Fort Ord Reuse Authority

# MCWD FY 15-16 Ord Community Budget

## Presentation to FORA Board

June 12, 2015

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*Assistant Executive Officer*

# Overview

i. Review **Authority Counsel memo**

ii. Consider a **new motion** consistent with FORA-MCWD Facilities Agreement and/or

iii. Take a **2nd Vote** on May 8, 2015 motion

iv. Review **FORA Water Augmentation Project Planning and Authority**

# Authority Counsel Memo

i. Review Authority Counsel Memo

- Q: Did May 8th Board motion comply with the Facilities Agreement?
- A: The motion as passed did not identify FORA's "detailed reasons for the dispute." Authority Counsel advises Board to conduct a vote to agree or disagree with proposed MCWD budget and make findings.

# Memo Continued

- Q: Is it within FORA's authority to disagree with MCWD rate increases after their 218 process?
- A: Yes. FORA has authority as long as Board makes the necessary determinations within the allotted time.

# Consider New Motion

ii. **disagree** with MCWD FY 2015/16 Ord Community Budget based on the following findings:

1) **identify disputed elements** (see staff report)

2) **state reasons for dispute** (see staff report)

3) **specify the resolution** (see staff report)

# Consider New Motion

ii. **disagree** with MCWD FY 2015/16 Ord Community Budget based on the following findings:

1) **identify disputed elements** as: $470,000 Capital Reserve line item (25b-2) for RUWAP desal. project and 9% rate increase for FY 2015/16;

2) **state reasons for the dispute** as: RUWAP desal. project planning needs to include all water augmentation options and a portion of the 9% rate increase appears to provide Ord Community funding for litigation related to the failed regional desal. project and/or further desal. planning outside of current FORA Board direction; and

3) **specify the resolution** as: MCWD resubmit budget to FORA excluding desal. specific project line item 25b-2, re-programs RUWAP to include conservation, recycled and other augmented options, and lowers 9% rate increase commensurate to MCWD regional desal. project/litigation expenses.

# Take a 2nd Vote

iii. 2nd Vote: Adopt MCWD FY 2015/16 Ord Community Budget, excluding the $470,000 Capital Reserve line item (25b-2) for 10% design of the RUWAP desalination project and the 9% rate increase for FY 2015/16;

- Authority Counsel concluded that this motion did not comply with the FORA-MCWD Facilities Agreement

# Budget Analysis

Board motion may affect:

- Legal/mediation costs
- Completion of RUWAP recycled water project
- Fort Ord Water Augmentation time frame
- MCWD Operations & CIP

# Review Water Augmentation Planning and Authority

## iv. Review Planning and Authority

- Facilities Agreement: 3.2.2. FORA will determine in consultation with MCWD, based on recommendations from the Committee, what additional facilities are necessary for the service area
- Phase 1: FORA, MCWD, and MRWPCA negotiations for RUWAP recycled water
- Phase 2: FORA and MCWD water augmentation planning considering all other options