

Water and Wastewater Rates of the **Marina Coast Water District**



Summary:

An investigation was conducted due to public complaints concerning the discrepancy between water rates charged to residents of the City of Marina and those living in the Ord Community (previously known as the Fort Ord Military Community) and the Marina Dunes development, both within the former Fort Ord Army Base (collectively, “former Fort Ord”¹). The Monterey County Civil Grand Jury (MCCGJ) chose to investigate the validity of the complaints to determine why there is a rate difference, and to investigate potential excessive leakage due to aging infrastructure.

¹ For the purpose of this report the “former Fort Ord” refers to the Dunes housing development and the Ord Community.

Background:

The City of Marina has an estimated population of 20,300, as of 2013. Marina's governing body is comprised of four City Council members and a Mayor, all of whom are elected at large. The Fort Ord Community has an estimated population of 14,700. The Fort Ord Reuse Authority (FORA) is a local governmental entity.² The Marina Coast Water District (MCWD) is a political and Special District of the State of California governed by a five-member elected Board of Directors.³ FORA has authority under the FORA Act⁴, to plan for and arrange the provision of those base-wide public capital facilities described in the Fort Ord Reuse Plan. This includes, but is not limited to, sewage and water conveyance and treatment facilities to assure a reasonable transition from military ownership and operation. MCWD has the authority⁵, to acquire, construct, operate, and furnish water and sewer facilities outside its boundaries and within the jurisdictional boundaries of a local governmental entity. Furthermore, as part of the disposal of Fort Ord, the Federal Government considered and chose to transfer the ownership and operation of the former Fort Ord wells and water distribution system to a successor water purveyor, utility or agency, and chose Marina Coast Water District.

Investigative Methodology:

The MCCGJ interviewed several individual members of both FORA and MCWD. When necessary, the MCCGJ followed-up the initial interviews with interviews of additional individuals from both FORA and MCWD. The Grand Jury also obtained information from research on the Internet.

² Defined as a public corporation of the State of California pursuant to Government Code section 67657.

³ See Section 30000 et seq. the California Water Code

⁴ See Government Code section 67679 (a)(1)

⁵ See Water Code Section 30000 et seq. and Article 11, Section 9 of the California Constitution

Facts:

1. Water mains on the former Fort Ord owned by the Marina Coast Water District consist of 147 miles of pipe.
2. Water mains within the City of Marina consist of 48 miles of pipe.
3. Wastewater mains on the former Fort Ord consist of 110 miles of pipe.
4. Wastewater mains within the City of Marina consist of 43 miles of pipe.
5. MCWD customer base is 14,700 on the former Fort Ord compared to an estimate of 20,300 in the City of Marina proper.
6. Maintenance costs are higher for the former Fort Ord because the area is larger and older, much of its plumbing laid down during the 1940s.
7. Debt service is higher for the former Fort Ord because the system was substandard and needed to be rehabbed to District/Industry standards.
8. Some water well-fields for the former Fort Ord are further inland. Costs are higher to distribute water and sewage through the large service area of the former Fort Ord, compared to the relatively smaller area of central Marina.
9. In addition to rates charged to the consumer, there is a capacity surcharge for former Fort Ord users for system upgrades and replacements from 2005 through 2014. This rate per hook-up user is \$20 per month for water and \$5 for wastewater.
10. If the former Fort Ord is annexed into MCWD, it proposes the addition of one member to the board to represent the interests of the former Fort Ord.

Findings:

- F 1. Water rates for residents of the former Fort Ord are higher than those for residents of Marina. However, the rate differential is justified due to the cost of replacement and repair of the existing infrastructure.
- F 2. The MCCGJ examined the possibility that rates might be higher in the former Fort Ord Marina due to water loss caused by leaks in the infrastructure. An independent audit of water loss was conducted from July 2014 to June 2015. That audit determined that the water loss rate to be 2.8%, which is well within acceptable standards.

Recommendations:

- R 1. If the former Fort Ord is annexed into the Marina Coast Water District, it should add additional board members based upon the population and connections in the annexed territory to ensure equal representation on the Marina Coast Water District Board of Directors.

Requests for Responses:

Pursuant to Penal Code section 933.05, the Monterey County Civil Grand Jury requests a response to all Findings and the Recommendation from Marina Coast Water District Board of Directors.