

Marina Coast Water District
Marina Coast Water District and Fort Ord Reuse Authority

FORA Conference Facility
201 13th Street, Bldg 2925
Marina, California

Special Joint Board Meeting
July 11, 2008
4:30 p.m.

Minutes

1. Call to Order and Roll Call of Both Boards:

FORA Chair, Mayor Joe Russell called the meeting to order at 4:32 p.m. on July 11, 2008.

Fort Ord Reuse Authority Board of Directors:

Voting members:

Chair/Mayor Russell (City of Del Rey Oaks)	1 st Vice Chair/Mayor Rubio (City of Seaside)
Mayor Wilmot (City of Marina)	Councilmember Mancini (City of Seaside)
Mayor Della Sala (City of Monterey)	Councilmember Davis (City of Pacific Grove)
Mayor Pendergrass (City of Sand City)	Mayor McCloud (City of Carmel-by-the-Sea)
Supervisor Calcagno (County of Monterey)	Supervisor Mettee-McCutchon (County of Monterey)
Councilmember Barnes (City of Salinas)	

Absent were Councilmember McCall (City of Marina) and Supervisor Potter (County of Monterey).

Non-voting members:

Graham Bice (UC Santa Cruz)	Vicki Nakamura (Monterey Peninsula College)
Hunter Harvath (Monterey-Salinas Transit)	Debbie Hale (TAMC)
Gail Youngblood (U.S. Army)	Kenneth Nishi (Marina Coast Water District)
Tony Boles (CSUMB)	COL Pamela Martis (U.S. Army)

Absent were representatives from the 17th Congressional District, the 15th State Senate District, the 27th State Assembly District and Monterey Peninsula Unified School District.

Marina Coast Water District Board Members Present:

Howard Gustafson – President
Ken Nishi – Vice President
Tom Moore
Dan Burns
Bill Lee

Marina Coast Water District Staff Members Present:

Jim Heitzman, General Manager
Lloyd Lowrey, Legal Counsel
Jeff Cattaneo, District Engineer
Suresh Prasad, Director of Finance
Brian True, Capital Projects Manager
Paula Riso, Executive Assistant/Clerk to the Board

2. Pledge of Allegiance:

FORA Chair Russell asked Vice President Kenneth Nishi, who serves on both boards, to lead the Pledge of Allegiance.

3. Acknowledgements:

Mr. Michael Houlemard, FORA Executive Officer, called attention to the handouts at the board table: one showing a revised recommendation and resolution pertaining to the Ord Community Water/ Wastewater Systems Budgets and Rates for FY 2008- 2009; another with the complete packet of Exhibit W6 from years 1999-2007; and, the PowerPoint slides for the presentation of Item 6a.

4. Public Comment Period:

There were no public comments.

5. Old Business:

None.

6. New Business:

- a. Ord Community and Marina Water/Wastewater Systems Proposed Budget and Rates for FY 2008-2009:

- (1) Presentation by Marina Coast Water District

Mr. Suresh Prasad, MCWD Director of Finance, gave a PowerPoint presentation on the proposed fiscal year 2008/2009 operating and capital budgets for the water, recycled water and wastewater collection systems and corresponding customer rates for water and wastewater collection systems for the Ord Community and Central Marina, which had been provided in hard copy. He

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added that 6,406 ballots had been mailed, 2,131 to the Ord Community customers. 145 protests had been received to date from the Ord Community Service area where 1066 protests were needed for the motion to fail; and 38 were received from Central Marina where 2138 protests were needed to fail.

(2) Public Hearing:

MCWD President Gustafson opened the Public Hearing at 4:50 p.m. Mr. Lloyd Lowrey, MCWD Legal Counsel, stated that this was the time for any additional written or oral protests to be received.

When no public comments or protests were brought forward, the Public Hearing was closed at 4:52 p.m.

(3) FORA Board Approval of Resolution No. 08-09 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-Wide Water, Recycled Water and Sewer Services on the Former Fort Ord:

Mr. Houlemard identified the revised Resolution No. 08-06, which pertains only to FORA, and remarked that it covers the water and wastewater services in the Ord Community only, but excludes the capacity charges.

Mayor McCloud asked if the capacity charges were related to the rates and budgets, and Mr. Houlemard replied no, these charges are currently being discussed by the FORA Administrative Committee in joint meetings with the FORA Water/ Wastewater Oversight Committee for the purpose of bringing a recommendation of approval back to the FORA Board. Mr. Prasad clarified that the current capacity charges would continue until the two boards agree on the figures.

Councilmember Mancini asked how many unmetered users there were in the Ord Community and why they were being charged more than metered customers. He added that the unmetered/flat rate accounts should be billed at the average water use and not a higher estimation of water use. MCWD District Engineer, Jeff Cattaneo, answered that there are approximately 2,270 unmetered users in the Ord Community. He explained that unmetered customers pay a higher flat rate for usage because it is difficult to guess the amount of water used and by not being metered, there is no incentive to conserve water. Mayor Rubio commented that it would be fairer to base the flat rate on average usage. Mr. Mancini called attention to the figures that indicate metered usage in the Ord Community is down to .4 acre-feet/year ("AFY") from .5 AFY per residence. He recommended that the flat rate bill be reassessed and be

Agenda Item 6a3 (continued):

dependent on the number of people living in a residence. MCWD Vice President Kenneth Nishi, a member of both boards, remarked that the MCWD Board agrees with the opinions stated and that MCWD is committed to master meter some of the larger areas in order to get real numbers and stated that if FORA wanted MCWD to install meters on all Ord Community buildings, they had only to ask. The cost, in some cases, could be significant.

Mayor McCloud asked if MCWD had made efforts to keep the overall costs down before recommending rate increases or had considered phasing in the increases. Vice President Nishi commented that comparing usage and districts is a two-edged sword and added that CalAm's rates are much higher than MCWD's. Mr. Cattaneo commented that MCWD tries very hard to keep the costs down, as an example; \$80 million in projects has been reduced to \$10 million.

Councilmember Barnes asked what the costs to meter a home were, and Mr. Cattaneo responded that a single family home typically runs between \$600 and \$700 and some multi-family units can be as high as \$15,000/unit, depending on the existing plumbing.

Councilmember Mancini asked what the current meter service charge is and what the fee entails. Mr. Cattaneo responded that for Ord Community the meter charge is \$12.50/month with a portion of that cost going towards running the system, and is payable with or without usage. Mr. Mancini asked what happens to the rate when the water usage goes down overall. Mr. Cattaneo responded that when mandatory rationing is instituted and water usage goes down, an agency would have less revenue and must adjust their expenses to stay within budget. The discussion was opened to the public but there were no public comments.

Councilmember Mancini recommended putting approval of this item on hold for a year to allow metering in the Ord Community so actual water usage can be measured. Mayor Wilmot pointed out that the recommended rate increase was below the Consumer Price Index (CPI).

Councilmember Barnes suggested preparing customers whose residences or buildings would be metered and phasing in the increase so it doesn't hit all at once.

Supervisor Mettee-McCutchon commented that it doesn't make economic sense to meter everything at CSUMB. CSUMB Director Tony Boles said that the University has been in negotiations with MCWD regarding the metering issue, which represents significant costs to the university.

Mayor Wilmot stated that the Ord Community must stand on its own financially.

Agenda Item 6a3 (continued):

Mayor Wilmot made a motion to approve Resolution No. 08-06, Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-Wide Water, Recycled Water and Sewer Services on the Former Fort Ord as revised and presented. Supervisor Mettee-McCutchon seconded the motion. There were no public comments. A roll call vote was requested. There were nine yes votes and two negative votes, one from Mayor Pendergrass and the other from Councilmember Mancini, so the motion failed and will be returned for a second vote at the next board meeting set for August 8, 2008.

- (4) MCWD Board Consider Adoption of Resolution Nos. 2008-34 (Ord Community Budget and Compensation Plan) and 2008-35 (Central Marina Budget):

President Gustafson opened this item to the MCWD Board and for public discussion. There was no public comment. Vice President Nishi commented that the MCWD Board can only act on Resolution No. 2008-35 as the Ord Community Budget and Compensation Plan was not approved by FORA.

Vice President Nishi made a motion to adopt Resolution No. 2008-35 approving the Central Marina Budget. Director Lee seconded the motion. The motion was passed.

Director Moore	-	Yes	Vice President Nishi	-	Yes
Director Lee	-	Yes	President Gustafson	-	Yes
Director Burns	-	Yes			

- (5) MCWD Board Approval of Second Reading and Adoption of Ordinance No. 51 Approving New District Rates, Fees and Charges for Marina Water and Wastewater:

Vice President Nishi made a motion to approve the second reading and adoption of Ordinance No. 51 approving new District Rates, Fees and Charges for Marina Water and Wastewater. Director Burns seconded the motion. Mayor Wilmot, speaking as a Central Marina resident, suggested waiting to approve the Ordinance until MCWD was back in their jurisdiction so as not to appear to sneak behind Central Marina's residents' backs. Vice President Nishi retracted his motion. Director Burns retracted his second.

Director Moore made a motion to place this item on the agenda for the MCWD July 23, 2008 Board meeting. Director Burns seconded the motion. The motion was passed with a vote of 5-Ayes, 0-Noes, 0-Absent.

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7. Announcements and Correspondence:

Councilmember Mancini announced that Seaside would be host to the Obon Festival and the first Blues in the Park event next Sunday, July 13, 2008.

8. Adjournment:

The meeting was adjourned at 5:28 p.m.

APPROVED:

Howard Gustafson, President

Date

ATTEST:

Jim Heitzman, General Manager