



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: www.mcwd.org

TEL: (831) 384-6131 FAX: (831) 883-5995

DIRECTORS

THOMAS P. MOORE
President

JAN SHRINER
Vice President

HERBERT CORTEZ
MATT ZEPPERMAN
PETER LE

March 21, 2019

FORA Board of Directors
920 2nd Avenue, Suite A
Marina, CA 93933

Re: FORA Transition Plan Draft Legislative Language

Dear Chair Supervisor Parker,

- 1) We support the continuance of FORA in a limited capacity to manage the CFD to collect and fund the projects in FORA's CIP budget as of June 30, 2020. However, we are not in favor of FORA representing that it is collecting and managing CFD funds for water augmentation. No water augmentation projects are contemplated to be included and funded in FORA's June 30, 2020 budget.
- 2) There is only one water augmentation project in the existing FORA CIP. FORA has a remaining obligation to pay MCWD up to \$1.7M for the current RUWAP Phase 1 project, if those funds are available by June 30, 2020 (a non-firm commitment). If prior to June 30, 2020, FORA has the funds to pay MCWD the \$1.7M, it should do so to reduce that amount of RUWAP project costs to be included in MCWD's Ord rates.
- 3) The BRP has a water augmentation target of 2,400 AFY. This year RUWAP Phase 1 will provide 600 AFY of PWM advanced treated water. When funded and constructed, RUWAP Phase 2 will provide the balance of 827 AFY of PWM water. The water supply sources for the additional 973 AFY (RUWAP Phase 3) are currently being studied by MCWD, FORA, and M1W. In addition, MCWD is required by the Sustainable Groundwater Management Act to achieve groundwater sustainability within the Monterey Subbasin and within the adjoining Critically Overdrafted 180/400 Foot Aquifer Subbasin in coordination with the Salinas Valley Basin GSA. While RUWAP Phases 1 – 3 will work conjunctively with existing Ord groundwater supplies, it is anticipated that additional phases will be needed to achieve long-term sustainability within Ord for existing and future development. The total amount needed for RUWAP Phases 2 and 3 and for groundwater sustainability is at least \$70M. FORA's current estimate of needing only \$17M for BRP water augmentation is not based upon today's costs to develop RUWAP Phases 2 and 3 and to achieve groundwater sustainability. FORA should not be claiming that it is collecting CFD funds to pay for RUWAP Phases 2 and 3 water augmentation when it is clear that these costs are not included in the FORA CIP.

- 4) Since FORA will not be providing MCWD with any water augmentation funds other than possibly the \$1.7M, MCWD will be moving forward with the adoption of capacity fees (also known as development fees) to pay for Ord water augmentation costs and the necessary rate structure to pay for groundwater sustainability efforts. FORA should be supporting those efforts.

- 5) Since water augmentation costs are not going to be collected by FORA, FORA should expressly announce to the land use jurisdictions and the development community that whatever funds are to be collected by FORA or by any successor CFD, those funds will not be used for any water augmentation costs.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Van Der Maaten', with a stylized flourish at the end.

Keith Van Der Maaten
General Manager