

FORT ORD REUSE AUTHORITY
Resolution No. 18-05

*A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY
Adopting the Budget and the Ord Community Compensation Plan for FY 2018-2019 not
including Capacity Charges*

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

WHEREAS, Marina Coast Water District ("District") Staff prepared and presented the draft FY 2018-2019 Budget (**Exhibit A**) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of the Fort Ord Reuse Authority ("FORA") and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA is authorized by the FORA Act, particularly Government Code 67679(a)(1), to arrange for the provision of water and wastewater services to the Ord Community; and

WHEREAS, the District and FORA, entered into a "Water/Wastewater Facilities Agreement" ("the Agreement") on March 13, 1998, and have subsequently duly amended the Agreement; and,

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, shortterm and long-term costs, including capital costs, to furnish the water and wastewater facilities; and,

WHEREAS, the Agreement, as amended, provides that FORA and the District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for FY 2018-2019 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable the District to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The compensation plan adopted by FORA applies only to the area within FORA's jurisdictional boundaries; and,

WHEREAS, to update the capacity charge calculations contained in the 2005 financing study prepared by Citigroup Global Markets Inc., Carollo Engineers prepared a five-year water and wastewater financial plan and rate study in 2013 for the District, which recommended an increase in capacity charges for water and wastewater services to the Ord Community. The District staff provided additional information to Carollo and upon further analysis, Carollo issued in February 2014 revisions which reduced the amount of the proposed new capacity charges and were implemented July 1, 2014; and,

WHEREAS, the FORA Water/Wastewater Oversight Committee and Administrative Committee and the District Board have reviewed the proposed Budget and Compensation Plan; and,

WHEREAS, pursuant to the Agreement, FORA and the District have adopted and implemented and acted in reliance on budgets and compensation plans for prior fiscal years; and,

WHEREAS, pursuant to the Agreement, FORA and the District have cooperated in the conveyance to the District of easements, facilities and ancillary rights for the water, recycled water and wastewater systems on the area of the former Fort Ord within FORA's jurisdiction; and,

WHEREAS, the District has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army; and,

WHEREAS, capacity charges are imposed as a condition of service to customers. The charges are not imposed upon real property or upon persons as an incident of real property ownership; and,

WHEREAS, estimated revenues from the capacity charges will not exceed the estimated reasonable costs of providing the facilities and services for which the charges are imposed; and,

WHEREAS, the capacity charges have not been calculated nor developed on the basis of any parcel map, including any assessor's parcel map; and,

WHEREAS, no written requests are on file with the District for mailed notice of meetings on new or increased fees or service charges pursuant to Government Code Section 66016. At least 10 days prior to the meeting, the District made available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service; and

WHEREAS, the amount of the increase in capacity charges exceeds the percentage increase in the Implicit Price Deflator for State and Local Government Purchases, as determined by the Department of Finance. As a result, the District cannot charge the increased capacity fee to any school district, county office of education, community college district, state agency, or the University of California before first negotiating the increases with those entities in accordance with District Code section 6.16.020 and Government Code section 54999.3. Although these sections also apply to California State University at Monterey Bay, the District has complied with its obligation to negotiate with it and can charge the increased amounts to CSUMB as a result of and as limited by a Settlement Agreement and Mutual Release dated June 1, 2006, by which the District and California State University made an agreement regarding the amount of all future capacity charges. Accordingly, the District can charge the increased capacity charges as limited by the Settlement Agreement and Mutual Release immediately to CSUMB. The increased capacity charges to any other school district, state agency, county office of education, community college district or the University of California will be effective only when negotiations are concluded with those entities; and,

WHEREAS, after a public meeting, the Board has determined that the capital elements of the Budget and Compensation Plan, including the capacity charges therein, should be adopted as set forth on **Exhibit A** to this Resolution; and

WHEREAS, the capacity charges set forth on **Exhibit A** to this Resolution have NOT increased from those approved in the FY 2015-2016 Budget and Compensation Plan; and,

WHEREAS, the District is acting to provide continued water and sewer service within existing service areas on the Ord Community, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW, THEREFORE, the Board hereby resolves that:

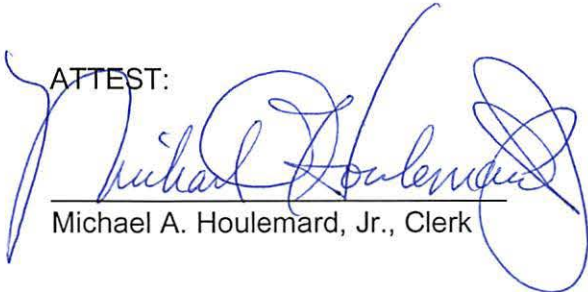
1. The Board of Directors of the Fort Ord Reuse Authority does hereby approve and adopt the capital elements of the FY 2018-2019 Budget for water, recycled water and wastewater services to the Ord Community.

2. The capital elements of the compensation plan for the area of Ord Community within FORA's jurisdiction, including capacity charges, set forth on **Exhibit A** to this Resolution are hereby approved and adopted. The District is authorized to charge and collect capacity charges for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the schedule set forth in **Exhibit A**. The District is further authorized to use the same charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.
4. The District will comply with the requirements of Government Code section 54999.3 before imposing a capital facilities fee (as defined in Government Code section 54999.1) on any school district, county office of education, community college district, the University of California or state agency. The District has negotiated and entered into that certain Settlement Agreement and Mutual Release dated June 1, 2006, with California State University.

Upon motion by Board member Gunter seconded by Board member Alexander the foregoing Resolution was passed on this 8th day of June, 2018, by the following vote:

AYES:	EDELEN, HAFFA, RUBIO, ALEXANDER, CARBONE, GUNTER, GARFIELD, DALLAS
NOES:	PARKER, ADAMS, O'CONNELL, MORTON
ABSTENTIONS:	NONE
ABSENT:	PHILLIPS

ATTEST:


Michael A. Houlemard, Jr., Clerk



Mayor Ralph Rubio, Chair