

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.

MCWD RESPONSE: The District partially agrees. The District agrees that the rate differential between the Ord System and the Central Marina System is due in part to the cost of maintaining, repairing, and replacing the aging Ord infrastructure, but the higher Ord System rates are also due to the Ord System's smaller customer base and the fact that the Ord infrastructure is more extensive because it is spread out over a larger geographic area.

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.

MCWD RESPONSE: The District agrees. A water audit was conducted from July 2014 to June 2015 and included within the District's 2015 Urban Water Management Plan completed by Schaaf and Wheeler which showed a 2.8% water loss rate. The audit was completed through the use of the American Water Works Water Audit Software Program with data provided by the District.

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.

MCWD RESPONSE: The District partially agrees. The District agrees that it is important to annex the Ord Territories into the District to allow for representation on the Marina Coast Water District Board; however, the District is a County Water District and political subdivision of the State of California, organized under Division 12, sections 30000 and following, of the California Water Code. Under Water Code Section 30500, “Each district shall have a board of **five** directors each of whom, whether elected or appointed, shall be a voter of the district.” As a County Water District, MCWD shall have a five member board and cannot add additional members to its Board. Following annexation, the five-member board will serve to represent all within the service area of the District