accepting ownership of the installed infrastructure.

Environmental Review Compliance: None required.

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

Other Considerations: None recommended.

Material Included for Information/Consideration: Resolution No. 2017-24; Bill of Sale prepared for execution; executed Easement document awaiting recordation.

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

## BILL OF SALE

### SEWER SYSTEM FACILITIES: 8-Inch and 6-Inch PVC Mains

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for sewer service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the sewer installation, including 340-foot (approx.) of 8-inch and 210-foot (approx.) of 6-inch mains, manholes, laterals, and other appurtenances to said sewer installation, constructed and installed within accepted and recorded easements per the accepted As-Built plans, CHOMP Marina Campus Medical Office Building, C4.1 and C4.6, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the sewer system transferred to the District is \$ 52,000.

### RECYCLED WATER SYSTEM FACILITIES: 4-Inch PVC Lateral

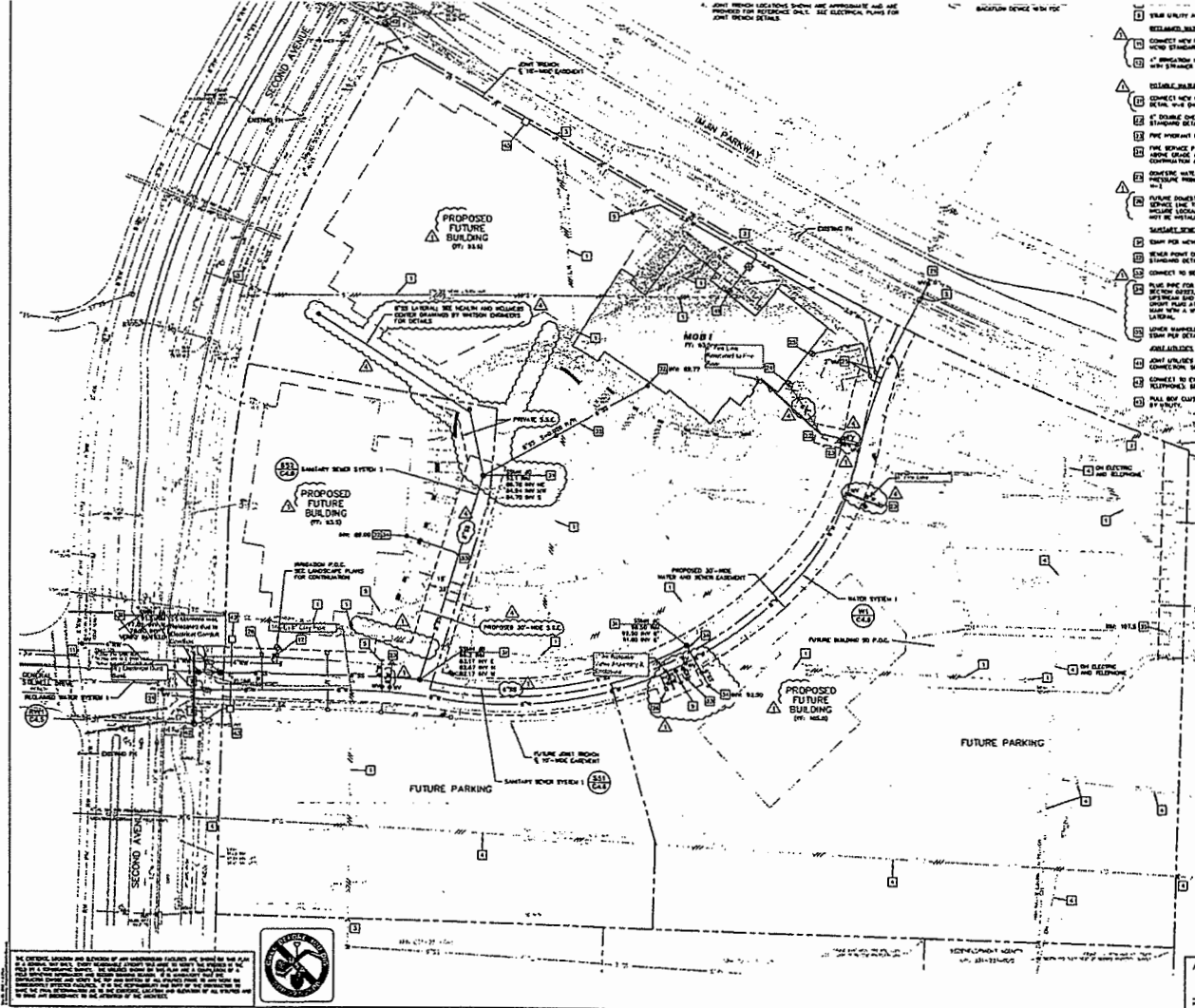
For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for recycled water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the recycled water installation, including mains, 171-foot (approx.) of 4-inch laterals, valves, and other appurtenances to said recycled water installation, constructed and installed within accepted and recorded easements per the accepted As-Built plans, CHOMP Marina Campus Medical Office Building, C4.1 and C4.5, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the recycled water system transferred to the District is \$ 22,000.

### WATER SYSTEM FACILITIES: 8-Inch PVC Main

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Applicant for water service does hereby transfer and convey to the Marina Coast Water District (District), a County Water District organized under the laws of the State of California, and its successors and assigns, all right, title, and interest in and to the water installation, including 800-foot (approx.) of 8-inch mains, 22-foot (approx.) of 8-inch and 119-foot (approx.) of 6-inch and 50-foot (approx.) of 2-inch laterals, valves, hydrants, PRV's, and other appurtenances to said water installation, constructed and installed within accepted and recorded easements per the accepted As-Built plans, CHOMP Marina Campus Medical Office Building, C4.1 and C4.5, and further warrants that the same is free and clear of any encumbrances and claims. The fair market value of the water system transferred to the District is \$ 103,000.

This Bill of Sale is in accordance with and subject to the Infrastructure Agreement dated September 14, 2010 between Community Hospital Properties and Marina Coast Water District. Community Hospital Properties represents and warrants that, to the knowledge of Community Hospital Properties, its members, officers, and employees, Community Hospital Properties has title to and the legal right to transfer and dispose of the facilities being transferred. Plan sheets described above comprise "Exhibit A" attached hereto:

EXHIBIT A  
AS-BUILT PLAN SHEETS



JOINT TRENCH LOCATIONS SHOWN ARE APPROXIMATE AND ARE PROVIDED FOR REFERENCE ONLY. SEE ELECTRICAL PLANS FOR JOINT TRENCH DETAILS.

- BACKUP SERVICE WITH FOC
- 1. MAIN UTILITY AND COP FOR PLUMBING.
  - 2. MAIN UTILITY AND COP FOR PLUMBING.
  - 3. CONNECT NEW RELATED WATER MAIN TO EXISTING WATER MAIN PER MHD STANDARD DETAIL 5-1.2 (NOT TYP).
  - 4. IF APPLICABLE WATER SERVICE LINE SHALL BE BURIED UNDER WATER MAIN WITH STRONGE 24 DRAIN OR LANDSCAPE DRAINAGE.
  - 5. UTILITY MAINS.
  - 6. CONNECT NEW WATER MAIN TO EXISTING MAIN FOR MHD STANDARD DETAIL 5-1.1 (NOT TYP).
  - 7. DOUBLE CHECK BACKUP ON ASSEMBLY WITH FOC FOR MHD.
  - 8. THE PROVIDER FOR MHD STANDARD DETAIL 5-1.2.
  - 9. THE SERVICE P.O.C. CONTRACTOR SHALL EXTEND THE SERVICE AT ABOVE GRADE AT THE SIDE. SEE MECHANICAL PLANS FOR CONNECTION TO THE BUILDING.
  - 10. EXISTING WATER SERVICE: IF WATER MAIN AND IF ADJUSTED EXISTING SERVICE BACKUP SERVICE PER MHD STANDARD DETAIL 5-1.2.
  - 11. WHEN EXISTING WATER SERVICE CONTRACTOR IS COVERED WATER SERVICE LINE TO WATER MAIN PER MHD STANDARD DETAIL 5-1.2. INCLUDE LOCATIONS WHERE TO CONNECT TO WATER MAIN. WATER MAIN WILL BE INSTALLED BY THE WATER DISTRICT AT THIS TIME.
  - 12. BACKUP SERVICE.
  - 13. MAIN FOR MHD STANDARD DETAIL 5-1.1.
  - 14. WATER MAIN OF CONNECTION BUILDING CLEARANCE PER MHD STANDARD DETAIL 5-1.1.
  - 15. CONNECT TO WATER MAIN PER MHD STANDARD DETAIL 5-1.2.
  - 16. PLUMBING FOR FUTURE USE PER MHD STANDARD SPECIFICATIONS PER MHD STANDARD DETAIL 5-1.1. CONTRACTOR TO BE RESPONSIBLE FOR PROVIDING ALL NECESSARY MATERIALS AND LABOR. MHD'S LOCAL COMMITTEE TO BE RESPONSIBLE FOR PROVIDING ALL NECESSARY MATERIALS AND LABOR. CONTRACTOR TO BE RESPONSIBLE FOR PROVIDING ALL NECESSARY MATERIALS AND LABOR. CONTRACTOR TO BE RESPONSIBLE FOR PROVIDING ALL NECESSARY MATERIALS AND LABOR.
  - 17. UNDER SERVICE MAIN AND PROVIDE 24" RISE PAVING AROUND EXISTING SERVICE MAIN.
  - 18. JOINT UTILITIES (ELECTRIC, GAS AND TELEPHONE) POINT OF CONNECTION. SEE PLANS BY OTHERS.
  - 19. CONNECT TO EXISTING UTILITY (ELECTRIC, GAS AND TELEPHONE) SEE PLANS BY OTHERS.
  - 20. SHALL NOT CLUSTER LOCATIONS SHOWN IS APPROXIMATE. SEE PLANS BY OTHERS.

ALL TRENCH LOCATIONS SHOWN ARE APPROXIMATE AND ARE PROVIDED FOR REFERENCE ONLY. SEE ELECTRICAL PLANS FOR JOINT TRENCH DETAILS.



REVISIONS

- △ BUILDING AND MHD PLAN/CHECK REVISIONS
- △ MISC. REVISIONS
- △ GRADING PERMIT PLAN/CHECK & REVISIONS
- △ MHD PLAN/CHECK REVISIONS

**WE**  
WHITSON ENGINEERS  
10000 E. 17th Avenue, Suite 100  
Denver, CO 80202  
www.whitsonengineers.com

**BOULDER ASSOCIATES**  
ARCHITECTS

Boulder Associates, Inc.  
Architects - Interior Design  
1331 17th Avenue  
Boulder, Colorado 80502  
303.440.8700 F 303.442.8700  
www.boulderassociates.com



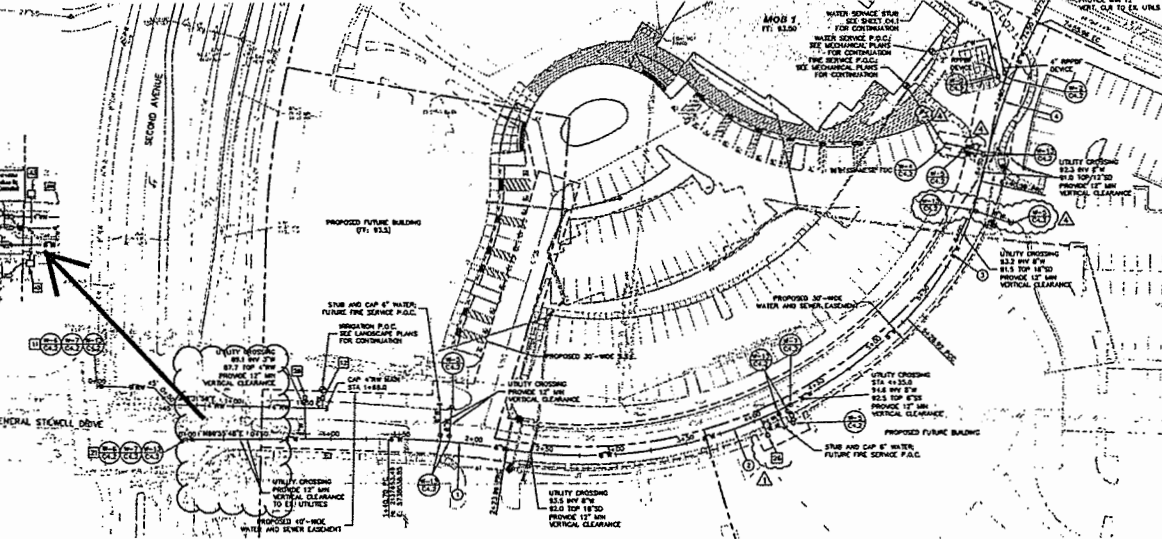
PROJECT:  
CHAMP MARINA CAMPUS  
MEDICAL OFFICE BUILDING

SCALE: FUTURE & 200'-0" = 1"  
MARRIAGE, CO. 01/10/10

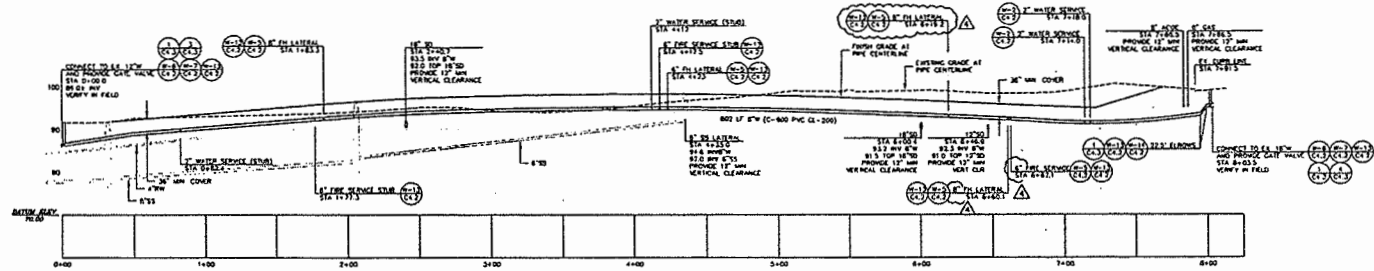
SHEET TITLE  
SITE UTILITIES

SHEET NUMBER  
**AS-BUILT** - C4.1

Ref C4.1



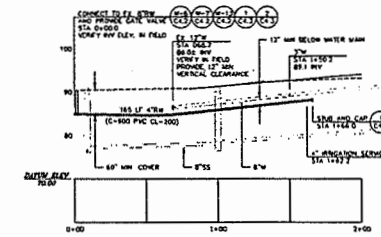
W1 RW1 WATER SYSTEM 1 AND RECLAIMED WATER SYSTEM 1 - PLAN  
SCALE 1" = 30'



W1 WATER SYSTEM 1 - PROFILE  
SCALE 1" = 30' H, 1" = 30' V

CURVE DATA				
CURVE	RADIUS	DELTA	TANGENT	LENGTH
(1)	494.00'	89°36'41"	41.66'	83.16'
(2)	318.00'	51°07'51"	185.41'	305.06'
(3)	200.00'	31°58'36"	9.72'	111.44'
(4)	450.00'	14°02'58"	58.81'	115.80'

\* HIGH DEFLECTION COMPLIANCE IS REQUIRED TO ACHIEVE THE RADII PER MWD STD SPECIFICATIONS SECTION 15061.



W1 RECLAIMED WATER SYSTEM 1 - PROFILE  
SCALE 1" = 30' H, 1" = 30' V

- CONTRACTOR WATER SERVICE LINE WITH 8" TURBINE WATER METER WITH STRAINER AS SHOWN ON LANDSCAPE DRAWING.**
- DESIGNEE WATER**
- 1) CONNECT NEW WATER MAIN TO EXISTING MAIN PER MWD STANDARD DETAIL W-8 (NOT TAP).
  - 2) 8" DOUBLE CHECK BACKFLOW ASSEMBLY WITH FDC PER MWD STANDARD DETAIL W-1.
  - 3) FIRE HYDRANT PER MWD STANDARD DETAIL W-5.
  - 4) 8" FIRE SERVICE P.A.C. CONTRACTOR SHALL EXTEND FIRE SERVICE 8" ABOVE GRADE AT FIRE POINT. SEE MECHANICAL PLANS FOR CONTINUATION AT FIRE RESA.
  - 5) DOMESTIC WATER SERVICE 8" WATER MAIN AND 8" REDUCED PRESSURE PRINCIPLE BACKFLOW DEVICE PER MWD STANDARD DETAIL W-2.
  - 6) PLUMB DOMESTIC WATER SERVICE CONTRACTOR 8" COPPER WATER SERVICE TO METER BOX PER MWD STANDARD DETAIL W-7. INCLUDE LIQUIDAPLIC WAIVER ON CONTRACT. WATER METER WILL NOT BE INSTALLED BY THE WATER DISTRICT AT THIS TIME.

**POTABLE WATER SYSTEM QUANTITIES\***

POTABLE WATER ITEM	UNIT	QUANTITY
8" COPPER SERVICE LINE	LF	85
8" WATER METER	EA	1
2.5" COPPER PIPE TO BUILDING P.A.C.	EA	200
8" COPPER SERVICE LINE (CLAW)	LF	10
WATER METER BOX	EA	1
8" ABOVE FLOOR THROATLE BACKFLOW DEVICE	EA	1
8" ABOVE GRADE HYDRANT ASSEMBLY	EA	1
8" CL-300 PVC CL-300	LF	100
8" CL-300 PVC CL-300	LF	575
8" EASE VALVE	EA	3
8" EASE VALVE	EA	5
FIRE HYDRANT	EA	1
8" MET TOP	EA	1

\*THE QUANTITIES SHOWN ARE FOR PLAN ONLY PURPOSES ONLY. THE CONTRACTOR SHALL VERIFY THE QUANTITIES OF THE WATER SYSTEM QUANTITIES.

**RECYCLED WATER SYSTEM QUANTITIES\***

RECYCLED WATER ITEM	UNIT	QUANTITY
8" PLUMB PIPE BRIDGING SERVICE	EA	20
8" PLUMB WATER VALVES	EA	1
RECYCLED WATER METER BOX	EA	1
8" CL-300 THROATLE PVC PIPE	LF	102
8" EASE VALVE	EA	1
8" MET TOP	EA	1

\*THE QUANTITIES SHOWN ARE FOR PLAN ONLY PURPOSES ONLY. THE CONTRACTOR SHALL VERIFY THE QUANTITIES OF THE WATER SYSTEM QUANTITIES.

04-21-2010

REVISIONS

- ▲ BUILDING AND MWD PLANCHER REVISIONS
- ▲ MEC. REVISIONS
- ▲ GRADING/ERECT PLANCHER & REVISIONS
- ▲ MWD PLANCHER REVISIONS
- ▲ OWNER CHANGE AND CONSTRUCTION ADMIN.

REGISTERED PROFESSIONAL ENGINEER  
STATE OF CALIFORNIA  
NO. 49874  
EXPIRES 12/31/2011

**WE**  
**WHITSON ENGINEERS**  
ARCHITECTS

**BOULDER ASSOCIATES**  
ARCHITECTS

Boulder Associates, Inc.  
Architects & Interior Design  
1231 Elm Street  
Sacramento, California 95811  
916.487.8764 F 916.452.2788  
www.boulderassociates.com

PROJECT  
**CHOMP MARINA CAMPUS MEDICAL OFFICE BUILDING**

BURN PARRWAY & 2ND AVE  
MARINA, CALIFORNIA

DATE  
04/21/10

WHAT TITLE  
**WATER MAIN PLAN & PROFILE**

WHAT NUMBER  
**C4.5**

**AS-BUILT C4.5**

**SANITARY SEWER QUANTITIES\***

SEWER ITEM	UNIT	QUANTITY
8" PVC SDR-35	LF	332
8" PVC SDR-35	LF	360
48" MANHOLE	EA	4
CLEANOUT	EA	6
RADIATION PROTECTION	EA	1

\*THE SANITARY SEWER QUANTITIES SHOWN ARE FOR PLAN CHECK PURPOSES ONLY. THE CONTRACTOR SHALL MAKE PLACE THE DETERMINATION OF THE SANITARY SEWER SYSTEM QUANTITIES.

- REVISIONS
- ▲ BUILDING AND MCHD PLAN/CHECK REVISIONS
  - ▲ MISC. REVISIONS
  - ▲ GRADING PERMIT PLAN/CHECK & REVISIONS
  - ▲ MCHD PLAN/CHECK REVISIONS
  - ▲ OWNER CHANGE AND CONSTRUCTION ADJUST.



**WE**  
**WHITSON ENGINEERS**  
 ARCHITECTS & ENGINEERS  
 1231 21st STREET  
 BERKELEY, CALIFORNIA 94704  
 918.432.8796 F 918.432.7798  
 www.whitsonengineers.com

**BOULDER ASSOCIATES**  
 ARCHITECTS

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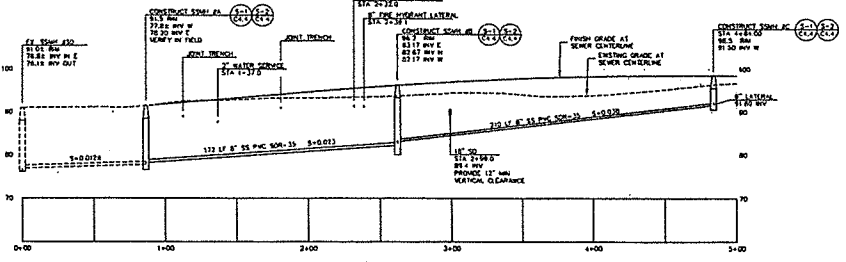
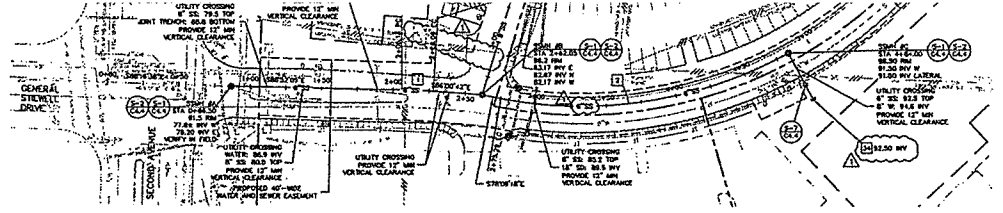
PROJECT  
**CHOMP MARINA CAMPUS MEDICAL OFFICE BUILDING**  
 PALM PARKWAY & 2ND AVE  
 MARINA, CALIFORNIA

C.3.5.2.F

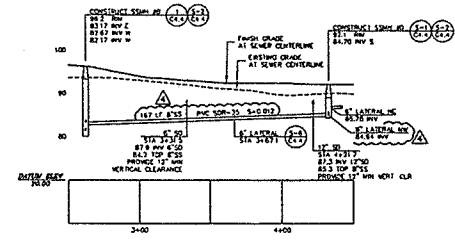
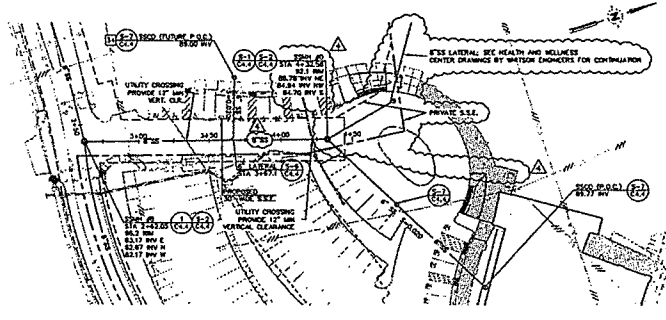
SHEET TITLE  
**SANITARY SEWER PLANS AND PROFILES**

SHEET NUMBER  
**C4.6**

**AS-BUILT**



**SS1 SANITARY SEWER SYSTEM 1**  
 SCALE 1" = 30' H 1" = 10' V



**SS2 SANITARY SEWER SYSTEM 2**  
 SCALE 1" = 30' H 1" = 10' V

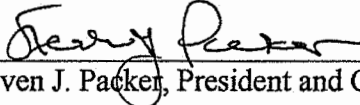
THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL HEALTH DEPARTMENT AND OTHER AGENCIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL HEALTH DEPARTMENT AND OTHER AGENCIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL HEALTH DEPARTMENT AND OTHER AGENCIES.

- KEYNOTES**
- REVISIONS**
- 1. REVISIONS FOR REVISIONS USE PER AISC STANDARD SPECIFICATIONS SECTION 5.7.2.2 "ARRANGEMENT OF PIPELINES". GROUT PLUS OPTIMUM END OF LATERAL WHERE LATERAL CONNECTS TO MAIN GROUT PLUS AT MANHOLE. WHERE LATERAL CONNECTS TO SEWER MAIN WITH A WYE CONNECTION, ONLY GROUT THE UPSTREAM END OF LATERAL.



SIGNATURE PAGE:

I. Community Hospital Properties,  
A California Non-profit Corporation,

By:   
Steven J. Packer, President and CEO

Date: 22 April 2011





September 13, 2011

Resolution No. 2011 - 66  
Resolution of the Board of Directors  
Marina Coast Water District

Accepting the Infrastructure Improvements Installed Under a  
Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement  
between the Marina Coast Water District and Community Hospital Properties  
for the Community Hospital of the Monterey Peninsula Marina Campus

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("District"), at a regular meeting duly called and held on September 13, 2011 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, Community Hospital Properties, a California Non-profit Corporation ("Developer") has constructed water, sewer and recycled water infrastructure for their Community Hospital of Monterey Peninsula (CHOMP) Marina Campus; and,

WHEREAS, the Developer entered into a Construction and Transfer of Water, Sewer and Recycled Water Infrastructure Agreement with the District on September 14, 2010; and,

WHEREAS, construction of the water, sewer and recycled water infrastructure is now completed, and the Developer has satisfied all of the close-out conditions required in the Infrastructure Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Marina Coast Water District does hereby accept the transfer of the Water, Sewer, and Recycled Water Infrastructure through the CHOMP Marina Campus and directs the General Manager and/or Deputy General Manager/District Engineer to take all actions and execute all documents as may be necessary or appropriate to give effect to this resolution.

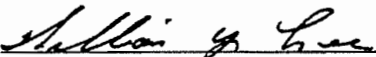
PASSED AND ADOPTED on September 13, 2011, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors Gustafson, Shriner, Nishi, Burns, Lee

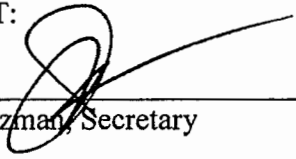
Noes: Directors None

Absent: Directors None

Abstained: Directors None

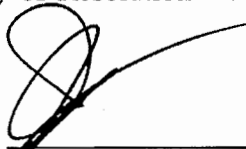
  
William Y. Lee, President

ATTEST:

  
\_\_\_\_\_  
Jim Heitzman, 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. 2011-66 adopted September 13, 2011.

  
\_\_\_\_\_  
Jim Heitzman, Secretary

## Return to Agenda

### Marina Coast Water District Agenda Transmittal

Agenda Item: 8-B

Meeting Date: September 13, 2011

Submitted By: Sean Knight

Presented By: Carl Niizawa

Reviewed By: Carl Niizawa

Agenda Title: Adopt Resolution No. 2011-66 to Accept the Infrastructure Improvements Installed under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement Between the Marina Coast Water District and Community Hospital Properties for the Community Hospital of the Monterey Peninsula Marina Campus

Detailed Description: The Board of Directors is requested to accept from Community Hospital Properties the water, sewer and recycled water improvements they constructed and are transferring to the District for ownership per the executed Infrastructure Agreement.

The District executed an Infrastructure Agreement for Water, Sewer and Recycled Water Facilities with Community Hospital Properties on September 14, 2010.

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

- Completed easements for all pipelines outside of public rights-of-way
- Conveyance of the property to the District by means of a Bill-of-Sale
- Submission of As-Built drawings for the work
- Submission of a One-Year Warranty Bond to replace the Performance and Payment Bonds

Community Hospital Properties has finished the first phases of construction of the Community Hospital of Monterey Peninsula (CHOMP) Marina Campus which includes the Medical Office Building I and the Health and Wellness Center. The CHOMP Marina Campus is located in Marina on the Former Fort Ord at the corner of Imjin Parkway and 2<sup>nd</sup> Avenue.

Community Hospital Properties has submitted a signed Grant of Easement Document which was executed by the General Manager per Resolution No. 2010-04. As-built drawings for the infrastructure improvements listed above were received and accepted as of March 23, 2011. A Bill of Sale has also been signed by Community Hospital Properties and included for reference. A One-Year Warranty Bond (for 20% of the construction costs enumerated in the Bill of Sale) has also been submitted. In accord with the Infrastructure Agreement, this list fulfills the District's requirements regarding review of infrastructure as a condition of its acceptance.

Environmental Review Compliance: None required.

Prior Committee or Board Action: Board Resolution No. 2010-04 on January 12, 2010, authorized the General Manager and/or Deputy General Manager/District Engineer to Accept

Easements for the District; Board Resolution No. 2010-55 on August 10, 2010, Approved the Infrastructure Agreement for Community Hospital of Monterey Peninsula.

Board Goals/Objectives: *Strategic Plan, Goal No. 2 – To meet 100% of current and future customers' needs and make timely improvements and increase infrastructure and level of services and human resources to meet needs of expanding service areas in an environmentally sensitive way.; and Goal No. 4 – To manage the District's finances in the most effective and fiscally responsible manner.*

Financial Impact:      Yes      No

Funding Source/Recap: Routine operations and maintenance of infrastructure once owned.

Material Included for Information/Consideration: Resolution No. 2011-66.

Staff Recommendation: The Board of Directors consider adoption of Resolution No. 2011-66 accepting the infrastructure improvements installed under a Construction and Transfer of Water, Sewer, and Recycled Water Infrastructure Agreement between the Marina Coast Water District and Community Hospital Properties for the CHOMP Marina Campus.

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

---

Board Action

\_\_\_\_\_ Resolution No \_\_\_\_\_ Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

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

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

Reagendized \_\_\_\_\_ Date \_\_\_\_\_ No Action Taken \_\_\_\_\_

MARINA COAST WATER DISTRICT  
DEVELOPER CONTRIBUTED ASSETS - ORD COMMUNITY  
AS OF JUNE 30, 2019

ASSET	ESTIMATED DATE OF SERVICE	AMOUNT	RESOLUTION NO.	RESOLUTION DATE	BILL OF SALE EXECUTION DATE	LIFE (YEARS)	ESTIMATED DEPRECIATION EXPENSE	
SEWER SYSTEM FACILITIES - PIPES/MAINS/MANHOLES/APPURTANCES	06/21/05	761,431	2006-30	04/26/06	07/11/06	60		SEASIDE HIGHLANDS
WATER SYSTEM FACILITIES - PIPES/HYDRANTS/BLOW OFFS/MAINS/VALVES/APPURTANCES	06/21/05	994,037	2006-30	04/26/06	07/11/06	80		SEASIDE HIGHLANDS
RECYCLED WATER FACILITIES - IRRIGATION WATER PIPES/MAINS/VALVES/APPURTANCES	06/21/05	145,070	2006-30	04/26/06	07/11/06	80		SEASIDE HIGHLANDS
SEWER SYSTEM FACILITIES - 2,448 LF 8" PVC MAIN/19 MANHOLES/1 CLEAN OUT	08/01/07	1,991,000	2016-04	01/11/16	02/17/16	60		DUNES ON MONTEREY BAY PHASE 1A
WATER SYSTEM FACILITIES - 2,800 LF 8" PVC MAIN/12 8" VALVES/3 BLOW OFF VALVES/1 PRV/1 ARV/8 FIRE HYDRANTS WITH VALVES	08/01/07	893,813	2016-04	01/11/16	02/17/16	80		DUNES ON MONTEREY BAY PHASE 1A
RECYCLED WATER FACILITIES - 2,508 LF 4" LATERAL/5 4" VALVES/1 ARV/1 RP BFP	08/01/07	236,187	2016-04	01/11/16	02/17/16	80		DUNES ON MONTEREY BAY PHASE 1A
SEWER SYSTEM FACILITIES - 2,448 LF 8" PVC MAIN/19 MANHOLES/1 CLEAN OUT	08/01/07	151,344	2017-24	04/17/17	04/28/17	60		DUNES ON MONTEREY BAY PHASE 1A - TARGET
WATER SYSTEM FACILITIES - 2,800 LF 8" PVC MAIN/12 8" VALVES/3 BLOW OFF VALVES/1 PRV/1 ARV/8 FIRE HYDRANTS WITH VALVES	08/01/07	105,478	2017-24	04/17/17	04/28/17	80		DUNES ON MONTEREY BAY PHASE 1A - TARGET
SEWER SYSTEM FACILITIES - 1,164 LF 8" MAIN/279 15" MAIN/11 MANHOLES/APPURTANCES	08/01/07	140,187	2016-17	03/21/16	04/13/16	80		DUNES RESIDENTIAL PHASE 1C1 - MCP
WATER SYSTEM FACILITIES - 1,649 LF 8" MAIN/730 LF 12" MAIN/9 HYDRANTS/1 4" VAULT SERVICE LINE/1 4" SERVICE LINE/2 2" IRRIGATION LINES/APPURTANCES	08/01/07	233,226	2016-17	03/21/16	04/13/16	80		DUNES RESIDENTIAL PHASE 1C1 - MCP
RECYCLED WATER FACILITIES - 558 LF 4" MAIN/2 2" IRRIGATION LINES/APPURTANCES	08/01/07	20,624	2016-17	03/21/16	04/13/16	80		DUNES RESIDENTIAL PHASE 1C1 - MCP
SEWER SYSTEM FACILITIES - MAINS/MANHOLES/LATERALS/APPURTANCES	08/21/07	813,650	2007-73	10/10/07	12/18/07	60		MARINA HEIGHTS PHASE 2
WATER SYSTEM FACILITIES - PIPELINES/VALVES/FIRE HYDRANTS/APPURTANCES	08/21/07	696,425	2007-73	10/10/07	12/18/07	80		MARINA HEIGHTS PHASE 2
RECYCLED WATER FACILITIES - LATERAL/ VALVES/APPURTANCES	08/21/07	24,000	2007-73	10/10/07	12/18/07	80		MARINA HEIGHTS PHASE 2
SEWER SYSTEM FACILITIES - 2,448 LF 8" PVC MAIN/19 MANHOLES/1 CLEAN OUT	10/10/08	699,738	2008-45	10/14/08	01/21/16	60		SEASIDE RESORT ESTATES PHASE 1A
WATER SYSTEM FACILITIES - 2,800 LF 8" PVC MAIN/12 8" VALVES/3 BLOW OFF VALVES/1 PRV/1 ARV/8 FIRE HYDRANTS WITH VALVES	10/10/08	367,770	2008-45	10/14/08	01/21/16	80		SEASIDE RESORT ESTATES PHASE 1A
RECYCLED WATER FACILITIES - 2,508 LF 4" LATERAL/5 4" VALVES/1 ARV/1 RP BFP	10/10/08	136,302	2008-45	10/14/08	01/21/16	80		SEASIDE RESORT ESTATES PHASE 1A
SEWER SYSTEM FACILITIES - 340 LF 8" PVC MAIN/210 LF 6" PVC MAIN/MANHOLES/LATERALS	03/23/11	52,000	2011-66	09/13/11	09/14/11	60		CHOMP MARINA CAMPUS
WATER SYSTEM FACILITIES - 800 LF 8" PVC MAIN/LATERALS/VALVLES/HYDRANTS/PRV	03/23/11	103,000	2011-66	09/13/11	09/14/11	80		CHOMP MARINA CAMPUS
RECYCLED WATER FACILITIES - 171 LF 4" LATERALS/VALVES	03/23/11	22,000	2011-66	09/13/11	09/14/11	80		CHOMP MARINA CAMPUS
SEWER SYSTEM FACILITIES - 18,705 LF SEWER MAINS/102 MANHOLES/415 LF LATERALS	08/31/12	1,631,830	2012-59	09/11/12	10/02/12	60		EAST GARRISON
WATER SYSTEM FACILITIES - 20,505 LF 8" & 12" MAIN/591 16" & 20" MAINS/28 LF 6" & 8" FIRE LINES/36 HYDRANTS/298 LF LATERALS/APPURTANCES	08/31/12	1,801,870	2012-59	09/11/12	10/02/12	80		EAST GARRISON
RECYCLED WATER FACILITIES - 6,580 LF PIPE/2 8" BACKFLOW DEVICES/20 IRRIGATION LATERALS	08/31/12	386,380	2012-59	09/11/12	10/02/12	80		EAST GARRISON
SEWER SYSTEM FACILITIES - 425 LF 8" MAIN/500 LF LATERALS/4 MANHOLES	06/10/14	82,040	2014-28	07/07/14	12/01/14	60		UNIVERSITY VILLAGE APARTMENTS
WATER SYSTEM FACILITIES - 660 LF 12" MAIN/1,500 LF 8" MAIN/245 LF 6" MAIN/6 HYDRANTS	06/10/14	284,975	2014-28	07/07/14	12/01/14	80		UNIVERSITY VILLAGE APARTMENTS
RECYCLED WATER FACILITIES - 560 LF 4" RECLAIMED WATER MAIN	06/10/14	13,320	2014-28	07/07/14	12/01/14	100		UNIVERSITY VILLAGE APARTMENTS
SEWER SYSTEM FACILITIES - 680 LF 8" MAIN/800 LF SMALLER FORCE MAIN/SEWER PUMP STATION/5 MANHOLES	07/22/15	591,441	2015-42	08/03/15	01/21/16	50		PROMONTORY
WATER SYSTEM FACILITIES - 470 LF 16" MAIN/14350 LF 8" MAIN/6 HYDRANTS/APPURTANCES	07/22/15	418,434	2015-42	08/03/15	01/21/16	80		PROMONTORY
RECYCLED WATER FACILITIES - 400 LF 4" RECLAIMED WATER MAIN/APPURTANCES	07/22/15	21,500	2015-42	08/03/15	01/21/16	80		PROMONTORY
SEWER SYSTEM FACILITIES - EAST GARRISON PHASE 2	01/20/16	724,727	2016-05	02/01/16	02/17/16	60		EAST GARRISON PHASE 2
WATER SYSTEM FACILITIES - EAST GARRISON PHASE 2	01/20/16	1,808,090	2016-05	02/01/16	02/17/16	80		EAST GARRISON PHASE 2
RECYCLED WATER FACILITIES - EAST GARRISON PHASE 2	01/20/16	113,821	2016-05	02/01/16	02/17/16	80		EAST GARRISON PHASE 2
SEWER SYSTEM FACILITIES - 1,164 LF 8" MAIN/279 15" MAIN/11 MANHOLES/APPURTANCES	01/31/16	546,393	2016-17	03/21/16	04/13/16	60		DUNES RESIDENTIAL PHASE 1C1 - SHEA HOMES
WATER SYSTEM FACILITIES - 3,776 LF 8" MAIN/12 HYDRANTS/LATERALS/APPURTANCES	01/31/16	629,516	2016-17	03/21/16	04/13/16	80		DUNES RESIDENTIAL PHASE 1C1 - SHEA HOMES
SEWER SYSTEM FACILITIES - 2,655 LF 8" MAIN/437 15" MAIN/20 MANHOLES/71 LATERALS/APPURTANCES	07/21/17	356,740	2017-54	08/21/17	TO BE EXECUTED	60		DUNES RESIDENTIAL PHASE 1C2 - SHEA HOMES
WATER SYSTEM FACILITIES - 3,334 LF 8" MAIN/773 12" MAIN/9 HYDRANTS/95 LATERALS/1 2" IRRIGATION LINE	07/21/17	565,620	2017-54	08/21/17	TO BE EXECUTED	80		DUNES RESIDENTIAL PHASE 1C2 - SHEA HOMES
RECYCLED WATER FACILITIES - 1,252 8" MAIN/3 2" SERVICE LINES/APPURTANCES	07/21/17	97,560	2017-54	08/21/17	TO BE EXECUTED	80		DUNES RESIDENTIAL PHASE 1C2 - SHEA HOMES
SEWER SYSTEM FACILITIES - EAST GARRISON PHASE 3	09/07/18	427,964	2018-53	09/17/18	TO BE EXECUTED	60		EAST GARRISON PHASE 3
WATER SYSTEM FACILITIES - EAST GARRISON PHASE 3	09/07/18	962,680	2018-53	09/17/18	TO BE EXECUTED	80		EAST GARRISON PHASE 3
RECYCLED WATER FACILITIES - EAST GARRISON PHASE 3	09/07/18	39,232	2018-53	09/17/18	TO BE EXECUTED	80		EAST GARRISON PHASE 3
<b>TOTAL</b>		<b>\$ 20,091,415</b>						

} These are current year and not prior period.



**Re: Comments of Wathen Castanos Peterson Homes  
on Resolution No. 2020-29 Re: Water, Sewer, and  
Recycled Water Master Plans**

**EXHIBIT “G”**

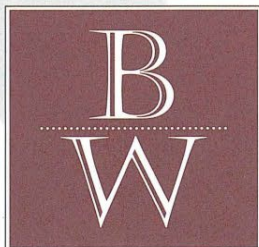
# **Marina Coast Water District**

## **Water, Wastewater and Recycled Water Capacity Fee Study**

### **Draft November 25, 2019**



**Marina Coast Water District**  
**& MCWD Groundwater Sustainability Agency**



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



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November 25, 2019

Mike Wegley  
District Engineer  
11 Reservation Road  
Marina, CA 93933

RE: **Revised Final Draft** Water, Wastewater and Recycled Water Capacity Fee Study

Bartle Wells Associates (BWA) is pleased to submit the attached *Water, Wastewater and Recycled Water Capacity Fee Study*. The report develops updated water, wastewater and recycled capacity fees that are designed to equitably recover the costs of infrastructure and assets benefiting new development. Results were developed in conjunction with the 2019 Master Plan provided by Akel Engineering.

The District's prior capacity fee study was completed in September 2013 and recommended fees based on Equivalent Dwelling Unit for both water and wastewater. Recycled water assets and capital were included in the total for the water capacity fee. BWA has updated the fee calculation, EDU estimates, and water use factors.

A summary of proposed fees is shown on Table 11 of this report. The proposed fee calculation includes total fixed assets divided among all projected users in the near-term (2035) plus expansion-related capital projects divided by future users in the near-term.

Proposed Fees

**Central Marina**

- Water, \$/EDU: \$5,741
- Sewer, \$/EDU: \$2,791

**Ord Community**

- Water, \$/EDU: \$19,104
- Sewer, \$/EDU: \$5,930

We have enjoyed working with the District on this assignment and appreciate the input and assistance received from District staff throughout the project. Please contact us anytime if you have questions about this report or related impact fee issues.

BARTLE WELLS ASSOCIATES

Douglas Dove, PE, CIPFA  
Principal/President

Abigail Seaman  
Consultant

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## **SUPPORTING DOCUMENTS**

Appendix 1. Draft Tables 11/22/2019

Appendix 2. MCWD Appendix C (2019 Update)

# 1 Introduction, Background, and Government Code

## 1.1 Background

The Marina Coast Water District (District) retained AKEL Engineering to update its water, sewer and recycled water master plans. As subconsultants to AKEL, Bartle Wells Associates (BWA) has been retained to update the District's water, wastewater and recycled water capacity fees based on the new master plans. The current set of capacity fees were adopted in 2013 and have not been increased.

The District operates public water and sewer utilities that provide service to approximately 38,000 residents and associated public and commercial activities within the District's service area. Customers are located in two service areas, Central Marina (Marina) and the Ord Community (Ord). District operations are further split between water and sewer, resulting in four cost centers, Marina Water, Marina Sewer, Ord Water and Ord Sewer. The cost centers are maintained as separate enterprises and have distinct user rates and capacity fees. This report documents the methodology and assumptions used to develop updated capacity fees for the four enterprises.

## 1.2 Government Code

Capacity fees are governed by California Government Code Section 66000 et. seq. This section of the Code was initially established by Assembly Bill 1600 (AB 1600) and is commonly referred to as the Mitigation Fee Act. Pursuant to the Code, a capacity fee is not a tax or special assessment but is instead a fee levied to defray the cost of public facilities needed to serve a new development.

Section 66013 of the Code specifically governs water and wastewater capacity fees. This section of the Code defines a “capacity charge” to mean “a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.” The Code distinguishes “capacity charges” from “connection fees” which are defined as fees for the physical facilities necessary to make a water or wastewater connection, such as costs related to installation of meters and pipelines from a new building to a water or wastewater main.

According to the Section 66013, a water or wastewater capacity fee “shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed” unless approved by a two-thirds vote of the electorate. As such, the capacity fees calculated in this report represent the maximum fees that the District can levy. Section 66013 does not detail any specific methodology for calculating capacity fees.

Section 66016 of the Code identifies the procedural requirements for adopting or increasing water and wastewater capacity fees and Section 66022 summarizes the general process by which the fees can be legally challenged.

## 2 Capacity Fee Methodology

### 2.1 Current Capacity Fees

The District's current capacity fees were last evaluated by Carollo Engineers in a September 2013 report which calculated fees using a combined buy-in and future cost approach. Recycled water infrastructure and capital are included in the water capacity fee calculation. Current fees are shown in Table 1.

**Table 1: Current Capacity Fees**

---

<b>Residential Fees</b>		
<b><u>Water Capacity Fees</u></b>	<b><u>Marina</u><sup>1</sup></b>	<b><u>Ord</u><sup>1</sup></b>
Water Capacity Fee (per EDU)	\$4,526	\$8,010
Sewer Capacity Fee (per EDU)	\$2,333	\$3,322

---

<sup>1</sup> Last updated 2013, does not include regional wastewater fees

#### 2.1.1 Current EDU Calculation Methodology

The District's current capacity fees are charged based on an Equivalent Dwelling Unit (EDU) Evaluation of each customer.

Water EDUs are assigned per the District's Appendix C document (attached).

Wastewater EDUs are assigned as follows: Each residential connection including single family, multiple dwelling, condominium, trailer spaces and mobile homes is equal to one EDU. Non-residential wastewater EDUs are calculated based on plumbing fixture units at a current conversion rate of 20 fixture units per EDU. For each hotel/motel unit, a minimum of one EDU per room is applied. Each non-residential connection is a minimum of one EDU.



## 2.2 Facility Cost Valuation

There are a number of widely used methods for valuing infrastructure and assets for cost recovery via capacity fees. BWA developed the capacity fees in this report using an asset valuation approach known as Replacement Cost New Less Depreciation (RCNLD) – This approach escalates the depreciated accounting book value of each asset escalated into current dollars based on the change in the Engineering News-Record (ENR) Construction Cost Index from each asset’s acquisition date. The ENR index is a widely used index for determining construction cost inflation. Asset values for each cost center were determined using the 2018 CAFR value escalated to current dollars less water rights, easements and depreciation.

## 2.3 Capacity Fee Calculation Overview

While the current fee calculation methodology is a widely used and generally appropriate way to recover the future share of the District’s utility system assets and development costs, BWA proposes that the District adopt a more comprehensive cost recovery approach as summarized below.

### **Current Methodology: Average Cost**

$$\frac{\text{Existing Asset Value} + \text{Total CIP}}{\text{Total Units}}$$

### **Proposed Methodology: Hybrid Buy-In + Marginal Future Cost**

$$\frac{\text{Existing Asset Value}}{\text{Total Units}} + \frac{\text{Future User Share of CIP}}{\text{Future Units}}$$

### 2.3.1 Current Methodology: Average Cost Approach

The current capacity fees were calculated with an *average cost approach* fees using the District’s existing system, future projects and buildout projections. Under this approach, new connections pay an average cost of the total value of the system escalated to current dollars and the total Capital Improvement Plan. The fees are calculated based on the total cost of facilities plus total CIP divided by the total capacity the District is projected to serve through build-out. This is a widely used and accepted approach for calculating capacity fees but may not comprehensively recover the future share of existing assets and development from future users. BWA recommends that the District adopt the proposed methodology for capacity fees in the future, as summarized in Section 2.3.2.

## 2.3.2 Proposed Methodology: Hybrid Buy-In + Marginal Future Cost Methodology

Under the proposed approach, new connections buy in to the District's current system based on an average share of the total system, including the value of each enterprise's assets escalated to current dollars and the present value of CIP benefiting all users. New connections also pay for the future cost of expansion by adding the present value of future CIP to the fee basis. The fees are calculated based on the total cost of facilities divided by the total capacity the District is projected to serve through the near-term (2035) plus future CIP divided by future capacity in the near-term. This fee would comprehensively recover the development share of existing facilities and CIP benefiting future users.

## 3 Capacity Fee Calculation

### 3.1 System Buy-In Component – Existing Assets

Under the methodology described in Section 2, updated capacity fees are designed to recover the cost of existing water, wastewater and recycled water system facilities and assets (in current dollars) as well as the cost of system upgrades and expansion needed to serve the District through 2035. Since a detailed list of assets was not available at the time of this study, BWA used the District's FY 2018 Comprehensive Annual Financial Report (CAFR) for the current value of each system's fixed assets by escalating the values in the latest audit to current dollars for the FY 2019 Fiscal Year. Non-depreciable assets such as water rights and easements are not included in the asset valuation.

### 3.2 Future Cost Component – Capital Improvement Projects

The District's 2019 Master Plan outlines the capital improvements needed for each utility to reach near-term buildout in 2035. These projects include upgrades, expansions, regular maintenance, and new facilities. The Master Plan divides project costs into two benefit groups: current customers and future customers. The present value of capital improvements benefiting future customers is included in the capacity fee calculation. Capital Improvement Projects are summarized in Table 2 and provided in the Master Plan developed by Akel Engineering.

**Table 2: Capital Improvement Plan Summary**

	Nearterm 2035 CIP		
	Allocation to Existing	Allocation to Future	Total to Nearterm
Marina Water CIP	\$1,678,000	\$292,000	\$1,970,000
Marina Share Combined Water CIP	\$13,891,560	\$5,095,440	\$18,987,000
Ord Water	\$7,914,500	\$18,529,500	\$26,444,000
Ord Share Combined Water CIP	\$5,829,840	\$3,843,160	\$9,673,000
<b>Total Water CIP</b>	<b>\$29,313,900</b>	<b>\$27,760,100</b>	<b>\$57,074,000</b>
Marina Recycled Water (Adjusted) <sup>1</sup>	\$8,162,000	\$5,723,458	\$13,885,458
Ord Recycled Water (Adjusted) <sup>1</sup>	\$7,238,000	\$41,231,891	\$48,469,891
<b>Total Recycled CIP</b>	<b>\$15,400,000</b>	<b>\$46,955,349</b>	<b>\$62,355,349</b>
<b>Total Marina Water<sup>2</sup></b>	<b>\$23,731,560</b>	<b>\$11,110,898</b>	<b>\$34,842,458</b>
<b>Total Ord Water<sup>2</sup></b>	<b>\$20,982,340</b>	<b>\$63,604,551</b>	<b>\$84,586,891</b>
Marina Wastewater	\$5,033,148	\$2,166,654	\$7,199,802
Marina Share Combined Wastewater CIP	\$91,520	\$0	\$91,520
Ord Wastewater	\$14,850,151	\$19,551,521	\$34,401,672
Ord Share Combined Wastewater CIP	\$124,780	\$0	\$124,780
<b>Total Wastewater CIP</b>	<b>\$20,099,599</b>	<b>\$21,718,175</b>	<b>\$41,817,774</b>
<b>Total Marina Wastewater</b>	<b>\$5,124,668</b>	<b>\$2,166,654</b>	<b>\$7,291,322</b>
<b>Total Ord Wastewater</b>	<b>\$14,974,931</b>	<b>\$19,551,521</b>	<b>\$34,526,452</b>

1 - Includes future interest costs, excludes capital contributions and grants See Table 2B

2 - Includes Water & Recycled Water CIP

See 2019 Master Plan, AKEL Engineering for Detail

Table 3 summarizes the adjustments made to the Recycled Water Capital Plan. Capital contributions and grants have been removed from the total project cost and the future user portion of interest costs on three proposed loans have been added to the total project cost. Existing users will pay their share of interest costs on the proposed loans through rates rather than capacity fees. Rates and debt service are paid annually whereas capacity fees are paid upfront for the entirety of the project, so total future interest costs are included in the project cost.

**Table 3: Recycled Water CIP Detail**

	Nearterm 2035 Recycled Water CIP		
	Central Marina	Ord Community	Total
Existing Users	\$0	\$0	\$0
Future Users			
Capital Improvement Project Cost	\$3,164,723	\$37,634,141	\$40,798,864
Plus Future Interest Costs <sup>1</sup>	\$996,206	\$11,846,641	\$12,842,847
(Less Capital Contributions & Grants)	(\$875,471)	(\$10,410,891)	(\$11,286,362)
Total Future Users	\$3,285,458	\$39,069,891	\$42,355,349
	<b>\$3,285,458</b>	<b>\$39,069,891</b>	<b>\$42,355,349</b>
<b>Total Recycled Water Capital Improvement Plan (Nearterm)</b>			
	<b>Central Marina</b>	<b>Ord Community</b>	<b>Total</b>
Existing Users	\$8,162,000	\$7,238,000	\$15,400,000
Future Users	\$5,723,458	\$41,231,891	\$46,955,349
	<b>\$13,885,458</b>	<b>\$48,469,891</b>	<b>\$62,355,349</b>

1 - 3 loans to fund RW projects, 30 year terms:  
 \$18m @ 1.8% interest Year 1, \$11.5m @ 2.5% interest Year 6, \$4.5m @ 3% interest Year 12 respectively  
 Source: MCWD  
 Source - 2019 Master Plan, AKEL Engineering and MCWD Estimates

Table 4 lists capital improvement projects that are included in the 2019 Master Plan but excluded from capacity fees. These projects are attributable to a single development.

**Table 4: Master Plan CIP Projects Excluded from Capacity Fees**

<i>Projects attributable to a single development</i>			
	Allocation to Existing	Allocation to Future	Total to Nearterm
Marina Central - Water			
M-P3	\$0	\$2,997,000	\$2,997,000
<b>Total Water</b>	<b>\$0</b>	<b>\$2,997,000</b>	<b>\$2,997,000</b>
Ord Community - Water			
O-P7	\$0	\$2,108,000	\$2,108,000
O-P9	\$0	\$535,000	\$535,000
O-P10	\$0	\$4,312,000	\$4,312,000
O-P25	\$0	\$5,349,000	\$5,349,000
<b>Total Ord Water</b>	<b>\$0</b>	<b>\$12,304,000</b>	<b>\$12,304,000</b>
<b>Total Water</b>	<b>\$0</b>	<b>\$15,301,000</b>	<b>\$15,301,000</b>
Ord Community - Sewer			
O-P15	\$0	\$2,046,300	\$2,046,300
<b>Total Ord Sewer</b>	<b>\$0</b>	<b>\$2,046,300</b>	<b>\$2,046,300</b>
<b>Total Sewer</b>	<b>\$0</b>	<b>\$2,046,300</b>	<b>\$2,046,300</b>
<b>Total Exclusions</b>	<b>\$0</b>	<b>\$17,347,300</b>	<b>\$17,347,300</b>

See 2019 Master Plan, AKEL Engineering for Project Details

### 3.3 Proposed Updates to Water Use Factors

#### 3.3.1 Estimated Water Demand per EDU

Marina Coast WD currently defines a water equivalent dwelling unit as the amount a typical residential dwelling would use in a year or 0.33 AF per year. For non-residential development, the District utilizes “Appendix C, Assigned Water Use Factors for Determining Water Capacity Charges” to estimate the annual water use for various types of customers.

The District recently reviewed and updated its water use factors based on 0.28 AF per year. The updated Appendix C is provided following this report.

#### 3.3.2 Estimated Sewer Flow per EDU

Table 5 summarizes the sewer flow per person in the District between 2010 and 2016. The sewer flow trend is downward during this period and the average sewer flow per person is 63 gallons. The District estimates a typical household population of 2.8 persons. Thus, the typical sewer flow from a single-family home is estimated at 174 gallons per day. BWA recommends that the District establish 174 gallons per day as the flow for one EDU.

**Table 5: Estimated Sewer Flow per EDU**

---

Estimated population per household: **2.8** people.

Year	Population	Sewer Flow
		gpcd
2010	30,840	68
2011	31,141	67
2012	31,445	64
2013	31,752	64
2014	32,062	61
2015	32,375	56
2016	33,346	<u>58</u>
Average		63

ADWF sewer flow per day per person, the average from 2010 to 2016 is 63 gpcd. The sewer flow trend is downward from approximately 68 gpcd in 2010 to 58 gpcd in 2016.

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Source: AKEL Engineering

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### 3.4 Current and Projected Customers to Near-Term

Table 6 shows current and projected customers in EDUs. Water EDUs were calculated using AKEL Engineering and District updated estimates of average day demand at 0.28AF/yr/EDU and average day demand growth factors from present day to near-term growth in 2035.

Wastewater EDUs were calculated using 0.195 AFY/EDU (or 174 gallons per day per BWA’s findings in Section 3.3.2) and average day demand growth factors from present day to near-term growth in 2035.

The District is expecting significant growth to near-term buildout in 2035 per the projections in the latest Sewer Master Plan. BWA evaluated several methodologies for customer growth and concluded that the most reasonable methodology to apply is the projected change in average day demand from 2019 to near-term buildout, representing 24% growth in Marina and 79% growth in Ord between now and 2035. Average Day Water Demand projections are also shown in Table 6.

**Table 6: Water Demand Projections & EDUs to Near-Term**

Average Day Demands - Water				
Development Horizon	Central Marina (mgd)	Ord Community (mgd)	Total (mgd)	
Existing (2019)	1.98	1.26	3.24	
Nearterm (to 2035)	2.46	2.25	4.71	
Buildout (to 2050)	2.46	5.81	8.27	
<b>% Growth to Near Term</b>	<b>24%</b>	<b>79%</b>	<b>45%</b>	
<b>% Growth to Buildout</b>	<b>24%</b>	<b>361%</b>	<b>155%</b>	
Estimated EDUs @			<b>0.28</b>	<b>AFY/EDU</b>
			<b>250</b>	<b>gpd</b>
Development Horizon	Central Marina (EDU)	Ord Community (EDU)	Total (EDU)	
Existing (2018)	7,921	5,041	12,962	
Nearterm (to 2035)	9,841	9,001	18,842	
Buildout (to 2050)	9,841	23,243	33,084	
<b>% Growth to Near Term</b>	<b>24%</b>	<b>79%</b>	<b>45%</b>	
<b>% Growth to Buildout</b>	<b>24%</b>	<b>361%</b>	<b>155%</b>	
Average Day Use - Wastewater				
Development Horizon	Central Marina (mgd)	Ord Community (mgd)	Total (mgd)	
Existing (2018)	1.10	0.90	2.00	
Nearterm (to 2035)	1.29	1.58	2.87	
Buildout (to 2050)	1.29	3.76	5.05	
<b>% Growth to Near Term</b>	<b>17%</b>	<b>76%</b>	<b>44%</b>	
<b>% Growth to Buildout</b>	<b>17%</b>	<b>318%</b>	<b>153%</b>	
Estimated EDUs @			<b>0.195</b>	<b>AFY/EDU</b>
			<b>174</b>	<b>gpd</b>
Development Horizon	Central Marina (EDU)	Ord Community (EDU)	Total (EDU)	
Existing (2018)	6,322	5,172	11,494	
Near Term (to 2035)	7,414	9,080	16,494	
Buildout (to 2050)	7,414	21,609	29,023	
<b>% Growth to Near Term</b>	<b>17%</b>	<b>76%</b>	<b>44%</b>	
<b>% Growth to Buildout</b>	<b>17%</b>	<b>318%</b>	<b>153%</b>	

Source: Akel Engineering flow & use estimates, MCWD use factors

Water and Wastewater EDUs were both estimated using these demand projections. EDU growth projections are summarized in Table 7.

**Table 7: Projected EDUs to Near-Term**

<b>Current FY 2019 EDUs</b>	<b>Units</b>	<b>% Growth to Nearterm 2035<sup>1</sup></b>	<b># Growth to Nearterm 2035</b>	<b>Est. Total EDUs to Nearterm 2035</b>
<u>City of Marina</u>				
7,921	<i>Water EDUs</i>	24%	1,920	<b>9,841</b>
6,322	<i>Wastewater EDUs</i>	17%	1,092	<b>7,414</b>
<u>Ord Community</u>				
5,041	<i>Water EDUs</i>	79%	3,961	<b>9,001</b>
5,172	<i>Wastewater EDUs</i>	76%	3,908	<b>9,080</b>
<u>Total System</u>				
12,962	<i>Water EDUs</i>	45%	5,881	<b>18,842</b>
11,494	<i>Wastewater EDUs</i>	44%	5,000	<b>16,494</b>

1 - Source: Table 3

### 3.5 Wastewater Capacity Fee Calculation

Table 8 shows the detailed calculation of the District’s updated capacity fees using the methodology described in Section 2.3.2 and updated information described above in Section 3. Recycled Water assets and CIP are included in the water capacity fee featuring adjustments described in Section 3.2. Fees were calculated using EDUs to near-term as a dividing factor. Additional tables which provide further detail are provided following this report.



**Table 8: Proposed Capacity Fee Calculation – Hybrid Buy-In + Marginal Future Cost**

	<i>recovers development share of existing facilities + future CIP</i>				
	2019				
System Capacity Charge	ENR CCI Adj.	Marina Water	Ord Water	Marina Sewer	Ord Sewer
<b>Existing Asset Component - Applies to All Users</b>					
1 2018 CAFR Existing Infrastructure Asset Value	4.4%	\$ 29,329,840	\$ 119,244,541	\$ 11,566,871	\$ 39,849,292
2 Less Accumulated Deprecation on Existing Infrastructure Assets	4.4%	\$ (17,276,185)	\$ (12,229,952)	\$ (5,587,085)	\$ (4,179,314)
<b>3 RCNLD of Water Infrastructure in Service (sum of 1 to 2)</b>		<b>\$ 12,053,654</b>	<b>\$ 107,014,589</b>	<b>\$ 5,979,786</b>	<b>\$ 35,669,978</b>
<b>Value of Other Depreciable Assets</b>					
4 Less Value of Easements	4.4%	\$ -	\$ (14,720,400)	\$ -	\$ (11,275,200)
5 Less Water/Sewer Rights Assets	4.4%	\$ -	\$ (59,977,800)	\$ -	\$ (15,973,200)
<b>6 RCNLD of Other Depreciable Assets (sum of 4 to 5)</b>		<b>\$ -</b>	<b>\$ (74,698,200)</b>	<b>\$ -</b>	<b>\$ (27,248,400)</b>
<b>7 Total Value of Capital Assets (3 + 6)</b>		<b>\$ 12,053,654</b>	<b>\$ 32,316,389</b>	<b>\$ 5,979,786</b>	<b>\$ 8,421,578</b>
<b>Existing and Future Customer Base- EDUS</b>					
8 Total Existing EDUs		7,921	5,041	6,322	5,172
9 Number of Future EDUs to Nearterm - 2035		<u>1,920</u>	<u>3,961</u>	<u>1,092</u>	<u>3,908</u>
<b>10 Total Number of EDUs to Nearterm (8+9)</b>		<b>9,841</b>	<b>9,001</b>	<b>7,414</b>	<b>9,080</b>
<b>11 Buy In Capacity Fee Component (7/10) \$/EDU</b>		<b>\$ 1,225</b>	<b>\$ 3,590</b>	<b>\$ 807</b>	<b>\$ 927</b>
<b>Future Cost Component - Applies to Future Users Only</b>					
<b>CIP allocated to Future Users - Nearterm 2035</b>					
12 Water Master Plan		\$ 5,387,440	\$ 22,372,660	\$ -	\$ -
13 Sewer Master Plan		\$ -	\$ -	\$ 2,166,654	\$ 19,551,521
14 Recycled Water Master Plan <sup>1</sup>		\$ 3,285,458	\$ 39,069,891	\$ -	\$ -
<b>15 Total Value of Future CIP to Nearterm (12+13+14)</b>		<b>\$ 8,672,898</b>	<b>\$ 61,442,551</b>	<b>\$ 2,166,654</b>	<b>\$ 19,551,521</b>
<b>Future Customer Base- EDUS</b>					
16 Number of Future EDUs to Nearterm - 2035 (9)		1,920	3,961	1,092	3,908
<b>17 Expansion Capacity Fee Component (15/16) \$/EDU</b>		<b>\$ 4,517</b>	<b>\$ 15,514</b>	<b>\$ 1,984</b>	<b>\$ 5,003</b>
<b>System Capacity Charge Results - EDUS</b>					
<b>18 Estimated System Capacity Charge (11+17) \$/EDU</b>		<b>\$ 5,741</b>	<b>\$ 19,104</b>	<b>\$ 2,791</b>	<b>\$ 5,930</b>
19 Current Capacity Charge \$/EDU		\$ 4,526	\$ 8,010	\$ 2,333	\$ 3,322
20 Difference (18-19)		\$ 1,215	\$ 11,094	\$ 458	\$ 2,608
1 - excludes Capital Contributions and Grants. Includes Interest Cost, See Table 2C					
CCI Adjusted Charge (Based on 2013 Charge) - \$/EDU		\$ 5,390	\$ 9,540	\$ 2,779	\$ 3,956
ENR CCI 20-Cities Avg 2019/2013		1.19	1.19	1.19	1.19

### 3.6 Estimated Plumbing Fixture Units per EDU

Many agencies, including the District, assign non-residential sewer EDUs based on the count of plumbing fixture units in a new building. Plumbing fixtures are defined in Chapter 7 of the California Plumbing Code (CPC) and various plumbing units are assigned fixture unit counts based on the relative flow associated with that unit. For example, a clothes washer is assigned 3 fixture units and a kitchen sink is assigned 2 fixture units. The District currently equates one EDU with 20 fixture units. As shown in Table 9, a typical single-family home with two bathrooms is currently rated at 19 DFUs based on Table 702.1 of the 2016 CPC. BWA recommends that the District update its fixture unit allocation per EDU to 19 fixture units.

**Table 9: Estimated Plumbing Fixture Units per EDU**

Fixture Type	Quantity	DFU (1)	Total DFU
Bathtub(with or without shower)	1	2	2
Clothes Washer	1	3	3
Dishwasher	1	2	2
Lavatory Sink	2	1	2
Shower (single)	1	2	2
Kitchen Sink	1	2	2
Toilet (1.28 gal per flush)	2	3	6
<b>Fixture Units in a Typical Single Family Residence =</b>			<b>19</b>

1. DFU=Drainage Fixture Units as defined in Chapter 7 of California Plumbing Code

### 3.7 Accessory Dwelling Units

Recently enacted state law, Government Code Section 65852.2 (SB 1069) effective January 1, 2018, requires that the capacity fees charged to ADUs must proportionately account for impact on services based on the ADU's size or number of plumbing fixtures. Table 10 summarizes an example calculation for a hypothetical ADU containing a kitchen sink, bathroom (lavatory) sink, 1.28 gpf toilet and a shower. The ADU in this example would have a rating of 8 fixture units.

**Table 10: Example Fixture Unit Calculation for Accessory Dwelling Unit**

Fixture Type	Quantity	DFU (1)	Total DFU
Bathtub(with or without shower)	0	2	0
Clothes Washer	0	3	0
Dishwasher	0	2	0
Lavatory Sink	1	1	1
Shower (single)	1	2	2
Kitchen Sink	1	2	2
Toilet (1.28 gal per flush)	1	3	3
<b>Fixture Units in Example ADU</b>			<b>8</b>

1. DFU=Drainage Fixture Units as defined in Chapter 7 of the California Plumbing Code

### 3.8 Other Sewer EDU updates

MCWD proposes to revise the Water Code regarding sewer EDU calculations as follows:

- Each nineteen (19) fixture units are equivalent to one (1) equivalent dwelling unit (EDU).
- Each Single-Family Residential connection is one (1) EDU
- Each Multi Family Residential Connection (multiple dwelling, condominium, trailer space or mobile home) is 0.8 EDU
- Each nonresidential connection is a minimum of one (1) EDU.
- Hotels are considered non-residential units
- Updated Sewer Flow per EDU = 62gpd \* 2.8 persons/household = 174gpd/EDU

## 4 Conclusion and Recommendations

### 4.1 Summary of Proposed Fees

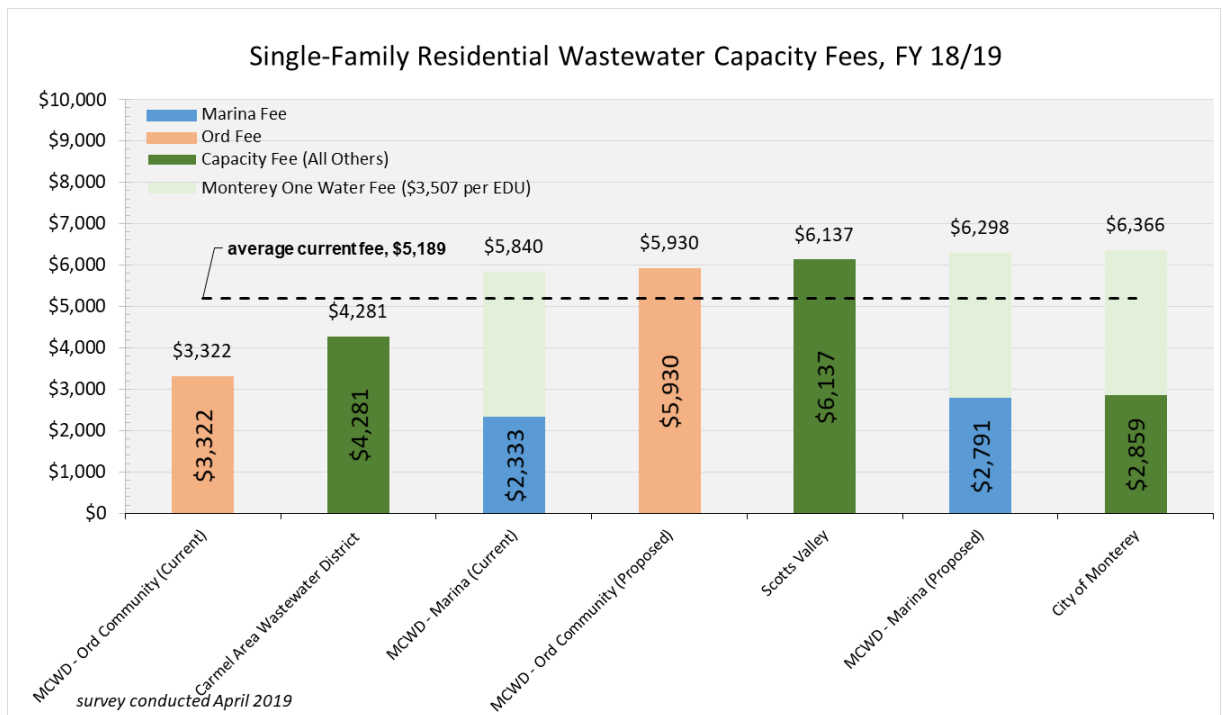
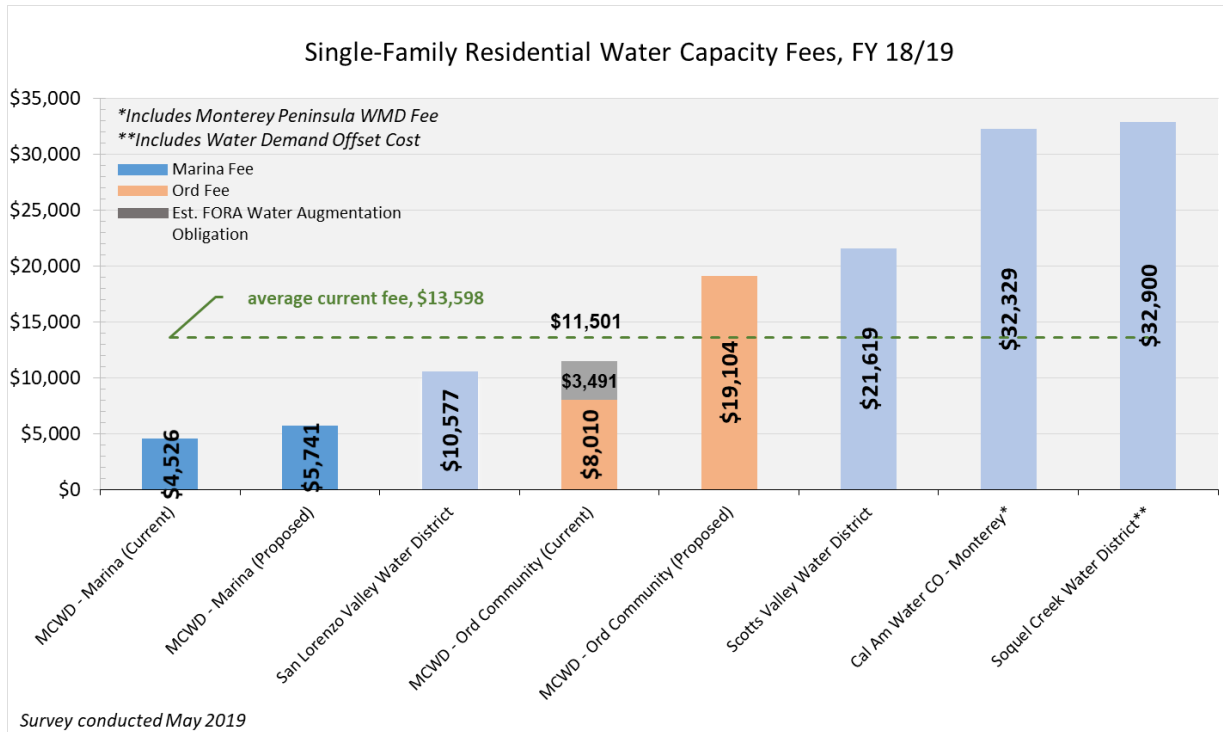
Table 11 provides a summary of findings per the methodology and District information detailed in this report. BWA has calculated fees on a \$/EDU basis using the proposed methodology described in Section 2.3.2 and calculated in Table 8.

**Table 11: Summary of Proposed Fees**

Marina Central			
<u>Proposed Capacity Fees - Hybrid Approach (Nearterm)</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Increase (Decrease)</u>
Water Capacity Fee - \$/EDU	\$4,526	\$5,741	\$1,215
Sewer Capacity Fee - \$/EDU	<u>\$2,333</u>	<u>\$2,791</u>	<u>\$458</u>
<b>Total Capacity Fee</b>	<b>\$6,859</b>	<b>\$8,532</b>	<b>\$1,673</b>
Ord Community			
<u>Proposed Capacity Fees - Hybrid Approach (Nearterm)</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Increase (Decrease)</u>
Water Capacity Fee - \$/EDU	\$8,010	\$19,104	\$11,094
Sewer Capacity Fee - \$/EDU	<u>\$3,322</u>	<u>\$5,930</u>	<u>\$2,608</u>
<b>Total Capacity Fee</b>	<b>\$11,332</b>	<b>\$25,034</b>	<b>\$13,702</b>
<b>Non Residential Water Fees</b>			
Each EDU is equivalent to 0.28 Acre foot water use per year. Refer to MCWD "Appendix C" for assigned water use factors			
<b>Non Residential Sewer Fees</b>			
Each nineteen (19) fixture units are equivalent to one (1) equivalent dwelling unit (EDU). Each Single Family Residential connection is one (1) EDU Each Multi Family Residential Connection (multiple dwelling, condominium, trailer space or mobile home) is 0.8 EDU Each nonresidential connection is a minimum of one (1) EDU. Hotels are considered non-residential units and are a minimum of one (1) EDU Updated Sewer Flow per EDU = 62gpd * 2.8 persons/household = 174gpd/EDU			

## 4.2 Capacity Fee Survey of Surrounding Agencies

BWA conducted a capacity fee survey of surrounding water and wastewater agencies to compare with the District's proposed fees. The results are shown below.



### 4.3 Conclusion

BWA finds that the proposed fees follow generally accepted fee design criteria and adhere to the substantive requirements of government code. BWA recommends that the District adopt the fees enclosed in this report by following the procedure to increase capacity fees as follows:

1. Create a nexus study to determine equitable capacity fees (Done by BWA)
2. Set notice the date of a public hearing as required in Government Code
3. Send notice of hearing to developers if specifically requested in writing
4. Hold public hearing and adopt new capacity fees via Resolution
5. Fees may become effective not less than 30 days after adoption

### 4.4 Future Fee Adjustments

In future years, BWA recommends that the District update its capacity fees annually by adjusting the fees by the change in the Engineering News-Record Construction Cost Index (20-Cities Average) to account for future construction cost inflation. Additionally, the District should review and consider updating its capacity fees when substantial revisions are made to anticipated capital improvement costs or to substantial changes in projected demand. In general, BWA recommends that capacity fees be independently reviewed and/or updated approximately once every five years.