



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

9:30 a.m., Wednesday, April 13, 2016 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. CALL TO ORDER

Fort Ord Reuse Authority Project Specialist Peter Said called the meeting to order at 9:35 a.m. The following were present:

Committee Members:

Elizabeth Caraker, City of Monterey
Daniel Dawson, City of Del Rey Oaks
Mike Lerch, CSUMB
Layne Long, City of Marina
Steve Matarazzo, UCSC
Nick Nichols, Monterey County (alternate)
Rick Riedl, City of Seaside

FORA Staff:

Jonathan Brinkmann
Steve Endsley
Mary Israel
Peter Said

Other Attendees:

Kelly Cadiente, Marina Coast Water District (MCWD)
Mike Wegley, MCWD
Keith Van der Maaten, MCWD
Patrick Breen
Brian Boudreau
Beth Palmer
Bob Schaffer
Wendy Elliott
Ken Nishi
Don Hofer

2. PLEDGE OF ALLEGIANCE

Elizabeth Caraker led the pledge of allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

None.

4. PUBLIC COMMENT PERIOD

None.

5. APPROVAL OF MEETING MINUTES

a. March 16, 2016 Minutes

MOTION: Rick Riedl moved, seconded by Steve Matarazzo, to approve the March 16, 2016 Water/Wastewater Oversight Committee minutes with four corrections to the wording in 6.a.

MOTION PASSED UNANIMOUSLY.

6. BUSINESS ITEMS

a. Elect WWOC Chair

MOTION: Dan Dawson nominated Rick Riedl as the new Chair of the Water/Wastewater Oversight Committee.

MOTION PASSED UNANIMOUSLY.

b. WWOC Fiscal Year 16/17 Work Plan

Mr. Said announced that, once the WWOC reviews and provides a recommendation on the MCWD Ord Community Budget, they will need to set a work plan for the following year and identify what WWOC wants to see addressed in the upcoming months. He also said that it is the purview of the WWOC to assess MCWD customer service performance.

7. ITEMS FROM MCWD

a. MCWD Ord Community Proposed Budget

i. Receive Revised Draft Proposed Budget

Kelly Cadiente shared a list of changes made to the Capital Improvement Program (CIP) as per WWOC requests. Ms. Cadiente and Keith Van der Maaten answered several questions about the Regional Urban Water Augmentation Project (RUWAP) estimates for costs per acre-foot from the public and a question about how funding is coming from FORA to support the pipeline construction. Mr. Endsley said the funding is subject to negotiations authorized by the FORA Board of Directors. Mike Lerch asked if the user agreements will come to the WWOC for review before they go to the users. Mr. Van der Maaten said the agreements were not anticipated to come to FORA. Mr. Lerch said his concern is if a user defaults on the agreement how it would affect other users and ratepayers. Mr. Van der Maaten said it will not affect ratepayers; the project will scale up based on demand and specific pledges from users. Mr. Dawson asked if the RUWAP costs are for a trunk main from PCA to Normandy. Mr. Van der Maaten said yes and also laterals to get the water to developments off of the trunk main, not including South Boundary Road at this time because there is currently no user with desire for that connection. Mr. Endsley clarified that the main pipeline set up does not eclipse additional development recycled water delivery such as Del Rey Oaks and Monterey but that it is required as a first step with those lateral connections as future options. Chair Riedl suggested this topic be put on a future meeting agenda.

Mr. Lerch said he had difficulty with the format of the budget and the lack of exhibits. He identified key missing information and gave examples. Ms. Cadiente offered to point out each item from within the contents of the whole budget, but Mr. Lerch said he did not think it should have to be searched out. Mr. Van der Maaten said that 14/15 and 15/16 columns for capital projects or for transfers are missing in this version of the budget. He offered to add an Executive Summary or a spreadsheet version. Mr. Riedl asked if the WWOC would like a PowerPoint be presented to the FORA Board to summarize the budget. Members said it is not additional information that is needed but a familiar format for comparison. Public comment added that last year the FORA Board requested not to have the Summary format, so they may be displeased with another year of the same. Mr. Dawson said he wants both the Summary format and the MCWD Board format budget.

A member of the public asked for clarification of the allocation percentages on water and sewer (table on page 4), what the allocation percentages apply to and why percentages are not balanced between Marina and Ord Community. Ms. Cadiente said that most expenditures are directly allocated to specific cost centers such as Ord Community or Marina. The shared expenditures are then allocated based on previous years' audited financials' percentage split.

Ms. Cadiente gave the example of customer service, which is not for just one cost center, so it is divided up by percentage. She said that, although the hookups are approaching 50/50, the system's operating costs are not even. Mr. Lerch said the ratio will continue to shift and the governance needs to follow it. Mr. Riedl asked for topic of the ratios to be added to the next meeting agenda, and that Ms. Cadiente prepare more elaborate charts to explain the ratios. Mr. Wegley said the percentage split is higher for the Ord Community because Operations, Maintenance and Repairs are happening in the Ord area. The committee requests this justification to be shown in the budget report.

A member of the public asked for the percentages on the pie charts on page 37 to be written in to the Legends. He also asked if Engineering Reimbursements on the table on page 36 is a cost line item. Ms. Cadiente confirmed this as Reimbursable Costs and that Revenue is under Developer Fees.

Mr. Riedl said that the budget does not make clear and should show how capital projects costs are allocated to the existing ratepayers and new development. Ms. Cadiente pointed the committee to page 39 summary, which shows whether each project is funded through existing or development. Mr. Riedl said they need to provide a nexus between benefit to existing ratepayers and each project; he gave the example of Inter-Garrison Road Pipeline Up-Sizing, which is for East Garrison, so why is 17% of the cost being paid for by existing ratepayers. Mr. Wegley said that the pipe is too small for the existing development, adds water to meet firefighting needs, and for the widening of Inter-Garrison. Mr. Riedl asked for the engineering study that justified the upsizing.

Another member of the public asked why pipelines are being put in to get water to East Garrison when there are wells there that could be tanked. Patrick Breen explained how the water is pumped from those wells into the central treatment facility for disinfection and returned to East Garrison in the pipes, which is less expensive to do than install local tanks and independent disinfection treatment. Mr. Riedl asked MCWD to provide a map of the CIP projects as part of the budget for the next meeting.

ii. Recommend Budget to FORA Board

No action at this time. Next meeting is scheduled for May 2nd which is a Monday, at 9:30 a.m. Mr. Endsley asked members to continue to ask questions until then so MCWD and FORA staff can address everything by or at the May 2nd meeting. This will help FORA meet the 90 day period required by the Facilities Agreement.

A request from a member of the public for information about credits for existing infrastructure on Ord Community was made a second time. Staff agreed to take the question on for investigation.

8. ITEMS FROM MEMBERS

None.

9. ADJOURNMENT

MOTION: Daniel Dawson moved, and Mike Lerch seconded, that the meeting be adjourned at 10:40 a.m.

MOTION PASSED UNANIMOUSLY.