i. Review **Authority Counsel memo**

ii. Consider a **new motion** consistent with FORA-MC WD Facilities Agreement and/or

iii. Take a **2nd Vote** on May 8, 2015 motion

iv. Review **FORA Water Augmentation Project Planning and Authority**
i. Review Authority Counsel Memo

• Q: Did May 8th Board motion comply with the Facilities Agreement?

• A: The motion as passed did not identify FORA’s “detailed reasons for the dispute.” Authority Counsel advises Board to conduct a vote to agree or disagree with proposed MCWD budget and make findings.
Q: Is it within FORA’s authority to disagree with MCWD rate increases after their 218 process?

A: Yes. FORA has authority as long as Board makes the necessary determinations within the allotted time.
Consider New Motion

ii. disagree with MCWD FY 2015/16 Ord Community Budget based on the following findings:

1) identify disputed elements (see staff report)
2) state reasons for dispute (see staff report)
3) specify the resolution (see staff report)
Consider New Motion

ii. **disagree** with MCWD FY 2015/16 Ord Community Budget based on the following findings:

1) **identify disputed elements** as: $470,000 Capital Reserve line item (25b-2) for RUWAP desal. project and 9% rate increase for FY 2015/16;

2) **state reasons for the dispute** as: RUWAP desal. project planning needs to include all water augmentation options and a portion of the 9% rate increase appears to provide Ord Community funding for litigation related to the failed regional desal. project and/or further desal. planning outside of current FORA Board direction; and

3) **specify the resolution** as: MCWD resubmit budget to FORA excluding desal. specific project line item 25b-2, re-programs RUWAP to include conservation, recycled and other augmented options, and lowers 9% rate increase commensurate to MCWD regional desal. project/litigation expenses.
iii. 2nd Vote: Adopt MCWD FY 2015/16 Ord Community Budget, excluding the $470,000 Capital Reserve line item (25b-2) for 10% design of the RUWAP desalination project and the 9% rate increase for FY 2015/16;

- Authority Counsel concluded that this motion did not comply with the FORA-MCWD Facilities Agreement
Board motion may affect:
- Legal/mediation costs
- Completion of RUWAP recycled water project
- Fort Ord Water Augmentation time frame
- MCWD Operations & CIP
iv. Review Planning and Authority

- Facilities Agreement: 3.2.2. FORA will determine in consultation with MCWD, based on recommendations from the Committee, what additional facilities are necessary for the service area.

- Phase 1: FORA, MCWD, and MRWPCA negotiations for RUWAP recycled water.

- Phase 2: FORA and MCWD water augmentation planning considering all other options.