

Marina Coast Water District

District Offices
11 Reservation Road
California

Joint Meeting of the FORA and
MCWD Boards of Directors Marina,
June 10, 2005
3:00 p.m.

Minutes

1. Call to Order:

Chair/Mayor Mettee-McCutchon called the meeting to order at 3:10 pm and requested a roll call. The following members were present:

Fort Ord Reuse Authority:

Voting Members

Supervisor Calcagno (Monterey County)
Chair/Mayor Mettee-McCutchon (City of Marina)
Mayor Pendergrass (City of Sand City)
1st Vice Chair/Mayor Russell (City of Del Rey Oaks)
Mayor Costello (City of Pacific Grove)
2nd Vice Chair/Mayor Rubio (City of Seaside)
Supervisor Smith (Monterey County)
Mayor McCloud (City of Carmel-by-the-Sea)
Councilmember Jordan (City of Seaside)
Councilmember Wilmot (City of Marina)
Supervisor Potter (Monterey County)

Absent were Mayor Albert (City of Monterey) and Councilmember Sanchez (City of Salinas).

Ex-Officio Members

David Brown (MCWD)
Congressman Sam Farr (17th Congr. District)
Dan Johnson (CSUMB)
Dr. Kirk Avery (Monterey Peninsula College)

Graham Bice (UC MBEST), Craig O'Donnell (27th State Assembly District), Bill Reichmuth (TAMC), Hunter Harvath (Monterey-Salinas Transit) and Pamela von Ness (U.S. Army) arrived after the meeting was called to order.

Absent were representatives from the 15th State Senate District, Monterey Peninsula Unified School District, and the BRAC office.

Agenda Item 1 (continued):

Marina Coast Water District:
Board Members Present:

Tom Moore – President
David Brown – Vice President
Ken Nishi
Charles Scholl
Howard Gustafson

Board Members Absent:

None.

Chair Mettee-McCutchon declared a quorum present for both boards and opened the meeting.

2. Acknowledgements:

None.

3. Public Comment Period:

There were no public comments.

4. Old Business:

None.

5. New Business:

A. Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2005-2006:

Marina Coast Water District (“MCWD”) Board President, Tom Moore, introduced MCWD General Manager, Mike Armstrong, who gave a brief overview of the document, which included a request to approve. He noted the inclusion of \$18.292 million for water and wastewater capital projects in FY 2005-06, which would help fund the Capital Improvement projects in the Ord Community. The proposed new capacity charges on new construction were \$2,800 per Equivalent Dwelling Unit (“EDU”) for water and \$1,000 per EDU for wastewater collection. Proposed new monthly capital surcharges for new construction customers were \$20/month for water and \$5/month for wastewater collection. Mr. Armstrong said the basic operating rates remain unchanged, although there were some internal modifications.

MCWD Director Nishi stated that the capital charges should be paid by the developers, and a more reasonable budget for the Ord customers should be drafted. MCWD President Moore stated that there are risks in making such changes at this point, including having to reschedule and thus further delay the Budget approval process. FORA Director/Mayor McCloud asked about the reasons for the costs, and MCWD President Moore responded that when funds are borrowed and if development is slow, income to repay the debt might not be adequate. FORA Executive Officer Houlemard commented that building infrastructure now is necessary if redevelopment is to follow. Congressman Sam Farr asked the total monthly cost to get into a unit, and Mr. Armstrong responded that developers end up paying the initial costs (capacity charges) and the buyers and renters will pay the monthly charges (surcharges and rates). MCWD President Moore commented that the proposed capacity charges are not permanent and will be reviewed annually with other District rates, fees and charges. Mr. Armstrong said that establishing a rate stabilization fund would allow the bonds to be retired earlier. MCWD Director Nishi stated that none of the other jurisdictions levy a fee on units, and FORA Director Wilmot disagreed, noting that capital charges include these fees.

FORA Director/Mayor Ralph Rubio made a motion to approve Resolution Nos. 05-7 and 05-8. FORA Chair/Mayor Ila Mettee-McCutchon seconded the motion.

FORA Director/Mayor Sue McCloud made a substitute motion to hold off until the presentation was finished. The motion failed for lack of a second.

FORA Director/Supervisor Dave Potter said that the Board needed to look at the water augmentation project in more detail, and Mr. Armstrong clarified that this project was not part of the FORA Capital Improvement Program or this budget.

A call for a vote on the motion was made, and the FORA Board passed it unanimously.

Since this item is a component of the MCWD budgets and rates, the MCWD Board will act on it when their complete budgets and rates are considered at their June 22, 2005 Board meeting.

B: Fort Ord Water Augmentation Program:

FORA Executive Officer Houlemard provided a brief PowerPoint presentation focusing on the current circumstances and challenges, future supplemental, near-term needs, and the long term solutions to water augmentation needs. MCWD Deputy General Manager/District Engineer, Marc Lucca, followed with a presentation on the regional urban water augmentation project, which included background information, water needs, the "Hybrid Alternative" and its advantages, the proposed implementation schedule, and a recommendation that both boards endorse the "Hybrid Alternative" and direct their staffs to begin scoping the project. FORA Director/Supervisor Lou Calcagno asked about the time frame for the "Hybrid Alternative" and Mr. Lucca responded that this project is expected to be online by 2008, if the scoping begins next month and designs are initiated in FY 2005-06. MCWD President Moore stated that MCWD is

ready to do what the FORA Board wants.

FORA Director/Supervisor Potter made a motion that both boards endorse the "Hybrid Alternative" and direct their staffs to begin scoping this project. FORA Director Rubio seconded the motion. FORA Director/Mayor McCloud recommended amending the motion to include a time line and water data. FORA Director Potter disagreed, urging that the project be approved now and this information be provided in the future. FORA Director Rubio said the additional data could be provided in July, before the scoping begins. Discussion followed. A call for the vote was made and the FORA Board passed the motion unanimously, with FORA Director/Mayor McCloud registering reservations.

Director Scholl made a motion for the MCWD Board to approve the "Hybrid Alternative". Director Brown seconded the motion. The MCWD Board passed the motion with a vote of 3-Ayes, 2-Noes, 0-Absent, with Directors Nishi and Gustafson dissenting.

6. Announcements and Correspondence

None.

7. Adjournment:

The meeting was adjourned at 4:15 p.m.

APPROVED:

Thomas P. Moore, President Date

ATTEST:

Michael D. Armstrong, General Manager