

Marina Coast Water District
Staff Report

Agenda Item: 10-A

Meeting Date: July 12, 2011

Submitted By: Patrick Breen

Presented By: Carl Niizawa

Reviewed By: Carl Niizawa

Agenda Title: Annexation of the Ord Community into the Marina Coast Water District

Summary: The Board of Directors is requested to receive a report on annexation of the Ord Community into the District service area.

The District currently provides water, wastewater and recycled water service to the former Fort Ord (Ord Community) under the Water/Wastewater Facilities Agreement with the Fort Ord Reuse Authority (FORA) of March 13, 1998. FORA is a public corporation of the State of California established by the FORA Act, and will cease to exist in 2014 (unless the FORA act is amended by the Legislature). The Water/Wastewater Facilities Agreement will also end with the planned sunset of FORA.

To continue providing service to the Ord Community following the expiration of FORA and the expiration of the Water/Wastewater Facilities Agreement, an organizational, governance and service structure will be required to replace the existing agreement. Alternatives include; annexation of the Ord Community into the District's service area, service under an agreement with a Joint Powers Authority (among the land use jurisdictions within the Ord Community), service under individual agreements (with the various land use jurisdictions within the Ord Community), transferring the water and wastewater infrastructure within the Ord Community to another service provider, or a combination of alternatives.

To resolve the issue, the Board directed Staff in June 2010 to initiate an annexation process of the Ord Community into the District. Staff met with the Local Agency Formation Commission of Monterey County (LAFCO) on several occasions to discuss the application process and the required CEQA analysis.

LAFCO staff recommended that the District consider annexation of all the developed portions of the Ord Community into its Urban Service Area and additional areas planned for redevelopment within the next five to ten years. LAFCO defines an *Urban Service Area* as: "Urban developed areas within an urban service district or city sphere of influence, which is now served by existing urban facilities, utilities, and services or is proposed to be served by urban facilities, utilities and services within the next five years." LAFCO staff also stated that it would be appropriate for the District to expand its Sphere of Influence to the Fort Ord Development Boundary for water and wastewater service. LAFCO defines a *Sphere of Influence* as: "A plan for the probable physical boundaries and service area of a local agency. The area around a local agency eligible for annexation and extension of urban service within a twenty-year period."

A CEQA study is required to accompany the LAFCO annexation application. The District's environmental consultant for this project, Denise Duffy & Associates, has prepared an

Administrative Draft Initial Study for the Ord Community Service Area Annexation. The Initial Study cites the Regional Urban Water Augmentation Project and the Coastal Water Project EIRs, and the Fort Ord Base Reuse Plan EIR. The Initial Study will be finalized once District comments and concerns are addressed. It is anticipated that it will be completed by the end of July.

The project (as defined in the Initial Study) will call for the annexation all of the Ord Community (to the development boundary) into both the Marina Coast Water District Sphere of Influence and its Urban Service Area for water and wastewater services.

If the District annexed the areas recommended by LAFCO staff and proposed in the Initial Study, the District's governance model of five at-large director positions would not need to be changed.

Staff will provide reports periodically to keep the Board informed as this action progresses.