

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

|                       |   |                    |
|-----------------------|---|--------------------|
| <b>Subject:</b>       | FY 2015/16 Ord Community Budget Dispute Resolution Update |                    |
| <b>Meeting Date:</b>  | August 14, 2015   | <b>INFORMATION</b> |
| <b>Agenda Number:</b> | 6a  |                    |

### **RECOMMENDATION:**

Receive an update on the FY 2015-16 Ord Community Budget (Budget) Dispute Resolution Procedure, outlined in the Fort Ord Reuse Authority (FORA)/Marina Coast Water District (MCWD) 1998 Water and Wastewater Facilities Agreement, and initiated on July 20<sup>th</sup>, 2015.

### **BACKGROUND:**

The FORA Board received the Budget, MCWD and FORA staff presentations, and a MCWD recycled water planning update during their May, June and July 2015 meetings. At the June FORA Board meeting, FORA Board members identified disputed Budget elements as: \$470,000 Capital Reserve line item (25b-2) for 10% design of the Regional Urban Water Augmentation Project desalination project and the FY 2015/16 proposed 9% rate increase.

### **DISCUSSION:**

On July 13, 2015, FORA received a Notice of Dispute from MCWD Interim General Manager Bill Kocher (**Attachment A**), outlining the MCWD Board's reasons for not adopting the FORA Board's proposed resolutions of the Budget's disputed elements. The Dispute Resolution Procedure was initiated at a meeting of Mr. Kocher and FORA Executive Officer Michael Houlemard held on June 20, 2015. The Procedure is outlined in Article 10.1 of the 1998 Agreement. Subsequent to that meeting, Executive Officer Houlemard responded to the July 13<sup>th</sup> Notice of Dispute (July 30, 2015 letter, **Attachment B**) outlining FORA's proposed resolution of the disputed elements. Per the Dispute Resolution Procedure, a FORA Water and Wastewater Oversight Committee meeting is scheduled for August 5, 2015 in case the parties have not come to agreement during the initial ten-day period outlined in the Procedure.

### **FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

Staff time for this item is included in the approved FORA budget.

### **COORDINATION:**

MCWD staff

Prepared by \_\_\_\_\_ Reviewed by \_\_\_\_\_  
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Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.