

**ACTION MINUTES
OF THE
JOINT MEETING OF THE
FORT ORD REUSE AUTHORITY AND
MARINA COAST WATER DISTRICT BOARDS
4:30–6:00 PM, Friday, July 11, 2008
Fort Ord Reuse Authority Conference Facility/Bridge Center**

1. CALL TO ORDER AND ROLL CALL OF BOTH BOARDS

FORA Chair/ Mayor Joe Russell called the joint meeting to order at 4:32 pm and requested a roll call of both boards.

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:

Chair Howard Gustafson	Director Kenneth Nishi
Director Dan Burns	Director Bill Lee
Director Tom Moore	

All were present from the Marina Coast Water District (“MCWD”) Board of Directors.

With quorums of both boards present, FORA Chair Russell opened the meeting.

2. PLEDGE OF ALLEGIANCE

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

3. ACKNOWLEDGEMENTS

FORA Executive Officer Houlemard called attention to the handouts at the board table, which he had previously noted: 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 - none

5. OLD BUSINESS - none

6. NEW BUSINESS

Item 6a - Ord Community and Marina Water/Wastewater Systems Proposed Budgets and Rates for FY 2008-2009:

Item 6a(1) - Presentation by Marina Coast Water District: Suresh Prasad, MCWD Director of Finance, gave the presentation on the proposed fiscal year 2008/09 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, supported by a PowerPoint, which had been provided in hard copy. He added that 6,406 ballots had been mailed, 2,131 to the Ord Community customers. He said 1,066 would be needed for the protest to fail and to date only 145 protests had been received from Ord Community customers.

Item 6a(2) – PUBLIC HEARING: MCWD Chair Howard Gustafson opened the public hearing. MCWD counsel Lloyd Lowrey reminded all that written protests could still be submitted. There were no public or written protests and the hearing was closed.

Item 6a(3) - FORA Board Approval of 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: Executive Officer 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 (1,050 at CSUMB alone) and why they were being charged less than metered customers. MCWD District Engineer

Jeff Cattaneo explained that unmetered customers pay a higher base rate but a flat rate for usage, which means they probably use more water than metered customers. Metered customers pay a lower base rate but pay for actual usage, which probably encourages more conservative 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 base bill be reassessed and be dependent on the number of people living in a residence. Kenneth Nishi, a member of both boards, remarked that MCWD is committed to master meter some of the larger areas in order to get a handle on this problem and stated that if FORA wanted MCWD to install meters on all Ord Community buildings, it 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. Mr. Nishi commented that comparing usage and districts is a two-edged sword. Mr. Cattaneo commented that MCWD tries very hard to keep the costs down, using as an example some \$80 million in projects being sliced 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. He said Marina’s capital charges for wastewater have more than doubled in recent years (\$1,400 to \$3,800). Councilmember Mancini asked what the current meter service charge is, and Mr. Cattaneo responded \$12.50/month, noting that the base meter charge includes a portion of the cost to run the system and is payable with or without usage. Mr. Mancini asked what happens to the rate when the water usage goes down overall, and Mr. Cattaneo responded that mandatory rationing is instituted. The discussion was opened to the public but there were no public comments.

Councilmember Mancini recommended putting approval of this item on the back burner for a year and instituting metering in the Ord Community. 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. Supervisor Mettee-McCutchon suggested not metering every residential unit at CSUMB, that one bill is satisfactory. 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. **Motion to approve Resolution #08-06, adopting a compensation plan for base-wide water, recycled water and wastewater collection systems and setting rates, fees and charges for base-wide water and wastewater services on the former Fort Ord was made by Mayor Wilmot and seconded by Supervisor Mettee-McCutchon.** 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.**

Item 6a(4) - MCWD Board Consider Adoption of Resolution Nos. 2008-34 (Ord Community Budget and Compensation Plan) and 2008-35 (Central Marina Budget): Chair Gustafson opened the item to the MCWD Board and then to the public, but there were no comments. **Motion to approve Resolution # 2008-35, the Central Marina Budget, was made by Director Nishi, seconded by Director Lee, and carried unanimously.** The MCWD Board agreed to consider action of Resolution No. 2008-34 after the FORA Board had first approved it.

Item 6a(5) - MCWD Board Approval of Second Reading and Adoption of Ordinance No. 51 Approving New District Rates, Fees & Charges for Marina Water and Wastewater: Chair Gustafson opened the item to the MCWD Board. **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 was made by Director Nishi and seconded by Director Burns.** Mayor Wilmot, speaking as a Marina citizen, recommended that approval of this item be agendized for the next meeting of the MCWD Board, and the motion was retracted. **Motion to agendize approval of Ordinance No. 51 for the next MCWD board meeting was made by Director Moore, seconded by Director Burns, and carried unanimously.**

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 13th.

8. ADJOURNMENT

The joint meeting was adjourned at 5:28 pm.

Approved by _____
Michael A. Houlemard, Jr., Executive Officer/Clerk