



FORT ORD REUSE AUTHORITY

WATER/WASTEWATER OVERSIGHT COMMITTEE MEETING
920 2nd Avenue, Suite A, Marina CA 93933 (FORA Community Information Center)
Wednesday, October 19, 2016 at 9:30 a.m.

(or at the end of the Administrative Committee meeting, whichever occurs later)

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE
4. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.

5. **APPROVAL OF MEETING MINUTES**
 - a. September 14, 2016 Meeting Minutes ACTION
6. **BUSINESS ITEMS**
 - a. Groundwater Sustainability Act MCWD Path Forward INFORMATION
 - b. MCWD Capital Improvements Program - Pipeline Status INFORMATION
 - c. MCWD Fort Ord Water Credits INFORMATION
7. **ITEMS FROM MCWD**
8. **ITEMS FROM MEMBERS**
9. **ADJOURNMENT**

NEXT MEETING: November 16, 2016

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**FORT ORD REUSE AUTHORITY
WATER/WASTEWATER OVERSIGHT COMMITTEE
MEETING MINUTES**

920 2nd Avenue, Suite A, Marina CA 93933 | FORA Conference Room
9:30 a.m., Wednesday, September 14, 2016

1. CALL TO ORDER

Confirming quorum, Chair Rick Riedl called the meeting to order at 10:00 a.m. The following were present:

Committee Members:

Melanie Beretti, Monterey County
Steve Matarazzo, University of California
Santa Cruz (UCSC)
Rick Riedl, City of Seaside

Bob Schaffer
Ken Nishi

FORA Staff:

Steve Endsley
Jonathan Brinkmann
Nicole Valentino

Other Attendees:

Keith Van Der Maaten, Marina Coast Water
District (MCWD)
Patrick Breen, MCWD
Andy Sterbenz, Schaaf & Wheeler
Consulting Civil Engineers

2. PLEDGE OF ALLEGIANCE

Nicole Valentino led the pledge of allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

4. PUBLIC COMMENT PERIOD

None.

5. APPROVAL OF MEETING MINUTES

a. June 15, 2016

MOTION: Committee member Steve Matarazzo moved, seconded by Melanie Beretti, to approve the June 15, 2016 Water/Wastewater Oversight Committee (WWOC) minutes.

MOTION PASSED UNANIMOUSLY.

6. BUSINESS ITEMS

a. MCWD Customer Service Evaluation

FORA Principal Planner Jonathan Brinkmann requested that committee members complete the WWOC MCWD annual evaluation form and submit the forms to FORA staff by the next meeting.

b. Groundwater Sustainability Act Update

MCWD General Manager Keith Van Der Maaten presented an update on MCWD's plans to comply with the Sustainable Groundwater Management Act (SGMA). In summary, the SGMA requires agencies to form local Groundwater Sustainability Agencies (GSAs) by June 30, 2017 that must assess conditions in their local water basins and adopt locally-based management plans. If local agencies do not form GSAs by June 30, 2017, the same responsibilities for assessing water basin conditions and adopting management plans would default to the State of California.

MCWD plans to submit an application to the California Department of Water Resources (DWR) to be its own GSA for its service area within 2 weeks. After receiving an application, DWR must post a notice for 90 days. If there are no overlapping claims, the GSA is deemed approved.

MCWD is participating in a broad Salinas Valley groundwater basin discussion about forming a GSA.

c. Sewage Credit Update

Mr. Brinkmann presented information on pre-paid wastewater capacity for Fort Ord. In the past, the Army prepaid 3.3 million gallons per day (MGD) of wastewater treatment capacity to Monterey Regional Wastewater Pollution Control Agency (MRWPCA). The Army transferred 2.2 MGD of its capacity to FORA and MCWD. Currently, Fort Ord is using about one third or .97 MGD of the available 3.3 MGD of prepaid capacity.

Mr. Nishi stated that he had requested a MCWD water and sewer capacity charge credit update be placed on the agenda, and that what was being presented and discussed was not what he had requested.

c. ADJOURNMENT

Chair Riedl adjourned the meeting at 10:23 a.m.

NEXT MEETING: October 12, 2016

Peter Said

From: Mike Wegley <MWegley@mcwd.org>
Sent: Wednesday, October 12, 2016 5:13 PM
To: Peter Said
Subject: Sewer and Water Capacity Fee Credits for WWOC
Attachments: Capacity Fee Credit Ordinance Excerpts.pdf; Variance Request Form 5-2007.pdf; in-tract_policy_jan_2004_final.pdf

Peter,

Attached are three documents relevant to capacity fee credits. They are:

- Capacity Fee Credit Ordinance Excerpts
- In-Tract Policy
- Variance Request Form

The Ordinances and the In-Tract Policy form the District's policies on fee credits as applied to capacity charges and replacement of infrastructure in the Ord Community since 2004. Instructions on how capacity charges are calculated are in Appendices 11 and 12 of the Districts Procedures, Guidelines and Design Requirements Manual (not attached).

Section 3.08.060.B. of the District Code addresses granting credits for existing service. The applicable sentence reads: "If a tract lot owner subsequently applies for a meter larger than first installed, the difference between the capacity charge for the meter ordered and the capacity charge for the meter first installed shall be payable upon application for service."

Within the Ord Community, not every service is metered, so this provision is liberally interpreted to mean every address where a customer account has been previously established is considered to have credit for previous capacity charges. Properties which have been unoccupied since MCWD assumed ownership of the system are not considered existing or former customers.

Section 6.16.020 specifically exempts certain educational and state agencies from capacity charges.

The District's In-Tract Policy generally requires developers to replace the existing water and sewer infrastructure as part of the overall site redevelopment. This ensures that pipelines are located in street rights-of-way or public utility easements and not encumbering private parcels. Developers who wish to maintain the existing infrastructure must first complete a condition assessment to estimate the remaining life of the infrastructure.

If the developer has to install oversized infrastructure to accommodate projected off-site development, they may enter into a reimbursement agreement with the District in accordance with Section 3.08.060.H. of the District Code.

The variance request form is used for a capacity fee credit meeting 3 specific conditions as stated on the form.

I trust you will find this information useful in future discussions concerning capacity fee credits.

Best Regards,
Mike

Note:
District Procedures, Guidelines and Design Requirements Manual can be found at:
http://www.mcwd.org/docs/engr_files/Appendices_11_to_18.pdf

Michael Wegley

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3.08.060 - Extension of service.

B. Capacity charge. The capacity charge shall be determined by the board from time to time and set forth by ordinance. It shall be based on the number and size of service connections and shall be payable upon application for service (or upon construction and prior to acceptance of or service to an in-tract water system in the case of developers). Such charge shall be computed so as, in the sole discretion of the board, to equalize the cost of providing storage, supply, treatment and transmission facilities, with necessary appurtenances, throughout the district. The capacity charge payable by developers or owners shall be in accordance with the capacity charge as established or revised from time to time by the board. If a tract lot owner subsequently applies for a meter larger than the first installed, the difference between the capacity charge for the meter ordered and the capacity charge for the meter first installed shall be payable upon application for service.

H. Credit for construction of facilities by developers or owners.

1. The cost of out-of-tract facilities (including engineering design fees) after certification as reasonable and proper by the district engineer may be credited against capacity charges.

2. If the approved cost of facilities exceeds the required charges, the district may enter into an agreement to refund such excess from capacity charges collected for a period not to exceed ten years from future connectors to such out-of-tract facility. The district will make no refunds and will pay only those capacity charges sums actually collected from such future connectors, as defined by the district at time of such agreement.

6.08.090 - Capacity charges for new or modified potable and recycled water service connections.

C. For each new or modified water service connection, the general manager shall determine the appropriate use type or types. If the general manager determines that a new or increased service connection involves more than one use, the general manager shall determine the capacity charge based on such multiple uses. Increased service at each service connection shall be based on Appendix C and shall be adjusted based on the difference between an existing use type and the proposed use type. A change of use following the existing use which results in a less intensive assigned water use shall not entitle the user to any refund of capacity charges previously paid. The general manager's determination may be appealed to the board pursuant to the procedures under Section 2.08.020

D. If connection is not made to the district's water or recycled water system within one year from the date a capacity charge is paid after the effective date of this provision, the difference between the amount of the capacity charge paid and the amount of the revised capacity charge in effect at the time of the connection shall be paid to the district before the connection is installed. No credit will be provided by the district if the capacity charge is reduced. No additional payment shall be required for connections for which connection charges are paid before the effective date of this provision. No service shall be provided through a connection for which the required capacity charge has not been paid.

6.12.020 – Sewer Capacity charge.

D. If connection is not made to the district's sewer system within one year from the date a capacity charge is paid after the effective date of this provision, the difference between the amount of the capacity charge paid and the amount of the revised capacity charge in effect at the time of the connection shall be paid to the district before the connection is installed. No credit will be provided by the district if the capacity charge is reduced. No additional payment shall be required for connections for which connection charges are paid before the effective date of this provision. No service shall be provided through a connection for which the required capacity charge has not been paid.

District Code of Ordinances (Capacity Charge Credit Excerpts):

6.16.020 - Charges to schools, colleges, and state agencies.

Notwithstanding the foregoing, the capacity charge shall not apply to any of the following:

- A. Any school district;
- B. The county office of education;
- C. Any community college district;
- D. The California State University;
- E. The University of California; or
- F. Any state agency.

Except upon compliance with Section 54999.3 of the Government Code, including, if necessary, negotiation with the public agencies to which Section 54999.3 applies, and the board's ratification of a negotiated agreement pursuant to Section 54999.3, the board directs that each such agreement provide for an application of the capacity charge on a nondiscriminatory basis, based upon each entity's proportionate share of use of those facilities.

Marina Coast Water District Water/Wastewater Systems

**In-Tract Water and Wastewater Collection System
Infrastructure Policy**

By
Marina Coast Water District



January 2004

Marina Coast Water District

In-Tract Water and Wastewater Collection System Infrastructure Policy

Summary

During the last 10 to 15 years, an increasing number of studies nationwide have confirmed that water and sewer infrastructure replacement costs are soaring. Water pipe replacement costs alone are estimated to be \$1.7 billion per year nationwide, and numerous other studies add to the sense of urgency to improve the nation's underground infrastructure. The infrastructure found on the former Fort Ord is no exception. Much of the water and wastewater collection systems infrastructure is estimated to be 50 years old and integrity and performance issues have already been documented.

Under the Water/Wastewater Facilities Agreement between the District and the FORA, the District is responsible for the successful operation and maintenance of the water and wastewater collection systems on the former Fort Ord, as well as improvements to the systems as FORA reasonably determines are necessary. In an effort to assure the successful redevelopment of the former Fort Ord, the District may cause to be planned, designed, and constructed any other facilities as the District reasonably determines may be needed to carry out the goals as established by FORA.

Systems Age

The former Fort Ord water and wastewater collection systems are on average estimated to be 40 to 50 years old and are nearing the end of their useful life. From this point forward, the systems will continue to deteriorate at an unpredictable pace. A majority of all valves are experiencing failure. Many of the service taps (laterals connecting to mains) have been found to be leaking due to poor construction. Pipelines will increasingly become more brittle over time.

The District implemented a preventative maintenance program to enable a systematic approach to pipeline maintenance. However, when operation and maintenance crews continue to repair or replace components of a system that continues to fail unpredictably, the success of a prudent preventative maintenance program cannot be realized.

Water Infrastructure System

FORA and the District depend on the ability to extract and deliver up to 6,600 afy of groundwater from the Salinas River groundwater basin in accordance with a FORA-approved water allocation plan for land use jurisdictions.

The majority of water use in the Ord Community service area is estimated because meters have not yet been installed on residences. Within the overall water allocation for all jurisdictions, 532 afy (or 8 percent of 6,600 afy) is presently estimated and assigned as water loss. (Industry standards for water loss range from 6% to 15% and include water lost due to water line breaks, fire hydrant use, construction water, etc.) The District accepts its responsibility as the steward of the significantly important water resources in support of FORA's redevelopment plan, and will work to minimize water loss. The District has established a water loss goal of 5 percent from

water leaks. To achieve this goal, water use will need to be accurately measured and distributed through a watertight system

Wastewater Collection System

The District is responsible for maintaining a system free from sewage overflows. Much of the collection system was not constructed to current design standards and is showing signs of aging. It is difficult to determine the failure rate of an aging system as pipelines lose integrity over time. Sewage spills (overflows) is one of the symptoms of system failure. During 2002, the District experienced 15 sewage spills. Many of the spills occurred within redevelopment areas.

The District completed its Wastewater Master Plan for the Ord Community service area in 2001 which included visually inspecting (via video) many of the collection lines and connections. The Plan describes a system that requires an aggressive and costly collection pipe replacement program.

As the collection system continues to experience problems, the District is subject to increasingly tighter regulatory control that will not tolerate sewage spills. Per recent sewer system maintenance regulations promulgated by the California Regional Water Quality Control Board, the District is required to minimize sewage overflows. Given that the sewage system is not constructed to today's design standards, overflows are expected to continue to occur at an accelerated pace. By replacing components of the aging wastewater collection system, the District will be able to keep its permits in good standing and improve upon overall maintenance costs to customers.

Capital Improvement Program

The District is making every effort to keep rates affordable for our customers. With monthly water and wastewater collection rates already on the high end for this region, additional District-funded (in-tract) capital improvements would cause the rates to escalate further, adding to the burden on potentially low to middle income customers in an area where low-income housing is strongly encouraged. Requiring developers to be responsible for in-tract capital improvements to the water system and wastewater collection system would help contain District rates while ensuring the systems are progressively brought up to standard.

Pipelines Relocated from Planned Lots of Record and Planned Improvements

Upon conveyance, the District agreed to accept the systems "as-is" and "where-is". To address right of way issues to decrease District exposure to liabilities due to systems maintenance and/or repair, we must assure that new pipelines planned in redevelopment areas are not constructed to conflict with planned lots of record or planned improvements. Examples of planned improvements include structures, roads, landscape areas, walkways, parking facilities, etc. The District will work to relocate all systems within public easements, e.g. roadway easements. Better access to systems infrastructure will result in more cost effective repairs and reduced liability to the District.

In conclusion, an in-tract water and wastewater collection system infrastructure policy that clearly establishes requirements for developers to bring systems components to industry standards during redevelopment projects is supportive of District responsibilities to FORA and to our customers.

In-Tract Infrastructure Policy

For all proposed redevelopment projects in areas served by existing water and wastewater collection infrastructure, the developer will be required to implement one of the following procedures:

1. Where redevelopment will raze the existing buildings and streets:
 - Developer completes a subdivision water and sewer master plan per the District standards.
 - Developer replaces all existing water and wastewater collection pipelines and components within the project area to District standards, and replaces all existing water and wastewater collection pipelines and components adjacent to the project area to District standards, as project impacts necessitate.
 - Developer provides meter boxes for all structures and landscaping.
 - Developer provides for District's installation of remote read meters.

2. Where redevelopment will use existing buildings and infrastructure or will raze or remodel a portion or all of the existing buildings but streets and existing infrastructure will remain:
 - Developer completes a subdivision water and sewer master plan per the District standards. This subdivision master plan would include a physical and design standard condition assessment of the systems per District standards. The subdivision master plan must be approved by the District prior to receiving water and sewer service.
 - From the subdivision master plan, the Developer replaces components as required by the District.
 - Developer relocates the District's backbone water/sewer infrastructure (infrastructure that serves other upstream and downstream users) onto roadway right of way, as necessary.
 - When the Developer is planning to construct improvements, including, but not limited to, structures, landscape areas, walkways, parking facilities, etc., over existing water and sewer infrastructure, then the Developer is responsible to relocate existing water/sewer infrastructure away from under proposed improvements.
 - The developer will enter into a separate utility agreement with the District to provide for anticipated higher maintenance costs of the remaining older systems that will be left in place.
 - The separate utility agreement will include an annual water and wastewater collection inspection report to be completed by the Developer or its successor in accordance with District standards. That agreement will require the developer to provide an annual wastewater collection system, water system inspection report in accordance

with District standards and to provide master meters for the project. The water inspection report will include a water audit.

- Developer provides meter boxes for all structures and landscaping.
- Developer provides for District's installation of remote read meters.



Variance Request Form for Marina Coast Water District

Assigned _____
Reviewed _____
Granted / Denied _____
Account No. _____

PART A – APPLICANT INFORMATION

Requested Variance (include District Code Section) _____

Date of Submittal of Variance Request _____

Has applicant applied for the same or similar variance previously? YES NO UNKNOWN

If YES, to above, please provide details _____

Request:

Name of Applicant (Contact) _____

Applicant Relationship to Owner _____

Billing Name (if different from above) _____

Street/Mailing Address for Variance _____ City _____ State _____ Zip _____

Street/Mailing Address for Billing (if different) _____ City _____ State _____ Zip _____

Daytime Phone Number _____ Fax Number _____

PART B – BASIS OF VARIANCE REQUEST

1. The strict application of the code would result in unfair or unequal treatment, undue hardship, or an emergency condition exists which requires that the variance be granted; and,
2. Granting the variance will not cause a significant adverse effect on the water supply or on service to other persons served by the district; and,
3. The variance is in the best interests of the district.

This variance request may only be based on the above conditions. Please briefly describe the basis of your request and provide documentation of need in Part C. If further space is required in the completion of this form, provide a note of such and attach supporting documentation with application.

PART C – EVIDENCE TO SUPPORT VARIANCE

Provide documentation to support you request. Documentation should concisely prove the need for a variance. Please list documents below and attach copies with your application. Original records will not be returned.

PART D – REQUESTED ACTION

What specific action are you requesting that the Board take?

- I understand that the application for a variance does not guarantee a variance will be granted.*

- I have contacted the owner and he has given his permission to process this application, or I am the property owner.*

Applicant:

Applicant's Name: _____

Applicant's Signature: _____ Date: _____

PART D – GENERAL MANAGER’S RECOMMENDATION (for internal use by Marina Coast Water District)

- Having fully considered the above application for variance, I find that the Application has NOT proven by clear and convincing evidence that the requirements of Section 2.08 Variances have been met. Based on the foregoing, a VARIANCE IS NOT RECOMMENDED.

- Having fully considered the above application for variance, I find that the Applicant has proven by clear and convincing evidence that the requirements of Section 2.08 Variances have been met. Based on the foregoing, a VARIANCE IS RECOMMENDED.

This request will be on the Marina Coast Water District Board agenda currently scheduled for _____. Please call the District to confirm this date.

Explanation _____

Signature of District General Manager

Date