



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

WATER/WASTEWATER OVERSIGHT COMMITTEE (WWOC)

WEDNESDAY, MAY 7, 2014

(immediately following the Administrative Committee meeting)

920 2nd Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

AGENDA

1. CALL TO ORDER

2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

3. PUBLIC COMMENT PERIOD:

Members of the audience wishing to address the Fort Ord Reuse Authority (FORA) WWOC on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to three minutes. Public comments on specific agenda items will be heard under that item.

4. APPROVAL OF MEETING MINUTES

a. April 30, 2014 WWOC Minutes

ACTION

5. OLD BUSINESS

a. FY 2013/14 Ord Community Budget – Recommendation to FORA Board

ACTION

b. Water Augmentation Alternatives Presentation

INFORMATION

6. NEXT MEETING – May 14, 2014 (If necessary)

7. ADJOURNMENT

For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the Deputy Clerk by 5:00 p.m., one business day prior to the meeting. Agendas are available on the FORA website at www.fora.org.



**FORT ORD REUSE AUTHORITY
WATER/WASTEWATER OVERSIGHT COMMITTEE
REGULAR MEETING MINUTES**

Wednesday, April 30, 2014 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. CALL TO ORDER

Co-Chair Dawson called the meeting to order at 8:24 a.m. The following were present:

Committee Members:

Daniel Dawson, City of DRO
Mike Lerch, CSUMB
Rick Reidl, City of Seaside
Graham Bice, UCMBEST
Tim O'Halloran, City of Seaside
Dirk Medema, Monterey County

Others Present:

Brian Lee, MCWD
Patrick Breen, MCWD
Kelly Cadiente, MCWD
Bob Schaffer
Wendy Elliot, MCP
Pierce Rossum, Carollo
Doug Yount, ADE
Jim Fletcher, East Garrison

FORA Staff:

Steve Endsley
Crissy Maras
Jonathan Garcia

2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

None.

3. PUBLIC COMMENT PERIOD

None.

4. APPROVAL OF MEETING MINUTES

a. April 2, 2014 Joint Administrative/WWOC Meeting Minutes

The April 2, 2014 Joint Administrative/WWOC meeting minutes were unanimously approved.

5. OLD BUSINESS

a. FY 2014/15 Ord Community Budget – Recommendation to FORA Board

Marina Coast Water District (MCWD) Interim General Manager Brian Lee noted that some adjustments had been made to the budget to address committee member concerns, a MCWD Board request to add information explaining how costs are split among the various cost centers and updated water services numbers and revenue to reflect the 14/15 proposed rates.

The committee discussed flat rates and unmetered accounts, existing surcharges and proposed capacity charges, and the FORA “voluntary contribution.” FORA Assistant Executive Officer Steve Endsley suggested a slide explaining the relationship of the MCWD capacity charge to the FORA “voluntary contribution.” He noted that FORA staff will work with MCWD staff to ensure that the capital improvement programs are calibrated with each other and that the FORA development fee and MCWD budget are properly timed for Board approval so that there are no double-charges in either fee.

Committee members suggested explaining the history of past proposed rate increases with what was actually approved and outlining what capital (or other) projects could not be completed due to any denied rate increases. The Committee also noted they would like MCWD staff and consultants to provide clear justification for any proposed rate increases.

Mr. Lee noted that the District's Prop 218 hearing would be held May 19th. The Prop 218 process covers a five year period of rate increases.

The Committee suggested that joint FORA/MCWD Board meetings be held to receive presentations on the Carollo rate study, by Carollo staff, and the Ord Community budget, by MCWD staff. These meetings would likely occur in May and June to allow budget adoption by July 1st. Several ideas to gain Board approval were discussed. Pierce Rossum, Carollo Engineers, requested that any additional questions or concerns be clearly stated so they could be addressed. One additional question regarding how rate study line items correlate to budget line items was raised.

Mike Lerch, CSUMB, made a motion to recommend approval of the Ord Community budget to the FORA Board but with a limited revenue increase of \$150,000 for water and \$45,000 for wastewater. He distributed a memo outlining his motion. The motion did not receive a second, and failed.

Tim O'Halloran, City of Seaside, made a motion to bring back the CSUMB concept for future consideration, that the draft Carollo, MCWD and FORA presentations be provided for a May 7th WWOC meeting, and that the Ord Community budget be updated to reflect comments made and return for recommendation on May 7th. Graham Bice, UCMBEST, seconded the motion; motion passed unanimously.

6. NEW BUSINESS

a. MCWD Quarterly Report

The Quarterly Report was not reviewed and will be provided at a future meeting.

b. Schedule Water Augmentation Alternatives Presentation to FORA Board

A draft presentation will be made at the May 7th meeting. The presentation can be made to the FORA Board after the FORA Capital Improvement Program and budget process has been completed.

7. NEXT MEETING – May 14, 2014 (If necessary)

The next WWOC meeting was scheduled for May 7, 2014, immediately following the Administrative Committee meeting.

8. ADJOURNMENT

Co-Chair Dawson adjourned the meeting at 11:05 a.m.

Minutes prepared by Crissy Maras, Grants and Contracts Coordinator

Distributed on 4/30/14 by Mike Lerch
to the WWOC

The WWOC recommends that the FOR A Board approve FY14-15 Ord Community Budget that is limited to a revenue increase of \$150,000 for water and \$45,000 for sewer. This new revenue to be applied in the same proportion as current revenues between base charges, usage charges and flat fee accounts. This additional revenue is intended to recover an amount equivalent to the CPI change since the last approved rate increase 7/1/2011, applied to the 11-12 actual operating expense excluding FORA and Jurisdictional reimbursements. The WWOC further recommends that the FOR A Board leave capacity charges unchanged at \$5,750 per EDU for water and \$2,150 per EDU for Sewer.

		CPI All Urban Consumers			
		CUUR0000SA0			
		7/31/2011	2/28/2014	3.9%	
exhibit		Operating Expenses	225.922	234.781	
W-1	Line H	\$ 3,819,212			\$ 149,761
WW-1	Line G	\$ 1,127,157			\$ 44,199

The WWOC believes that the above recommendation is a just and reasonable measure to allow the committee, FORA Staff and MCWD additional time to gain a complete understanding of the complex and significant questions that have arisen in the discussion of the proposed budget and as yet remain unresolved. The WWOC does not believe that it is just or reasonable to proceed with any additional changes to the rate structure until the following issues are resolved:

- 1) **Receive a response to all questions posed about rate increase, connection fees, 218 process, rate model, etc. from interested parties, including WWOC members, Administrative Committee members, developers, BIA, and others – it is important responses are received to gain an understanding of operating and capital expenditure assumptions, rate and fee modeling assumptions and specifically how the proposed rate and fee levels were derived**
- 2) **Complete the FORA Phase III CIP analysis by EPS, and confirm/synchronize the MCWD CIP with the FORA CIP – the FOR A CIP and MCWD CIP are linked closely through use of common development projections, infrastructure master planning, infrastructure funding, etc. It is important to understand how the FOR A CIP is programmed and funded as it directly impacts the funding and infrastructure timing for the MCWD CIP, and thus the assumptions behind the connection charges and rates for MCWD**
- 3) **Resolve key policy issues relative to MCWD and FORA CIP – there are several key issues, which, depending on their resolution, significantly impact the proposed level of MCWD rates and fees, or the process to adopt these rates and fees. Specifically, the following items need to be resolved and agreed to by both the FOR A and MCWD Board:**
 - a. *The appropriate Prop 218 process for rate approval*
 - b. *The amount and timing of funding, including the required agreement necessary, for FORA to provide funds to MCWD for both the water augmentation project and other water contribution as specified in the FORA CIP. This latter contribution has historically been implemented as a FORA contribution to restrain Capacity Charge levels and needs to be resolved before a Capacity Charge can be determined.*
 - c. *The extent, if any, of how the costs incurred by MCWD for the previous failed regional water project will be applied to or borne by the Ord Community service area of MCWD. MCWD has requested a \$1.43 MM increase in rate based revenue, while \$12.1 M in*

reserves are tied up in litigation. It is impossible for the WWOC to determine what is a just and reasonable rate increase when such a large unknown exists.

- 4) **Confirm that the modeling used by MCWD in preparation of the rates and fees reflects the best practices of water conservation and efficiency** – *as water conservation is a key policy objective for Fort Ord redevelopment, the assumptions used in developing the MCWD CIP and rate and fee structure should reflect the best practices of water conservation and efficiency.*

- 5) **Update the proposed MCWD budget, rate and fee structure with the information gained from items 1-4 above and present this to the WWOC/Admin Committee and FORA Board for review** – *All of the above tasks will yield information that impacts the assumptions and modeling used in the preparation of the budget, rates and fees proposed by MCWD. The proposal, therefore, needs to be updated to reflect this information.*