



# FORT ORD REUSE AUTHORITY

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | [www.fora.org](http://www.fora.org)

## ADMINISTRATIVE COMMITTEE MEETING

8:15 a.m. Wednesday, June 3, 2015

920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

### AGENDA

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

**4. PUBLIC COMMENT PERIOD**

Individuals wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may do so during this period for up to three minutes. Comments on specific agenda items are heard under that item.

**5. APPROVAL OF MEETING MINUTES**

ACTION

a. April 29, 2013 Administrative Committee Minutes

b. May 13, 2013 Administrative Committee Minutes

**6. JUNE 12, 2015 BOARD MEETING AGENDA REVIEW**

INFORMATION/ACTION

**7. BUSINESS ITEMS**

a. Marina Coast Water District FY 2015/16 Ord Community Budget

INFORMATION

b. Environmental Services Cooperative Agreement (ECSA)/Jurisdiction  
Land Use Covenant Implementation Plan Operations and  
Management Plan (LUCIP OMP) Workshop

INFORMATION

**8. ITEMS FROM MEMBERS**

**9. ADJOURNMENT** - Next Meeting Date: June 17, 2015

*For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the Deputy Clerk 48 hours prior to the meeting. Agendas are available on the FORA website at [www.fora.org](http://www.fora.org).*



# FORT ORD REUSE AUTHORITY

## ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m., Wednesday, April 29, 2015 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933

### 1. **CALL TO ORDER**

Chair Dawson called the meeting to order at 8:16 a.m. The following were present (*\*voting members*):

Dan Dawson, City of Del Rey Oaks\*  
Melanie Beretti, County of Monterey\*  
Layne Long, City of Marina\*  
John Dunn, City of Seaside\*  
Elizabeth Caraker, City of Monterey\*  
Todd Bodem, Sand City\*  
Diana Ingersoll, City of Seaside  
Tim O'Halloran, City of Seaside  
Vicki Nakamura, MPC  
Anya Spear, CSUMB  
Steve Matarazzo, UCSC  
Mike Zeller, TAMC

Patrick Breen, MCWD  
Brian Tru, MCWD  
Lisa Rheinheiner, MST  
Kathleen Lee, Sup. Potter  
Andy Sterbenz, Schaaf & Wheeler  
Bob Schaffer  
Jane Haines  
Doug Yount, ADE  
Don Hofer, MCP  
Chuck Lande, Marina Heights  
Brian Boudreau, Monterey Downs

FORA Staff:  
Michael Houlemard  
Steve Endsley  
Jonathan Garcia  
Stan Cook  
Lena Spilman

### 2. **PLEDGE OF ALLEGIANCE**

Brian Boudreau led the Pledge of Allegiance.

### 3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

FORA Executive Officer Michael Houlemard discussed the Land Use Control Implementation Plan Operation and Maintenance Plan (LUCIP OMP). Environmental Services Cooperative Agreement (ESCA) Program Manager Stan Cook noted that the draft LUCIP OMP was available on the Army's administrative record website and urged members to review the document prior to the ESCA briefing at the next meeting.

### 4. **PUBLIC COMMENT PERIOD**

The Committee received comments from members of the public.

### 5. **APPROVAL OF MEETING MINUTES**

#### a. **April 1, 2015 Administrative Committee Minutes**

#### b. **April 15, 2015 Administrative Committee Minutes**

MOTION: Todd Bodem moved, seconded by Melanie Beretti, to approve the minutes as presented.

MOTION PASSED UNANIMOUSLY

### 6. **MAY 8, 2015 BOARD MEETING AGENDA REVIEW**

Mr. Houlemard reviewed the draft Board agenda packet, noting an item addition requesting Board approval of current state legislation positions. Jane Haines, member of the public, distributed information regarding agenda item 9a and requested its inclusion in the final agenda packet.

MOTION: John Dunn moved, seconded by Layne Long, to recommend inclusion of supplemental material to item 9a received by Jane Haines in the May 8, 2015 FORA Board packet.

MOTION PASSED UNANIMOUSLY

**7. BUSINESS ITEMS**

**a. Recommend Board Adoption of FORA FY 2015/16 Capital Improvement Program (CIP)**

John Dunn discussed the City of Seaside's proposed amendments to the CIP, and the Committee received comments and proposed amendments from the public and other Committee members.

MOTION: John Dunn moved, seconded by Layne Long, to recommend Board approval of the FY 2015/16 CIP, incorporating the City of Seaside amendments and adding additional language to highlight opposing recommendations from the City of Seaside (Seaside) and Monterey Salinas Transit regarding the schedule for Hwy 156 improvements.

MOTION PASSED UNANIMOUSLY

**b. Pollution Legal Liability Cross Border Claim Agreement**

Melanie Beretti reported that County Counsel had an outstanding question on the item and was awaiting clarification from consulting legal counsel before responding. Mr. Houlemard stated that the additional legal review may prevent the item from coming to the Board in June and explained that the item would return to the Committee for final review and recommendation at a later date.

**c. Receive Monterey Regional Water Pollution Control Agency (MRWPCA) Groundwater Replenishment Project Update**

Keith Israel, MRWPCA General Manager, introduced the Groundwater Replenishment Project, noting its new title "Pure Water Monterey." He discussed the objective of the project and provided a status update. Paul Scudo, MRWPCA Deputy General Manager, discussed the various water sources proposed to be used and the planned water treatment process. He noted that the project was currently undergoing a 45-day California Environmental Quality Act review period and that MRWPCA would be accepting comments on the proposed project until June 5, 2015. MRWPCA also planned to host two upcoming public information meetings on May 20<sup>th</sup> and 21<sup>st</sup> at the Oldermeyer Center in Seaside and at Hartnell College. MRWPCA representatives responded to Committee and public questions, and Bill Kocher, Interim Marina Coast Water District General Manager, discussed the status of ongoing negotiations between the two agencies.

**8. ITEMS FROM MEMBERS**

John Dunn announced that Seaside was sponsoring a public meeting at the Oldermeyer Center at 6:30 pm on April 30<sup>th</sup> to review and discuss the proposed Monterey Downs project.

**9. ADJOURNMENT**

Chair Dawson adjourned the meeting at 10:00 a.m.



# FORT ORD REUSE AUTHORITY

## ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m., Wednesday, May 13, 2015 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina CA 93933

### 1. **CALL TO ORDER**

Chair Houlemard called the meeting to order at 8:20 a.m. The following were present:

*\*voting members, AR = arrived after call to order*

Melanie Beretti, County of Monterey\*  
Layne Long, City of Marina\* AR  
John Dunn, City of Seaside\*  
Diana Ingersoll, City of Seaside  
Tim O'Halloran, City of Seaside  
Vicki Nakamura, MPC  
Anya Spear, CSUMB  
Chris Placco, CSUMB  
Steve Matarazzo, UCSC  
Mike Zeller, TAMC  
Patrick Breen, MCWD

Gage Dayton, UCSC Fort Ord  
Natural Reserve  
Lisa Rheinheiner, MST  
Lyle Shurtleff, BRAC  
Chieko Nozaki, BRAC  
Kathleen Lee, Sup. Potter  
Kristie Reimer, Reimer Associates  
Consulting  
Andy Sterbenz, Schaaf & Wheeler  
Bob Schaffer  
Don Hofer, MCP

FORA Staff:  
Michael Houlemard  
Steve Endsley  
Jonathan Garcia  
Stan Cook  
Lena Spilman

### 2. **PLEDGE OF ALLEGIANCE**

Mike Zeller led the Pledge of Allegiance.

### 3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

Chair Houlemard announced that because a quorum was not yet present, he would postpone draft Board meeting agenda packet review and move up the other information items.

Anya Spear stated that California State University Monterey Bay (CSUMB) was in the process of hiring a Transportation Planner. Chair Houlemard provided the Committee an update on recruitment efforts for three open staff positions: Economic Development Coordinator, Transportation Planner, and Deputy Clerk/Executive Assistant.

### 4. **PUBLIC COMMENT PERIOD**

None.

### 6. **BUSINESS ITEMS**

#### a. **Post-Reassessment Work Program Report**

Principal Planner Jonathan Garcia reviewed the Post-Reassessment Advisory Committee workplan, identifying category 1-3 Reassessment Report recommendations. Senior Planner Josh Metz summarized Category 3 Report findings, noting that the Oak Woodlands Conservation Area planning, regional trails coordination, and the Regional Urban Design Guidelines process all fell within that category. Staff received comments on the proposed schedule from the Committee and public, noting it would be presented to the Board in June.

*Layne Long entered at 8:40 a.m., establishing a quorum.*

#### b. **Receive CSUMB Master Planning Process Presentation**

Chris Placco, CSUMB Associate Vice President of Planning and Development, announced that CSUMB was undertaking a General Plan revision. He reviewed the primary areas of focus for the existing General Plan, discussed the University's long-term goals, and presented the revision

process and schedule. CSUMB had committed to an accelerated timeline, which targeted a June 12<sup>th</sup> presentation to the FORA Board and a series of stakeholders meetings at the end of June. Mr. Placco responded to public and committee questions. Staff stated the item would return to the Committee at the following meeting under Board agenda review.

**c. Receive Land Use Control Implementation Plan Operations and Maintenance Plan**

Environmental Services Cooperative Agreement (ECSA) Program Manager Stan Cook reviewed the Land Use Control Implementation Plan Operations and Maintenance Plan (LUCIP OMP) and he and Chris Spill, ARCADIS, answered questions from the Committee and public. Mr. Cook noted that comments on the draft LUCIP OMP were due in June.

*John Dunn left at 9:31 a.m. and was replaced by Diana Ingersoll.*

**5. MAY 8, 2015 BOARD MEETING FOLLOW UP**

Chair Houlemard reviewed the May 8<sup>th</sup> Board actions, noting that both the capital improvement program and the annual budget had been approved unanimously. He discussed the Board's direction with regards to the MCWD budget, which they approved without funding for the desalinated water project conceptual planning and a proposed 9 percent rate increase. Chair Houlemard stated that the item required a second vote at the June Board meeting, at which time staff would provide a legal analysis regarding FORA's legal right to reject a rate increase approved through a proposition 218 process. He also explained that the Board had directed staff to coordinate with the Monterey Regional Water Pollution Control Agency and MCWD on water issues. Diana Ingersoll expressed interest in participating in those meetings.

**7. ITEMS FROM MEMBERS**

Don Hofer reminded Committee members of Marina Community Partners' Workforce Housing Program, for which they were having a difficult time finding qualified applicants.

**8. ADJOURNMENT**

Anya Spear moved, seconded by Layne Long, to adjourn the meeting at 10:20 a.m.



# FORT ORD REUSE AUTHORITY

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | [www.fora.org](http://www.fora.org)

## REGULAR MEETING FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

Friday, June 12, 2015 at 2:00 p.m.

910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenters Union Hall)

### AGENDA

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. CLOSED SESSION**

- a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – 1 Case
  - i. Keep Fort Ord Wild v. Fort Ord Reuse Authority (FORA), Case Number: M114961

**4. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION**

**5. ROLL CALL**

**6. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE** INFORMATION

**7. CONSENT AGENDA**

- a. Approve May 8, 2015 Board Meeting Minutes ACTION
- b. Preston Park Settlement Agreement Amendment ACTION

**8. BUSINESS ITEMS**

- a. Marina Coast Water District FY 2015-16 Ord Community Budget INFORMATION/ACTION
  - i. Review Legal Analysis
  - ii. 2<sup>nd</sup> Vote: Adopt Revised MCWD FY 2015/16 Ord Community Budget
  - iii. Provide MCWD Response Under FORA-MCWD Facilities Agreement
  - iv. Review FORA Water Augmentation Project Planning Authority
- b. Approval of FY 2015-16 Preston Park Operating and Capital Improvement Program Budgets ACTION
- c. Approval of FORA FY 2015-16 Capital Improvement Program Revisions INFORMATION/ACTION
- d. California State University Monterey Bay Master Planning Process Presentation INFORMATION

## 9. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Board on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes. Comments on agenda items are heard under the item.

## 10. EXECUTIVE OFFICER'S REPORT

- |  |             |
|--|-------------|
| a. Outstanding Receivables                     | INFORMATION |
| b. Habitat Conservation Plan Update            | INFORMATION |
| c. Administrative Committee                    | INFORMATION |
| d. Post Reassessment Advisory Committee        | INFORMATION |
| e. Regional Urban Design Guidelines Task Force | INFORMATION |
| f. Travel Report                               | INFORMATION |
| g. Public Correspondence to the Board          | INFORMATION |

## 11. ITEMS FROM MEMBERS

## 12. ADJOURNMENT

**NEXT BOARD MEETING: JULY 10, 2015**

Persons seeking disability related accommodations should contact FORA 48 hrs prior to the meeting. This meeting is recorded by Access Monterey Peninsula and televised Sundays at 9 a.m. and 1 p.m. on Marina/Peninsula Chanel 25. The video and meeting materials are available online at [www.fora.org](http://www.fora.org).

**- START -**

**DRAFT  
BOARD PACKET**



# **Placeholder for Item 7b**

**Preston Park Settlement Agreement Amendment**

---

**This item will be included in the final Board packet.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Marina Coast Water District FY 2015/16 Ord Community Budget	
<b>Meeting Date:</b>	June 12, 2015	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	8a	

### **RECOMMENDATION:**

- i. Review FORA legal rights for disagreement with Marina Coast Water District (MCWD) draft Ord Community Budget denying the 9% rate increase in FY 2015-16 as scheduled after MCWD's 2014 completed 218 process;
- ii. 2<sup>nd</sup> 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; and/or
- iii. 1<sup>st</sup> Vote: Agree with MCWD's proposed budget or disagree with their proposed budget by identifying disputed elements, stating detailed reasons for the dispute, and specifying a resolution acceptable to FORA; and
- iv. Review FORA Water Augmentation Project Planning Authority.

### **BACKGROUND:**

Background related to this item can be accessed through the May 8, 2015 FORA Board Packet Item 9d, which is available at the following link:

<http://www.fora.org/Board/2015/Packet/050815BrdPacket.pdf>

### **DISCUSSION:**

#### **Review FORA Legal Rights:**

Authority Counsel is reviewing the Board's legal rights to disagree with the MCWD proposed draft Ord Community Budget by excluding the 9% rate increase as scheduled in FY 2015-16 consistent with MCWD's previously completed 218 process. In staff and Authority Counsel's review, the first conclusion is that the 218 rate increase proceedings related to the MCWD 5-year rate study are within MCWD's authority as water purveyor for former Fort Ord. The FORA Board is not involved in conducting the 218 process. The 218 process allows for lawful rate increases if the process meets legal requirements. MCWD reported in FY 2014/15 that it met legal requirements in its 218 process. When MCWD presented its budget to the FORA Board in 2014, Board members asked questions about MCWD's 218 process and MCWD special counsel appeared at the meeting to answer specific questions.

The second conclusion is that the FORA-MCWD Water/Wastewater Facilities Agreement (**Attachment A**) allows FORA to disagree with MCWD including the scheduled 9% rate increase in its draft 2015/16 budget. As previously discussed, a 218 process allows for lawful rate increases, but does not guarantee them. In fact, in a past fiscal year budget, MCWD included a rate increase that was less than the 218 process-approved rate for that fiscal year budget. Below is section 7.2.1. of the agreement which describes FORA's role in budget adoption.

"7.2.1. FORA shall respond to MCWD within three months after receiving a proposed budget or a written request or a referral for further response pursuant to section 7.1.3. FORA's response shall state whether FORA agrees with the proposed budget or written request. If FORA does not agree, FORA's response

shall identify each disputed element, shall state detailed reasons for the dispute, and shall specify a resolution acceptable to FORA. If FORA does not respond within three months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted.”

Therefore, the Board may disagree or deny if it also makes findings that support the disagreement. The Board has not as yet made findings that would comply with its obligations in 7.2.1 of the FORA-MCWD Water/Wastewater Facilities Agreement.

### **2<sup>nd</sup> Vote on the Motion:**

At its May 8, 2015 meeting, the Board voted 12-1 on the following motion: “Adopt MCWD FY 2015-16 Ord Community Budget, which does not include a \$470,000 Capital Reserve line item 25b-2 for 10% design of the RUWAP desalination project and does not include the 9% rate increase in FY 2015/16.” Since the vote was not unanimous, the motion proceeds to a second vote. If the second vote passes, FORA must address the issue of how to approve a balanced budget as MCWD relies on the 9% rate increase to do so. As staff reads the Board’s May 8<sup>th</sup> motion, the motion would essentially direct staff to write a response letter to MCWD meeting the requirements of the FORA-MCWD Water/Wastewater Facilities Agreement section 7.2.1. However, in specifying a resolution acceptable to FORA, FORA must state detailed reasons for the dispute and a resolution. The motion’s stated resolution to exclude the 9% rate increase in FY 2015/16 would create an unbalanced budget, with greater expenses than revenues. If the motion passes, staff advises that detailed reasons for not including the 9% rate increase be reflected in the discussion.

Staff’s position remains the same as the May FORA Board meeting. Staff recommends the Board adopt the MCWD FY 2015-16 Ord Community Budget as presented by MCWD and recommended by the FORA Water/Wastewater Oversight Committee (WWOC). If the Board disagrees with specifically including RUWAP Desalination project planning in the budget at this time, that part of the previous motion sends a clear message and is relatively straight forward to document under the FORA-MCWD Water/Wastewater Facilities Agreement provisions. However, removing the scheduled 9% rate increase defers cost increases into the future and MCWD’s Board, staff, and consultants indicate this will not provide sufficient funding to meet existing and future system needs. Also, with the exception of water augmentation lines items (25b-1 RUWAP recycled water trunk line and 25b-2 10% design of RUWAP desalination project), the draft budget is primarily based on the maintenance and improvements of the existing water and sewer systems that provide those utilities to existing customers. Authority Counsel was asked by the Board to review its legal authority to deny the rate increase in light of the 218 process and provide an opinion (**Attachment B**). That memo guides the Board through its options should it choose to modify the prior action.

### **1<sup>st</sup> Vote on a New Motion:**

Given Authority Counsel’s opinion, he recommends the Board consider a new motion that either: 1) Agrees with MCWD’s proposed budget or 2) disagrees with their proposed budget by identifying disputed elements, stating detailed reasons for the dispute, and specifying a resolution acceptable to FORA. The MCWD budget was first distributed to the WWOC on March 17, 2015. So, to comply with the FORA-MCWD Water/Wastewater Facilities Agreement section 7.2.1 which provides FORA three months to respond to the proposed budget, FORA has until June 17, 2015 to provide a response. If the Board passes a new motion that is not unanimous, the Board could schedule a special meeting before June 18, 2015 to hold a 2<sup>nd</sup> vote.

## **Review FORA Water Augmentation Project Planning Authority:**

At its May meeting, the Board “directed staff to reconsider their authority in establishing an augmented water project in consultation with MCWD and return analysis of suggestions made by board members pursuant to the reworking of the relationship between MCWD and FORA.”

Staff includes the following excerpts from the FORA-MCWD Water/Wastewater Facilities Agreement for context:

### **“3.2. ADDITIONAL FACILITIES.**

3.2.1. MCWD Responsibilities. MCWD will cause to be planned, designed and constructed such additional water and sewer facilities as FORA, in consultation with MCWD, reasonably determines are necessary for the service area. MCWD may cause to be planned, designed and constructed any other facilities as MCWD reasonably determines will carry out the purpose of this agreement as expressed in section 1.3 of this Agreement.

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

“5.3.3. Recycled Water. The parties will cooperate to further the use of recycled, reused and reclaimed water and stormwater.”

In June 2005, FORA and MCWD Boards endorsed the RUWAP hybrid alternative, which would augment former Fort Ord water supplies with recycled and desalinated water projects. Over the past ten years, MCWD has partially built the recycled water infrastructure and has not yet planned a desalination project. MCWD recently confirmed to the FORA Administrative Committee that the RUWAP continues to be Planned as an ‘all of the above’ project that contains recycled, groundwater, and alternative, and conservation sources to be worked out in a multi-agency planning process. Given the current context, FORA staff previously recommended that FORA staff participate in MCWD and MRWPCA negotiations on the recycled water project, which it has done, and consult with MCWD and surrounding water management entities such as MRWPCA, MCWRA, and CalAm to bring back feasible options to the FORA Board on both recycled and desalinated water projects, which is in progress. FORA staff also concurs in the multiple public comments that encourage this process to include assessing the impact of conservation on the demand for recycled or alternative resources. This direct intervention into the prior bilateral negotiating process allowed FORA to enhance its role and coordination with other agencies, resulting in more productive dialogue and decision-making.

Over the past month, FORA staff has met informally and individually with MCWD and MRWPCA staff concerning the RUWAP recycled water project. These meetings have been collegial and productive. FORA staff also participated in a staff-level joint discussion between the two agencies and plans to participate in future negotiation sessions. MCWD is representing the interests and direction of FORA in the negotiations. FORA’s participation ensures that this continues. In general terms, each party has certain interests and infrastructure that make negotiating a written agreement a desirable outcome. MCWD has built a significant portion of its RUWAP recycled trunk line and has certain recycled water rights with MRWPCA. MCWD also has an interest in delivering recycled water to Ord

Community customers to meet contract objectives with FORA. *MRWPCA* is interested in moving its proposed Pure Water Monterey project treated water from its regional treatment plant north of Marina to the Seaside Groundwater Basin aquifer to achieve ground water replenishment. MCWD and MRWPCA can both achieve cost savings by sharing in the cost of building/utilizing the recycled water trunk line infrastructure to serve each of their projects. FORA is interested in securing augmented water to mitigate its 1997 Base Reuse Plan impacts and serve Ord Community customers. FORA has a \$24 million line item in its Capital Improvement Program to use toward Fort Ord Water Augmentation, once agreement is in place that secures FORA's right to the augmented water. The overall approach is to create a three party term sheet defining these opportunities to jointly address individual interests by applying collective resources. Staffs will offer regular updates to the policy-making boards, leading to a collectively beneficial "water resource cooperative agreement."

**FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

Staff time for this item is included in the approved FORA budget.

**COORDINATION:**

WWOC, MCWD staff, Authority Counsel

DRAFT

Prepared by \_\_\_\_\_ Reviewed by \_\_\_\_\_  
Jonathan Garcia D. Steven Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

## AMENDMENT TO WATER/WASTEWATER FACILITIES AGREEMENT

The parties to this Amendment to Water/Wastewater Facilities Agreement ("Amendment") are the FORT ORD REUSE AUTHORITY ("FORA") and the MARINA COAST WATER DISTRICT ("MCWD"), which agree as follows:

1. Agreed Facts. The parties entered into an agreement dated March 13, 1998 and entitled "Water/Wastewater Facilities Agreement" ("Agreement"). Subsequent changes in applicable law and circumstances make it mutually beneficial for the parties to amend the Agreement to add the option of effecting the conveyance of the subject water and wastewater facilities to MCWD either through a no-cost economic development conveyance through FORA or through a public benefit conveyance through the US Department of Health and Human Services. Such an amendment will benefit both parties by potentially expediting the conveyance and providing greater flexibility in operating the facilities with greater public and economic benefit to the communities served by the parties.

2. Amendment Procedure. Paragraph 10.7 of the Agreement requires consent of the governing Boards of both parties to amend the Agreement. As with the Agreement, FORA will adopt this Amendment by ordinance and MCWD will adopt this Agreement by resolution. FORA is the lead agency for adoption of this Amendment.

3. Definitions. The definitions of words and terms in the Agreement shall control the meaning of the same words and terms used in this Amendment.

4. Amendments. The Agreement is amended as follows:

4.1 Paragraph 1.4 is amended as follows:

"EXISTING FACILITIES. The USA presently owns all existing facilities. The USA has determined to divest itself of the existing facilities. Federal law authorizes such divestiture by either a "public benefit conveyance" or a "no-cost economic development conveyance" to a local governmental entity satisfying certain criteria, which criteria are satisfied by MCWD. FORA and MCWD have formally determined that MCWD's acquisition of the existing facilities for the service area by either a public benefit conveyance or a no-cost economic development conveyance will benefit mutually the service area and the area within MCWD's jurisdictional boundaries."

4.2 Paragraph 1.5 is amended as follows:

"CONTEXT. The public health, safety and welfare of the present population of the Ft. Ord reuse area and all future population require continued operation of a water distribution system and a wastewater collection system. The U.S. Army has agreed to convey the systems pursuant to federal law and regulations. Following organization of FORA, discussions commenced with the USA regarding transfer of ownership and operation of the facilities, and FORA evolved a process to assure continuity of management and operation. FORA has been given a limited statutory life and must find reliable utility providers to assume the responsibility for system operation. The FORA

Board appointed a select committee from technical staff of its members to design a set of minimum requirements for water system operators and invited statements of qualifications from those interested. Three statements were received and referred to the same select committee for evaluation, analysis, and recommendation. After receiving the select committee's analysis and recommendation, and after providing opportunity for public input, at its meeting of October 11, 1996, the FORA Board authorized staff to commence negotiations with MCWD for the purpose of negotiating an agreement with MCWD whereby MCWD would assume the responsibility of the operation, maintenance, and ownership of the existing water (and wastewater collection) systems on the former Fort Ord. The same select committee was authorized to oversee the negotiations that were undertaken by FORA staff. Negotiations included detailed financial analyses by FORA staff/consultants and by Stone & Youngberg LLC. These analyses are very comprehensive and demonstrate MCWD's fiscal capacity. The Stone & Youngberg Financial Analysis includes provision for possible payments to FORA and various land use agencies in accordance with law. On May 9, 1997, the FORA Board authorized the staff to work with MCWD to develop an agreement regarding the systems and to prepare an application for Public Benefit Conveyance (PBC) to be filed after the FORA/MCWD agreement is authorized for execution by the FORA Board. Effective June 2, 1997, MCWD has been selected by the USA to be the interim operator of the facilities pending a full transfer. The parties anticipate that such full transfer will be by either a public benefit conveyance or a no-cost economic development conveyance pursuant to this Agreement."

4.3 The heading of Paragraph 3.1 is amended as follows:

"APPLICATION FOR PUBLIC BENEFIT CONVEYANCE OR NO-COST ECONOMIC DEVELOPMENT CONVEYANCE; PERMITS TO OPERATE."

4.4 Paragraph 3.1.1 is amended as follows:

"MCWD Responsibilities. MCWD, as lead agency, will diligently either prosecute an application to the USA for a public benefit conveyance to MCWD, or through FORA prosecute a no-cost economic development conveyance to MCWD of all of the USA's existing sewer and water facilities and appurtenances and incidental rights of access, extraction, discharge, and use for the service area. MCWD will also act diligently to obtain and maintain in good standing all permits needed to operate all such facilities."

4.5 Paragraph 3.1.2 is amended as follows:

“FORA Responsibilities. FORA will forego and forebear its rights to acquire the facilities through negotiated sale, economic development conveyance, or any other procedure permitted under law, and FORA hereby nominates and designates MCWD as the appropriate local governmental entity to acquire the facilities for the benefit of FORA, its member agencies, and the general public. FORA will support MCWD's application for conveyance of the facilities and incidental rights to MCWD through either a public benefit conveyance or a no-cost economic development conveyance.

4.6 Paragraph 7.1.4 is amended as follows:

“Payments to FORA. Upon the effective date of either a public benefit conveyance or a no-cost economic development conveyance of the facilities to MCWD, when MCWD has the ability to levy and collect rates for service through the facilities within the Service Area, MCWD will commence to pay to FORA monies determined to be due as provided in this section. The amount of MCWD's payments to FORA under this section will be included in each budget and request for change presented to FORA under section 7.1.3.”

4.7 Paragraph 9.3 is amended as follows:

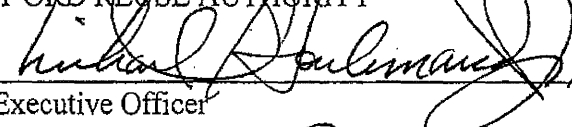
“TERM. This Agreement shall have a term coincident with the legal existence of FORA, unless the USA denies MCWD's application for a public benefit conveyance or MCWD's application through FORA for a no-cost economic development conveyance. If the USA denies MCWD's application for a public benefit conveyance or for a no-cost economic development conveyance, the parties shall meet and confer in good faith during the 120 days immediately following the final denial to discuss possible change in terms for MCWD to acquire, construct, operate and/or furnish the facilities. If FORA and MCWD cannot agree on new terms within the 120 days, or such other additional time as may be agreed by FORA and MCWD, this Agreement shall terminate and have no further effect, and the parties thereafter shall have no further rights or obligations under this Agreement.”

5. Incorporation of Terms. This Amendment is incorporated into the Agreement by this reference, and all the provisions of the Agreement as specifically amended by this Amendment, including but not limited to execution in counterparts are incorporated in and apply to this Amendment.



IN WITNESS WHEREOF, the parties hereto, by and through their respective, duly authorized representatives, have executed this Agreement on the dates indicated.

PORT OF REUSE AUTHORITY

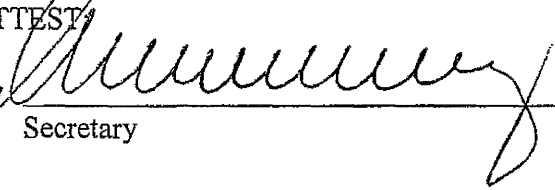
By   
Executive Officer

MARINA COAST WATER DISTRICT

By   
President, Board of Directors

Dated: 3-2-01

ATTEST:

By   
Secretary

# WATER/WASTEWATER FACILITIES AGREEMENT

The parties to this Water/Wastewater Facilities Agreement ("Agreement") are the FORT ORD REUSE AUTHORITY and the MARINA COAST WATER DISTRICT, which agree as follows:

## ARTICLE 1. AGREED FACTS

1.1. CAPACITY OF THE PARTIES. FORA is a local governmental entity and is defined as a public corporation of the State of California established by the FORA Act. MCWD 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.

1.2. AUTHORITY. FORA has authority under the FORA Act, and particularly under Government Code section 67679(a)(1), to plan for and arrange the provision of those base wide public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, sewage and water conveyance and treatment facilities to assure a reasonable transition from military ownership and operation to civilian ownership and operation, and to further the integrated future use of Fort Ord. MCWD has authority, under Water Code sections 30000 and following, and under Article 11, Section 9 of the California Constitution, to acquire, construct, operate, and furnish water and sewer facilities outside its boundaries and within the jurisdictional boundaries of a local governmental entity by agreement with the local governmental entity.

1.3. PURPOSE. The parties intend by this Agreement to establish the terms and conditions for FORA to plan and arrange for the provision of the facilities, and for MCWD to acquire, construct, operate, and furnish the facilities, to benefit mutually the service area and the area within MCWD's jurisdictional boundaries. This Agreement will govern MCWD's ownership and operation of the facilities.

1.4. EXISTING FACILITIES. The USA presently owns all existing facilities. The USA has determined to divest itself of the existing facilities. Federal law authorizes such divestiture by a "public benefit conveyance" to a local governmental entity satisfying certain criteria, which criteria are satisfied by MCWD. FORA and MCWD have formally determined that MCWD's acquisition of the existing facilities for the service area by a public benefit conveyance will benefit mutually the service area and the area within MCWD's jurisdictional boundaries.

1.5. CONTEXT. The public health, safety and welfare of the present population of the Ft. Ord reuse area and all future population require continued operation of a water distribution system and a wastewater collection system. The

U.S. Army has agreed to convey the systems pursuant to federal law and regulations. Following organization of FORA, discussions commenced with the USA regarding transfer of ownership and operation of the facilities, and FORA evolved a process to assure continuity of management and operation. FORA has been given a limited statutory life and must find reliable utility providers to assume the responsibility for system operation. The FORA Board appointed a select committee from technical staff of its members to design a set of minimum requirements for water system operators and invited statements of qualifications from those interested. Three statements were received and referred to the same select committee for evaluation, analysis, and recommendation. After receiving the select committee's analysis and recommendation, and after providing opportunity for public input, at its meeting of October 11, 1996, the FORA Board authorized staff to commence negotiations with MCWD for the purpose of negotiating an agreement with MCWD whereby MCWD would assume the responsibility of the operation, maintenance, and ownership of the existing water (and wastewater collection) systems on the former Fort Ord. The same select committee was authorized to oversee the negotiations that were undertaken by FORA staff. Negotiations included detailed financial analyses by FORA staff/consultants and by Stone & Youngberg LLC. These analyses are very comprehensive and demonstrate MCWD's fiscal capacity. The Stone & Youngberg Financial Analysis includes provision for possible payments to FORA and various land use agencies in accordance with law. On May 9, 1997, the FORA Board authorized the staff to work with MCWD to develop an agreement regarding the systems and to prepare an application for Public Benefit Conveyance (PBC) to be filed after the FORA/MCWD agreement is authorized for execution by the FORA Board. Effective June 2, 1997, MCWD has been selected by the USA to be the interim operator of the facilities pending a full transfer. The parties anticipate that such full transfer will be by public benefit conveyance pursuant to this Agreement.

1.6. WATER SUPPLY CAPACITY RIGHTS. The FORA Board has previously adopted a comprehensive plan for the administration of groundwater extraction rights consistent with the Agreement between the USA and the Monterey County Water Resources Agency dated September 1993. It is anticipated this plan may be amended from time to time at the sole discretion of the FORA Board. The total volume of groundwater available for this plan is 6,600 acre feet per year.

1.7. LEAD AGENCY. FORA is the lead agency for the adoption of this Agreement.

## ARTICLE 2. DEFINITIONS AND ATTACHMENTS

2.1. "Committee" means the Water/Wastewater Oversight Committee appointed by the FORA Board to oversee the provision of water and wastewater collection services by MCWD under this Agreement.

- 2.2. "Facilities" means the public capital facilities used to provide water and wastewater collection services on the service area, including appurtenances and incidental rights of access, extraction, discharge, and use. Sewage (herein also called "sewer" and "wastewater") and water public capital facilities existing as of the date of this Agreement are generally shown on Exhibits A and B to this Agreement. Public capital facilities are those on MCWD's side of the service connection, including the meter for water service. For sewer facilities, the service connection is at the tap into the main collection system, wherever located, as determined by MCWD.
- 2.3. "FORA" means Fort Ord Reuse Authority.
- 2.4. "FORA Act" means the Fort Ord Reuse Authority Act codified in Title 7.85, sections 67650 and following, of the California Government Code, as may be amended from time to time.
- 2.5. "MCWD" means Marina Coast Water District.
- 2.6. "Service Area" means the former Fort Ord Army base in northwestern Monterey County, California. The service area is shown generally on the diagram attached to this Agreement as Exhibit A.
- 2.7. "USA" means the United States of America represented by the Department of the Army.
- 2.8. Attachments to this Agreement:
- EXHIBIT "A": Diagram of Fort Ord Water System/Service Area, Schaaf & Wheeler, April 1994
- EXHIBIT "B": Diagram of Fort Ord Wastewater System/Service Area, FORIS, undated
- EXHIBIT "C": Mediators
- EXHIBIT "D": Gov. Code §§ 54980-54983, 67679(a)(1)
- EXHIBIT "E": Pub. Util. Code §§ 10101, 10102, 10103, 10104 and 10105

## ARTICLE 3. FACILITIES ACQUISITION AND OWNERSHIP

### 3.1. APPLICATION FOR PUBLIC BENEFIT CONVEYANCE; PERMITS TO OPERATE.

3.1.1. MCWD Responsibilities. MCWD, as lead agency, will diligently prosecute an application to the USA for a public benefit conveyance to MCWD of all of the USA's existing sewer and water facilities and appurtenances and incidental rights of access, extraction, discharge, and use for the service area. MCWD will also act diligently to obtain and maintain in good standing all permits needed to operate all such facilities.

3.1.2. FORA Responsibilities. FORA will forego and forebear its rights to acquire the facilities through negotiated sale, economic development conveyance, or any other procedure permitted under law, and FORA hereby nominates and designates MCWD as the appropriate local governmental entity to acquire the facilities for the benefit of FORA, its member agencies, and the general public. FORA will support MCWD's application for a public benefit conveyance.

3.1.3. Joint Responsibilities. MCWD and FORA will diligently take such actions and execute such documents as either considers necessary for MCWD to obtain and confirm all rights in and to the existing wastewater and water facilities and appurtenances and incidental rights of access, extraction, discharge, and use.

### 3.2. ADDITIONAL FACILITIES.

3.2.1. MCWD Responsibilities. MCWD will cause to be planned, designed and constructed such additional water and sewer facilities as FORA, in consultation with MCWD, reasonably determines are necessary for the service area. MCWD may cause to be planned, designed and constructed any other facilities as MCWD reasonably determines will carry out the purpose of this agreement as expressed in section 1.3 of this Agreement.

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

3.3. TRANSFER, OBLIGATION, AND ENCUMBRANCE OF FACILITIES. Any transfer, obligation, or encumbrance of any interest in the facilities shall require the prior written approval of both parties.

### 3.4. ESTABLISHMENT OF WATER AND SEWER CAPACITY RIGHTS.

3.4.1. MCWD Responsibilities. MCWD shall have no responsibility for establishment and administration of water extraction capacity rights and

wastewater discharge and treatment capacity rights, except to compensate FORA for such administration.

3.4.2. FORA Responsibilities. The FORA Board will administer all extraction and discharge rights which may be obtained from the USA, pursuant to the comprehensive plan previously adopted by FORA and such changes as may be made to the plan from time to time by the FORA Board.

3.5. GRANT LOCAL SHARE. MCWD shall assume and pay the local share of any federal or state grant made to improve, maintain or add to the facilities. Any such obligation shall be a reimbursable cost under section 7.1.2 of this Agreement.

#### ARTICLE 4. OVERSIGHT

4.1. MCWD RESPONSIBILITIES. MCWD shall own and operate the facilities under the oversight and with the approvals and authorizations of FORA and the Committee as provided in this Agreement. MCWD shall cooperate with FORA and the Committee, and shall provide such information to the Committee as reasonably requested by the Committee, including but not limited to the reports enumerated in section 4.2.3 of this Agreement.

#### 4.2. FORA RESPONSIBILITIES.

4.2.1. Committee Appointment. A Water/Wastewater Oversight Committee will be appointed by the FORA Board from appropriate agency staff members who will serve at the pleasure of the Board. The Committee will include representatives from the future land use jurisdictions and the two Universities (Cities of Marina, Seaside, Monterey, Del Rey Oaks, the County of Monterey, CSUMB and UCMBEST), for a total of seven members (see attachment).

4.2.2. Committee Role. The Committee shall be advisory to the FORA Board and shall have the following functions:

- 4.2.2.1. Receive recommendations regarding operation of the facilities.
- 4.2.2.2. Advise the FORA Board and staff on appropriate action regarding such recommendations.
- 4.2.2.3. Review and recommend on operating and capital improvement budgets.
- 4.2.2.4. Periodically review and recommend a master plan of public sewer and water facilities.

- 4.2.2.5. Make recommendations pursuant to Article 7 of this Agreement, including recommendations regarding allocation of costs over benefitted properties.
- 4.2.2.6. Confirm adequacy of services provided.
- 4.2.2.7. Review the annual financial statement and MCWD audit to affirm that results achieved comport with expectations of FORA.
- 4.2.2.8. Evaluate annually the performance of MCWD in accordance with this Agreement.
- 4.2.2.9. Advise on short and long term financial planning and fiscal management.
- 4.2.2.10. Assure that the facilities are complimenting implementation of the reuse plan.

4.2.3. Evaluation Criteria. The Committee will use the following criteria in evaluating MCWD's performance under this Agreement:

- 4.2.3.1. Timely development annually of operation and capital budgets.
- 4.2.3.2. Timely and accurate quarterly and annual financial reports.
- 4.2.3.3. Timely and accurate quarterly and annual operational reports.
- 4.2.3.4. Customer service orientation and MCWD's responsiveness to customer concerns, as shown in quarterly and annual reports of customer communications and responses.

## ARTICLE 5. FACILITIES OPERATION

### 5.1. MCWD RESPONSIBILITIES.

5.1.1. Operation. MCWD will operate the facilities in accordance with applicable laws, rules and regulations, and policies established by the MCWD Board and the FORA Board, and procedures adopted by MCWD staff after

consultation with the Committee. Unless this Agreement or any policy or procedure established pursuant to this Agreement provides otherwise, MCWD will operate the facilities in the same manner as MCWD operates similar facilities for other areas served by MCWD.

5.1.2. Communication and Reports. MCWD will communicate regularly with the Committee about the operation of the facilities, and will respond promptly to communications from FORA and the Committee. MCWD will deliver quarterly and annual operational reports to the Committee.

5.1.3. Complaints. Complaints about MCWD's operation of the facilities will be dealt with in the first instance by MCWD's General Manager or designee. Decisions of the General Manager or designee may be appealed to the FORA Board in the same manner that decisions within the boundaries of MCWD are appealed to MCWD's Board. The decision of the FORA Board on complaints will be final and will exhaust all administrative remedies.

5.1.4. Interconnection With MCWD Facilities. Interconnections currently exist between the facilities and MCWD's facilities. MCWD may improve interconnections between MCWD's facilities and the facilities, to provide for enhanced, conjunctive and concurrent use of all system facilities to serve the service area and other areas served by MCWD.

5.2. FORA RESPONSIBILITIES. FORA will cooperate with MCWD to establish policies for the operation and administration of the facilities and to facilitate operation and administration of the facilities to achieve the purpose of this Agreement as stated in section 2.3 of this Agreement. FORA will respond promptly to communications from MCWD about operation of the facilities. The FORA Board will deal promptly with appeals of complaints about MCWD's operation of the facilities.

### 5.3. JOINT RESPONSIBILITIES.

5.3.1. Groundwater Use. The parties will cooperate on MCWD's increased withdrawal of potable groundwater from MCWD's existing wells in the 900-foot aquifer by up to 1,400 acre-feet per year (afy), in compliance with law, to enable the increased withdrawals from 5,200 afy to 6,600 afy for use in the service area, as stipulated in paragraph 4.c. of the September 1993 Agreement between The United States of America and the Monterey County Water Resources Agency, and in paragraph 5.1.1.1 of the "Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands," recorded August 7, 1996, in Reel 3404 Page 749, in the Office of the Monterey County Recorder.

5.3.2. Groundwater Management. The parties will cooperate to further the conservation, management and protection of groundwater underlying the service area and groundwater used on the service area.



5.3.3. Recycled Water. The parties will cooperate to further the use of recycled, reused and reclaimed water and stormwater.

5.4. AGREEMENT ADMINISTRATION. The following persons or their designated representatives shall be the contact persons for the parties and shall administer this Agreement:

Executive Officer of FORA  
FORA  
100 12th Street, Bldg 2880  
Marina, CA 93933

General Manager of MCWD  
MCWD  
200 12th Street, Bldg. 2788  
Marina, CA 93933

## ARTICLE 6. EX OFFICIO MEMBERSHIP

6.1. MCWD Responsibilities. Close cooperation and communication between FORA and MCWD being vital to the successful implementation of this Agreement, upon execution of this Agreement and payment of the membership fees described in Article 7 of this Agreement, MCWD will become an ex officio member of FORA under applicable provisions of the FORA Act, with all of the rights and obligations of an ex officio member.

6.2. FORA Responsibilities. Upon execution of this Agreement and payment of the membership fees described in Article 7 of this Agreement, FORA will enroll MCWD as an ex officio member of FORA pursuant to the FORA Act, with all of the rights and obligations of an ex officio member.

## ARTICLE 7. FINANCIAL PROVISIONS

### 7.1. MCWD RESPONSIBILITIES

7.1.1. Separate Fund Accounting. MCWD will account for its operations for the service area as a separate fund within the general MCWD operation. The service area fund will have its own line items and account numbers, and will give MCWD the ability to report on revenues and expenses for the service area. Rules for allocating overhead between the service area fund and other MCWD operations will be determined based on the principles set forth in Circular A-87, Cost Principles for State and Local Governments, of the federal Office of Management and Budget.

7.1.2. MCWD Will Recover Costs. MCWD will recover all of its direct and indirect, short term and long term costs of furnishing the facilities to the service area. MCWD shall not be required to take any action in connection with furnishing the facilities to the service area unless and until a source of funds is secured from the service area to pay in full in a reasonable manner consistent with normal accounting practices all of MCWD's direct and indirect, short term and long term costs of the action to be taken by MCWD, including costs of administration, operation, maintenance and capital improvements to provide adequate system capacity to meet existing and anticipated service demands.

7.1.3. Budgets and Compensation Plans.

7.1.3.1. Proposed Budgets. MCWD's General Manager shall submit a proposed budget to the Committee within four months after conveyance of the existing facilities from the USA to MCWD, and shall submit subsequent proposed budgets by March 30 of each year. Each budget shall contain an action budget for one year, from July 1 through June 30, and an operational planning budget for an additional year, and a five-year capital improvement planning budget, updated annually. Each budget shall provide for sufficient revenues to pay MCWD's direct and indirect, short-term and long-term costs to furnish the facilities to the service area for the two years covered by the action budget and the planning budget.

7.1.3.2. Request for Change. MCWD may at any time submit a written request to FORA for recommended changes in compensation. The request shall state in detail the reasons for the request and the amount of change requested.

7.1.3.3. MCWD Board Action. Not less than two weeks nor more than four weeks after receiving FORA's response pursuant to section 7.2, MCWD's governing Board shall act on the response. MCWD's Board may adopt the proposal with FORA's recommended changes, or may refer the matter to mediation as provided in section 10.1 of this Agreement.

7.1.3.4. Term of Adopted Plan. Each adopted compensation plan shall remain in effect until a new plan is adopted.

7.1.4. Payments to FORA. Upon the effective date of a public benefit conveyance of the facilities to MCWD, when MCWD has the ability to levy and collect rates for service through the facilities within the Service Area, MCWD will commence to pay to FORA monies determined to be due as provided in this section. The amount of MCWD's payments to FORA under this section will be included in each budget and request for change presented to FORA under section 7.1.3.

7.1.4.1. MCWD will pay for FORA's administrative and liaison services incurred by FORA in the management and operation of the facilities and the administration of this Agreement.

7.1.4.2. MCWD will pay to FORA an amount equal to five percent (5%) of all revenues derived, earned, or paid to MCWD for any purpose from customers of MCWD or users of water, within the Service Area, to partially compensate FORA for its forbearance pursuant to section 3.1.2 of this Agreement.

7.1.4.3. MCWD will pay any sum due to FORA under any agreement with FORA which may be required under the provisions of sections 10101 and following of the California Public Utilities Code, and sections 54980 and following of the California Government Code.

7.1.4.4. MCWD will pay the fair market value of any interest in property purchased from FORA.

7.1.4.5. MCWD will pay an annual fee for membership on the FORA Board of Directors as an ex-officio member in an amount as the FORA Board may establish by resolution. MCWD acknowledges that MCWD's annual fee for such ex-officio membership may exceed the amount paid by other ex-officio members. The annual fee to be paid by MCWD will not exceed one percent (1%) of all revenues, derived, earned, or paid to MCWD for any purpose from customers of MCWD or users of water within the service area.

7.1.4.6. In the event FORA enters into an agreement with Monterey County or any city which has jurisdiction over a portion of the service area, for the division of revenues derived from the sales of water by MCWD within the jurisdiction of the County or city, the amounts specified in Section 7.1.4.2 of this Agreement shall be reduced by the amount FORA receives pursuant to such agreements for the division of revenues.

7.1.5. MCWD's Financial Authority. MCWD may exercise any authority available to MCWD under law and this Agreement to finance MCWD's operations for the service area.

7.1.6. Defense of Financial Plans. MCWD, at MCWD's cost, shall defend all financial plans adopted and financial actions taken by MCWD and FORA by or pursuant to this Agreement. MCWD may file and prosecute a validating action if authorized by law for any such plan.

## 7.2. FORA RESPONSIBILITIES.

7.2.1. FORA shall respond to MCWD within three months after receiving a proposed budget or a written request or a referral for further response pursuant to section 7.1.3. FORA's response shall state whether FORA agrees with the proposed budget or written request. If FORA does not agree, FORA's response shall identify each disputed element, shall state detailed reasons for the dispute, and shall specify a resolution acceptable to FORA. If FORA does not respond within three

months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted.

7.2.2. Nothing in this Agreement shall limit or impair FORA's ability to contract or arrange financing for construction of capital facilities.

### 7.3. JOINT RESPONSIBILITIES.

7.3.1. MCWD's Board shall adopt by resolution and FORA's Board shall adopt by ordinance, as a supplement to this Agreement, each compensation plan for MCWD determined pursuant to sections 7.1.3 and 7.2.1 of this Agreement.

7.3.2. MCWD and FORA will cooperate in reviewing and working with communications and proposals from other municipal corporations pursuant to sections 10100 and following of the Public Utilities Code and any other provisions of law dealing with water and sewer utility franchises, with the use of the public streets, ways, alleys, and places within the other municipal corporations for the provision of water and sewer services, or with compensation to a municipal corporation for services performed for another municipal or public corporation.

7.3.3. If MCWD makes any payments to another municipal corporation the amount of such payments shall reduce any sums which such municipal corporation would otherwise receive from sales pursuant to Title 7.85 of the Government Code.

## ARTICLE 8. RISK MANAGEMENT

8.1. RISK OF LOSS. Except as otherwise provided in this Agreement, MCWD shall bear the risk of loss from its provision of services to the service area, to the same extent and in the same manner and subject to the same limitations as with MCWD's activities within the area from which MCWD's Directors are elected. This Agreement is not intended and shall not be construed to remove any protection from liability or any procedures for claiming liability under state and federal law. Allocation of the risk from defective or inadequate facilities shall be determined in the conveyance of the facilities from the USA. To the fullest extent permitted by law, MCWD's facilities and other assets for providing water and sewer services within its jurisdictional boundaries shall not be at risk from claims based on MCWD's owning, operating, and furnishing the facilities within the service area. MCWD's risk and liability for MCWD's activities for the service area shall be limited to the value of any facilities within or for the service area, the assets in any service area accounts, and the value of insurance carried by MCWD for providing services within the service area. MCWD, with FORA's assistance, shall diligently apply for and attempt to obtain any all state and federal assistance that is available in the event of catastrophic losses to the facilities.

8.2. INSURANCE. Throughout the term of this Agreement MCWD shall maintain insurance with coverage and limits equivalent to that maintained for MCWD's operations within its jurisdictional boundaries. The insurance shall cover the members of the Committee and shall name FORA as an additional insured.

8.3. COST OF RISK. Each compensation plan adopted for MCWD pursuant to Article 7 of this Agreement shall be adequate to pay MCWD's cost of insurance for acquiring, constructing, operating and furnishing the facilities for the service area, and to establish a prudent risk reserve for uninsured risks.

## ARTICLE 9. EFFECTIVE DATE AND TERM

9.1. EFFECTIVE DATE. This Agreement shall become effective when FORA and MCWD have each executed this Agreement.

9.2. FORMAL ADOPTION. FORA will adopt this Agreement by ordinance. MCWD will adopt this Agreement by resolution.

9.3. TERM. This Agreement shall have a term coincident with the legal existence of FORA, unless the USA denies MCWD's application for a public benefit conveyance. If the USA denies MCWD's application for a public benefit conveyance, the parties shall meet and confer in good faith during the 120 days immediately following the final denial to discuss possible change in terms for MCWD to acquire, construct, operate and/or furnish the facilities. If FORA and MCWD cannot agree on new terms within the 120 days, or such other additional time as may be agreed by FORA and MCWD, this Agreement shall terminate and have no further effect, and the parties thereafter shall have no further rights or obligations under this Agreement.

9.4. EFFECT OF TERMINATION. Upon termination of this Agreement, unless otherwise provided by this Agreement or by law or by further agreement of FORA and MCWD or their successors, MCWD shall own the facilities free and clear of the terms and conditions of this Agreement.

## ARTICLE 10. GENERAL PROVISIONS

### 10.1. DISPUTE RESOLUTION PROCEDURE.

10.1.1. Meet and Confer; Mediation. This section shall apply to all disputes arising under this Agreement. The Agreement Administrators designated under section 5.4 of this Agreement shall first meet and confer to resolve any dispute. Each party shall make all reasonable efforts to provide to the other party all information relevant to the dispute. If the Agreement Administrators cannot resolve the dispute within ten working days from the date of the dispute, they shall meet and

confer together with the Committee. If the dispute is not resolved within another ten working days from the date of the dispute, the Agreement Administrators shall meet and confer together with a voting member of the FORA Board and a member of the MCWD Board. If the dispute is not resolved within another ten days from the date of the dispute, the parties shall mediate the dispute at the earliest possible date, with one of the persons named on Exhibit "C" to this Agreement serving as mediator. If the dispute is still not resolved, the parties may pursue any and all remedies available to them at law and equity, including declaratory relief which shall be binding on the parties.

10.1.2. Provisional Relief Available. The requirement to use the procedure specified in section 10.1.1 of this Agreement shall not prevent a party from seeking provisional relief from a court if necessary to protect the public health or safety.

10.1.3. Mediator List. Exhibit "C" to this Agreement is a list of persons both parties will accept as mediators for any dispute arising under this Agreement. If a dispute requires mediation, the parties will choose a mediator from the list by some random method, and will continue to do so until a mediator is selected who can mediate the particular dispute without delay. As a last resort, if no person named on Exhibit "C" can mediate a particular dispute without delay, the parties will ask the Presiding Judge of the Monterey County Superior Court to appoint a mediator.

10.2. WAIVER OF RIGHTS. None of the covenants or agreements herein contained can be waived except by the written consent of the waiving party.

10.3. SEVERABILITY. If any one or more of the covenants or agreements set forth in this Agreement on the part of the parties, or either of them, to be performed should be contrary to any provision of law or contrary to the policy of law to such extent as to be unenforceable in any court of competent jurisdiction, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements and shall in no way affect the validity of this Agreement.

10.4. EXHIBITS. All exhibits referred to in this Agreement and attached to this agreement are incorporated in this Agreement by reference.

10.5. COUNTERPARTS. This Agreement may be executed in counterparts, and each fully executed counterpart shall be deemed an original document.

10.6. NOTICES. All notices, requests, consents, approvals, authorizations, agreements, or appointments hereunder shall be given in writing and addressed to the principal office of each party.

10.7. AMENDMENTS. This Agreement integrates and supersedes all prior and contemporaneous agreements and understandings about MCWD's provision of the services to the Service Areas. This Agreement may not be amended without consent of the governing Boards of both parties.

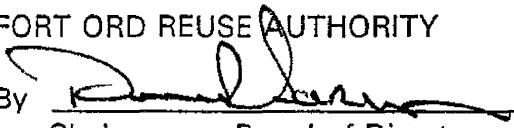
10.8. SUCCESSORS. This Agreement shall bind and benefit the successors of the parties hereto.

10.9. ADDITIONAL DOCUMENTS. The parties hereto agree, upon request, to execute, acknowledge, and deliver all additional documents necessary to carry out the intent of this Agreement.

10.10. CAPTIONS. Captions of the Articles, Sections, and Paragraphs of this Agreement are for convenience and reference only and are not intended to define or limit the scope of any provision contained herein.

IN WITNESS WHEREOF, the parties hereto, by and through their respective, duly authorized representatives, have executed this Agreement on the dates indicated.

FORT ORD REUSE AUTHORITY

By   
Chairperson, Board of Directors

Dated: 3/13/98

ATTEST:

By   
Secretary

MARINA COAST WATER DISTRICT

By   
President, Board of Directors

Dated: 3/13/98

ATTEST:

By   
Secretary

ORDINANCE NO. 98-01

**AN ORDINANCE OF BOARD OF DIRECTORS OF THE FORT ORD REUSE  
AUTHORITY APPROVING AN AGREEMENT BETWEEN MARINA COAST  
WATER DISTRICT AND THE FORT ORD REUSE AUTHORITY**

The Board of Directors of the Fort Ord Reuse Authority ordains as follows:

SECTION 1. The Board of Directors of the Fort Ord Reuse Authority approves an Agreement between Marina Coast Water District and the Fort Ord Reuse Authority for the operation of water and wastewater collection systems on the former Fort Ord military reservation.

SECTION 2. This ordinance shall become effective on its adoption.

**PASSED AND ADOPTED** this 13th day of February, 1998 by the following vote:

**AYES:** Barlich, Albert, Vocelka, Potter, Perkins, Johnsen  
Jordan, Mancini, Pendergrass, Styles, Koffman, White

**NOES:** Perrine

**ABSENT:** None



Chair of the Board of Directors

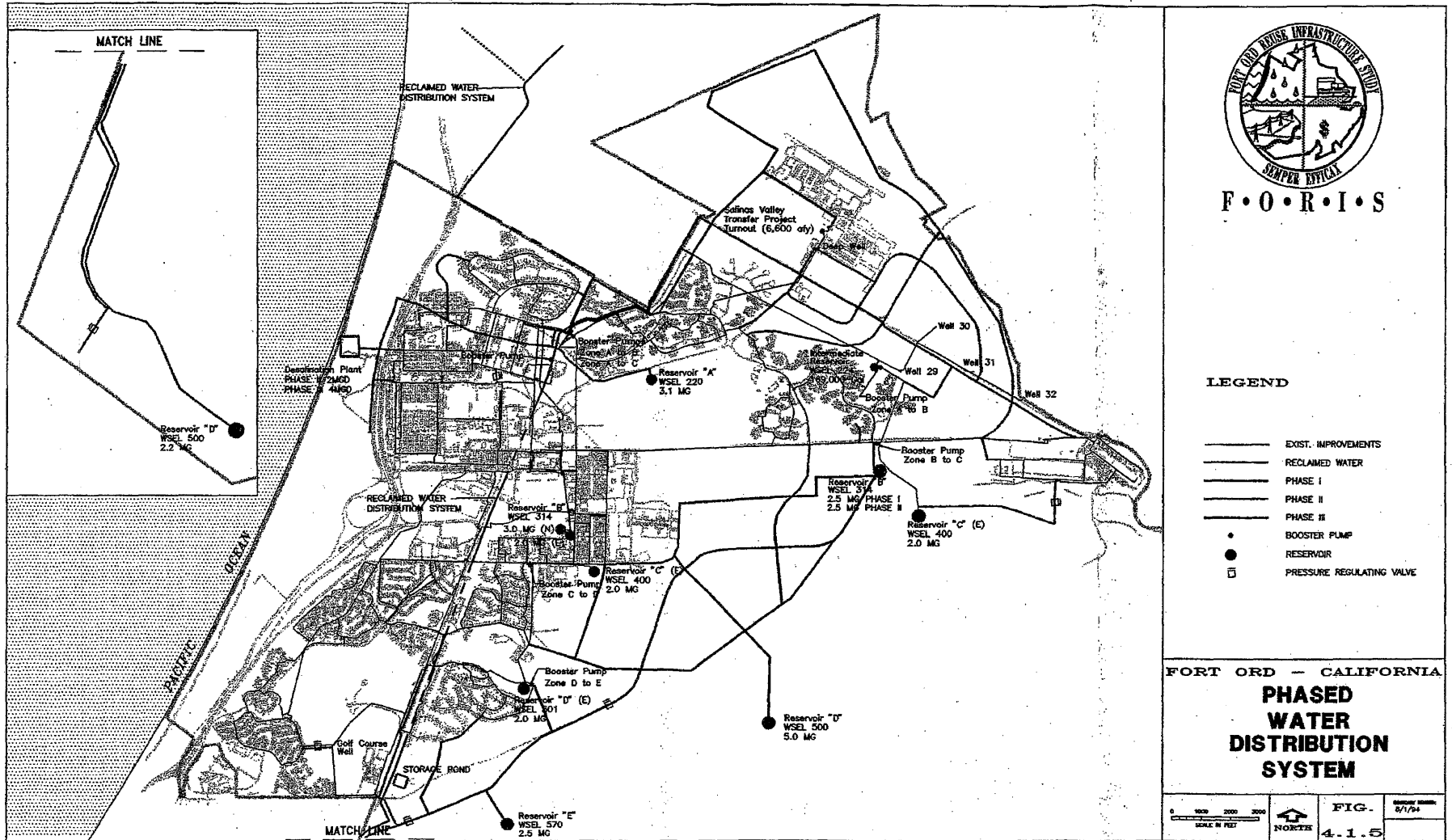
ATTEST:

Michael Houlemard  
Clerk of the Board

By   
Deputy



# EXHIBIT A



F • O • R • I • S

### LEGEND

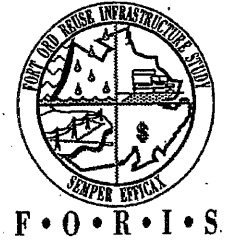
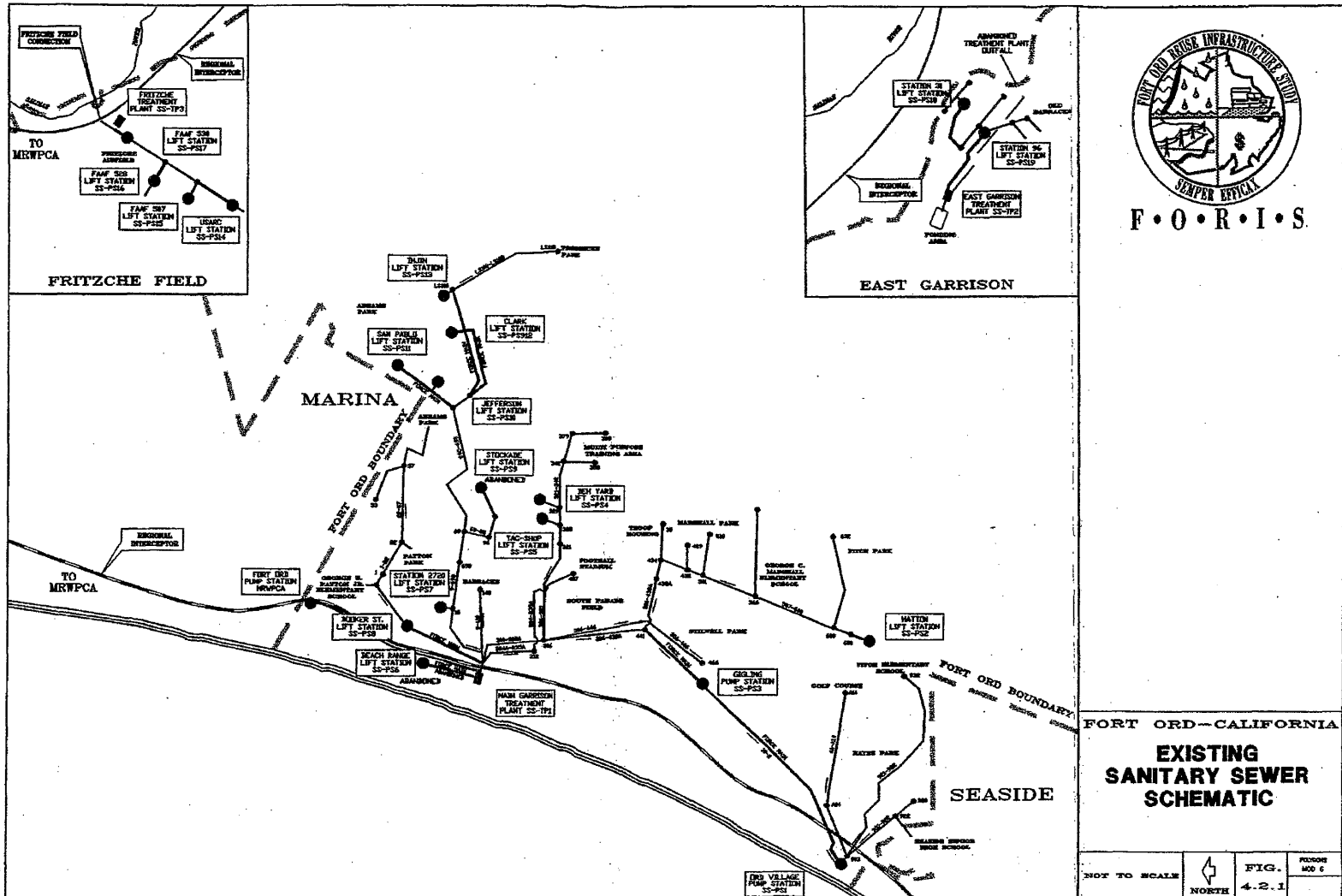
- EXIST. IMPROVEMENTS
- RECLAIMED WATER
- PHASE I
- PHASE II
- BOOSTER PUMP
- RESERVOIR
- PRESSURE REGULATING VALVE

FORT ORD - CALIFORNIA

## PHASED WATER DISTRIBUTION SYSTEM

0 1000 2000 3000 SCALE IN FEET		FIG- 4.1.5	ISSUED DRAWING 5/1/04
-----------------------------------	--	---------------	--------------------------

# EXHIBIT B



FORT ORD - CALIFORNIA

## EXISTING SANITARY SEWER SCHEMATIC

NOT TO SCALE  
 NORTH  
 FIG. 4.2.1  
 PAGES 4 OF 6

**EXHIBIT C  
MEDIATORS**

Dick Milbrodt  
Leon Panetta  
Lt. Gen. Ret. James Moore  
Don Owen  
Frank Dimick  
John Gregg  
Anne Schneider

CITIES, COUNTIES, & OTHER AGENCIES  
Title 5

Chapter 12, added as Chapter 11, *Municipal Services and Functions*, by Stats.1978, c. 960, p. 2961, § 1, was renumbered Chapter 12 and amended by Stats.1980, c. 676, § 131.

§ 54980. Definitions

As used in this chapter:

(a) "Legislative body" means the board of supervisors in the case of a county or a city and county, the city council or board of trustees in the case of a city, and the board of directors or other governing body in the case of a district.

(b) "Local agency" means any county, city, city and county, or public district which provides or has authority to provide or perform municipal services or functions.

(c) "Municipal services or functions" includes, but is not limited to, firefighting, police, ambulance, utility services, and the improvement, maintenance, repair, and operation of streets and highways.

(Added by Stats.1978, c. 960, p. 2121, § 1.)

Historical and Statutory Notes

Former § 54980, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et seq. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c. 2043, p.

Forms

See West's California Code Forms, Government.

Law Review and Journal Commentaries

Decline of emergency medical services coordination in California: Why cities are at war with counties over illusory ambulance monopolies. Byron K. Toma, 23 Sw.U.L.Rev. 285 (1994).

Library References

Municipal Corporations ¶226.  
WESTLAW Topic No. 268.  
C.J.S. Municipal Corporations § 976 et seq.

Notes of Decisions

Paramedics 1

1. Paramedics

For purposes of determining whether county's program of certifying paramedics for ambulance services was immune from antitrust liability under the state action doctrine, provision of emergency service is a traditional municipal function. *Mercy-Peninsula Ambulance, Inc. v. San Mateo County*, N.D.Cal.1984, 592 F.Supp. 956, affirmed 791 F.2d 755.

lance services was immune from antitrust liability under the state action doctrine, provision of emergency service is a traditional municipal function. *Mercy-Peninsula Ambulance, Inc. v. San Mateo County*, N.D.Cal.1984, 592 F.Supp. 956, affirmed 791 F.2d 755.

§ 54981. Contracts for municipal services

The legislative body of any local agency may contract with any other local agency for the performance by the latter of municipal services or functions within the territory of the former.

(Added by Stats.1978, c. 960, p. 2121, § 1.)

MUNICIPAL SERVICES /  
Div. 2

H

Former § 54981, added by Stats.1982, p. 2716, § 1, relating to districts, was repealed by Stats.196

§ 54981.7. Indian tribe  
tion serv

A city or county may enter into a contract with a county to provide fire protection services for the Indian tribal lands and territory adjacent to the city or county. The contract shall be construed to alter or not to alter jurisdiction in Indian lands.

(Added by Stats.1996, c. 1085)

§ 54982. Consideration

Any agreement entered into for consideration.

(Added by Stats.1978, c. 960,

Former § 54982, added by Stats.1982, p. 2716, § 1, relating to districts, was repealed by Stats.19

§ 54983. Construction

Authority for entering into a contract shall be construed as supplementing the authority of a local agency to enter into a contract for services or functions which it is permitted to perform under its account limit applicable.

The amendments to this section shall not apply to any agreement entered into prior to the effective date of this act.

(Added by Stats.1978, c. 960,

Former § 54983, added by Stats.1982, p. 2716, § 1, relating to districts, was repealed by Stats

**ES, & OTHER AGENCIES**  
**Title 5**

*Services and Functions,  
numbered Chapter 12 and*

sors in the case of a county  
stees in the case of a city,  
y in the case of a district.  
d county, or public district  
orm municipal services or

is not limited to, firefight-  
improvement, maintenance,

e Government Code § 56000 et

ries

Toma, 23 Sw.U.L.Rev. 285

immune from antitrust liabil-  
action doctrine, provision of  
is a traditional municipal  
Peninsula Ambulance, Inc. v.  
N.D.Cal.1984, 592 F.Supp.  
2d 755.

t with any other local  
services or functions

**MUNICIPAL SERVICES AND FUNCTIONS**  
**Div. 2**

**§ 54983**

**Historical and Statutory Notes**

Former § 54981, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et seq. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c. 2043, p.

**§ 54981.7. Indian tribes; fire protection services; police or sheriff protection services**

A city or county may enter into a contract with an Indian tribe for the city or county to provide fire protection services and police or sheriff protection services for the Indian tribe either solely on Indian lands, or on the Indian lands and territory adjacent to those Indian lands. Nothing in this section shall be construed to alter or affect federal Public Law 280, relating to state jurisdiction in Indian lands.

(Added by Stats.1996, c. 1085 (A.B.1762), § 1.)

**§ 54982. Consideration**

Any agreement entered into pursuant to this chapter shall be for valuable consideration.

(Added by Stats.1978, c. 960, p. 2121, § 1.)

**Historical and Statutory Notes**

Former § 54982, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et seq. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c. 2043, p.

**§ 54983. Construction of authority granted**

Authority for entering into agreements pursuant to this chapter shall be construed as supplementing existing authority for legislative bodies of local agencies to enter into agreements for the providing of municipal services and functions and shall not be construed as authorizing the legislative body of any local agency to enter into an agreement for the providing of municipal services or functions which it is prohibited to provide by law or which exceeds the force account limit applicable to the local agency contracting to receive services.

The amendments to this section which become effective January 1, 1981, shall not apply to any agreement which was made prior to that date nor to the current term of any self-renewing or renewable agreement which had been entered into prior to that date.

(Added by Stats.1978, c. 960, p. 2121, § 1. Amended by Stats.1980, c. 398, p. 781, § 1.)

**Historical and Statutory Notes**

Former § 54983, added by Stats.1957, c. 4736, § 34. See Government Code § 56000 et seq. 1382, p. 2716, § 1, relating to district boundaries, was repealed by Stats.1965, c. 2043, p.

T CODE

GOVERNMENT CODE

§ 67679

of this  
n. se

of the proceeds shall be retained by the board to help finance its responsibilities for the reuse of Fort Ord, unless otherwise agreed upon by the city or county with jurisdiction over the property and the board.

gency with  
ermits and  
paragraph  
Under no  
nt with the

(3) The board shall transfer or lease all real or personal property received pursuant to this section and which is intended for public utility use within a reasonable period of time, consistent with the orderly and economical provision of utility services to the area of Fort Ord, under terms and conditions the board may determine.

ur units on

(4) Notwithstanding any other paragraph of this subdivision, the board may retain real or personal property received pursuant to this section as long as both of the following occur:

idences not

(i) The board determines that retention of the property is necessary or convenient to carrying out the authority's responsibilities pursuant to law.

r expansion

(ii) The board determines that its retention of the property will not cause significant financial hardship to the city or county with jurisdiction over the property.

lity nec-

(c) The board may mediate and resolve conflicts between local agencies concerning the uses of federal land to be transferred for public benefit purposes or other uses.

r change to  
onable costs

(d) The provisions of this title shall not preclude negotiations between the federal government and any local telecommunication, water, gas, electric, or cable provider for the transfer to any \* \* \* utility or provider of federally owned distribution systems and related facilities serving Fort Ord.

of its  
the

\* \* \*(e) This title shall not be construed to limit the rights of the California State University or the University of California to acquire, hold, and use real property at Fort Ord, including locating or developing educationally related or research oriented facilities on this property.

(f) Except for property transferred to the California State University, or to the University of California, and that is used for educational or research purposes, and except for property transferred to the California Department of Parks and Recreation, all property transferred from the federal government to any user or purchaser, whether public or private, shall be used only in a manner consistent with the plan adopted or revised pursuant to Section 67675.

(Added by Stats.1994, c. 64 (S.B.899), § 1, eff. May 9, 1994. Amended by Stats.1994, c. 1169 (S.B.1600), § 2.)

Historical and Statutory Notes

1994 Legislation

The 1994 amendment of this section by c. 1169 (S.B. 1600) explicitly amended the 1994 addition of this section by c. 64 (S.B.899).

disposition

§ 67679. Basewide public capital facilities; identification; financing and construction; identification of significant local public capital facilities; construction or improvement; exceptions; assessments; financing districts; development fees

1, a' ale of  
idea in this  
nent" within  
o that is  
t value or at  
se to civilian  
ly satisfy all  
the use and  
all follow the  
pursuant to  
th and Safety

(a)(1) The board shall identify those basewide public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeway ramps, air transportation facilities, and freight hauling and handling facilities; sewage and water conveyance and treatment facilities; school, library, and other educational facilities; and recreational facilities, that serve residents or will serve future residents of the base territory and could most efficiently or conveniently be planned, negotiated, financed, \* \* \* constructed, or repaired, remodeled, or replaced by the board to further the integrated future use of the base. The board shall undertake to plan for and arrange the provision of those facilities, including arranging for their financing and construction or repair, remodeling, or replacement. The board may plan, design, construct, repair, remodel, or replace and finance these public capital facilities, or delegate any of those powers to one or more member agencies. Notwithstanding any other provision of law, no permit or permission of any kind from any city or county shall be required for any project undertaken by the board pursuant to this section.

s section and  
a reasonable  
ion over the  
ity except for  
nt, servicing,  
e made to the

(2) The board shall identify significant local public capital facilities, as distinguished from the basewide public capital facilities identified in the paragraph (1) which are described in the Fort Ord Reuse Plan. Local public capital facilities shall be the responsibility of the city or county with land use jurisdiction or the redevelopment agency if the facilities are located within an established project area and the board of the redevelopment agency determines that it will assume responsibility.

o this section  
reasonable  
r as a  
it of the sale,  
nents made to  
net proceeds  
nd 60 percent

(3) The board may construct or otherwise act to improve a local public capital facility only with the consent of the city or county with land use authority over the area where the facility is or will be located.

Additions or changes indicated by underline; deletions by asterisks \* \* \*

A city or county or a local redevelopment agency may construct or otherwise act to improve a basewide public capital facility only with the consent of the board.

(b) If all or any portion of the Fritzsche Army Air Field is transferred to the City of Marina, the board shall not consider those portions of the air field that continue to be used as an airport to be basewide capital facilities, except with the consent of the legislative body of the city. If all or any portion of the two Army golf courses within the territory of Seaside are transferred to the City of Seaside, the board shall not consider those portions of the golf courses that continue in use as golf courses to be basewide capital facilities, except with the consent of the legislative body of the city.

(c) The board may seek state and federal grants and loans or other assistance to help fund public facilities.

(d) The board may, in any year, levy assessments, reassessments, or special taxes and issue bonds to finance these basewide public facilities in accordance with, and pursuant to, any of the following:

(1) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(2) The Improvement Bond Act of 1916 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(3) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(4) The Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703)).

(5) The Landscape and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

(6) The Integrated Financing District Act (Chapter 1.5 (commencing with Section 53175) of Division 2 of Title 5).

(7) The Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

(8) The Infrastructure Financing District Act (Chapter 2.8 (commencing with Section 53395) of Division 2 of Title 5).

(9) The Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1).

(10) The Revenue Bond Act of 1941 (Chapter 6 (commencing with Section 54300) of Division 2 of Title 5).

(11) Fire suppression assessments levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5.

(12) The Habitat Maintenance Funding Act (Chapter 11 (commencing with Section 2900) of Division 3 of the Fish and Game Code).

Notwithstanding any other provision of law, the board may create any of these financing districts within the area of Fort Ord to finance basewide public facilities without the consent of any city or county. In addition, until January 1, 2000, the board may, but is not obligated to create, within the area of Fort Ord, any of these financing districts which authorize financing for public services and may levy authorized assessments or special taxes in order to pass through funding for these services to the local agencies. Notwithstanding any other provision of law, no city or county with jurisdiction over any area of the base, whether now or in the future, shall create any land-based financing district or levy any assessment or tax secured by a lien on real property within the area of the base without the consent of the board, except that the city or county may create these financing districts for the purposes and subject to any financing limitations that may be specified in the capital improvement program prepared pursuant to Section 67675.

(e) The board may levy development fees on development projects within the area of the base. Any development fees shall comply with the requirements of Chapter 5 (commencing with Section 66000) of Division 1 of Title 5. No local agency shall issue any building permit for any development within the area of Fort Ord until the board has certified that all development fees that it has levied with respect to the development project have been paid or otherwise satisfied.

(Added by Stats.1994, c. 64 (S.B.899), § 1, eff. May 9, 1994. Amended by Stats.1994, c. 1169 (S.B.1600), § 3.)

EXHIBIT "E"

CALIFORNIA PUBLIC UTILITIES CODE  
SELECTED SECTIONS

§ 10101. Powers of municipality

There is granted to every municipal corporation of the State the right to construct, operate, and maintain water and gas pipes, mains and conduits, electric light and power lines, telephone and telegraph lines, sewers and sewer mains, all with the necessary appurtenances, across, along, in, under, over, or upon any road, street, alley, avenue or highway, and across, under, or over any railway, canal, ditch, or flume which the route of such works intersects, crosses, or runs along, in such manner as to afford security for life and property.

§ 10102. Restoration

A municipal corporation exercising its rights under this article shall restore the road, street, alley, avenue, highway, canal, ditch, or flume so used to its former state of usefulness as nearly as may be, and shall locate its use so as to interfere as little as possible, with other existing uses of a road, street, alley, avenue, highway, canal, ditch, or flume.

§ 10103. Agreement of other municipality

Before any municipal corporation uses any street, alley, avenue, or highway within any other municipal corporation, it shall request the municipal corporation in which the street, alley, avenue, or highway is situated to agree with it upon the location of the use and the terms and conditions to which the use shall be subject.

§ 10104. Action to establish terms and conditions of use

If the two municipal corporations are unable to agree on the terms and conditions and location of a use within three months after a proposal to do so, the municipal corporation proposing to use a street, alley, avenue, or highway may bring an action in the superior court of the county in which the street, alley, avenue, or highway is situated against the other municipal corporation to have the terms and conditions and location determined. The superior court may determine and adjudicate the terms and conditions to which the use of the street, avenue, alley, or highway shall be subject, and the location thereof, and upon the making of the final judgment the municipal corporation desiring to do so may enter and use



the street, alley, avenue, or highway upon the terms and conditions and at the location specified in the judgment.

**§ 10105. Unincorporated territory**

A grant of authority from or agreement with another municipality is not necessary in any case where the street, alley, avenue, or highway, or portion thereof, proposed to be used is a necessary or convenient part of the route of the proposed works and at the time construction was commenced or the plans adopted was located in unincorporated territory. This section is not applicable if the street, alley, avenue, or highway, or portion thereof, was located in incorporated territory prior to May 5, 1933.

000071

# **Placeholder for Attachment B to Item 8a**

**MCWD FY 15/16 Ord Community Budget**

---

**Attachment B will be included in the final Board packet.**

**FORT ORD REUSE AUTHORITY BOARD REPORT**

**BUSINESS ITEMS**

<b>Subject:</b>	Approval of FY 2015-16 Preston Park Operating and Capital Improvement Program Budgets	
<b>Meeting Date:</b>	June 12, 2015	<b>ACTION</b>
<b>Agenda Number:</b>	8b	

**RECOMMENDATION(S):**

Approve the FY 2015-16 Preston Park Operating and Capital Improvement Budgets.

**BACKGROUND/DISCUSSION:**

On March 13, 2015 the FORA Board approved the following:

- Rental Rate Setting Policy/Formula, directing staff to provide recommendations and a written summary of the policy prior to consideration of the FY 2015/2016 Preston Park Budget.
- FY 2014/2015 Operating/Capital Improvement Budgets, with a 2.4% rent increase.
- Extended the Rental Increase Noticing Period from 35 to 60 Days.
- Alliance Management to make best efforts to hold Meetings between Alliance Management Company and the Preston Park Tenants Association.

Since that meeting, the Settlement Agreement in the City of Marina v. FORA case was executed, anticipating the conclusion of FORA's Preston Park ownership in June. Consequently, Rate Setting Policy development was not advanced since property transfer was pending. That remains the case.

Title-related issues initially delayed processing two months (property description defects) and lender underwriting requirements (water intrusion repairs) have since further deferred closing. The Water Intrusion work is identified in both the FY 14-15 (50%) and the FY 2015-16 (50%) Capital Improvement Program Budget. Approval is necessary to complete this work.

This report is supplemented by the Alliance Management Letter, Capital Improvement Program Budget (**Attachments A, B, C**) which are attached with the complete Market Survey and Preston Park 2015 Standard Budget - along with previous related reports archived on the FORA website at

<http://fora.org/brd111414.html>

**FISCAL IMPACT(S):**

Reviewed by FORA Controller \_\_\_\_\_

This budget does not propose any rent increase since property ownership will transition to Marina in the near term. Therefore, the rent decision should be a Marina determination. The FY 2015-16 (50%) Capital Improvement Program Budget approval enables the repairs to be completed.

**COORDINATION:**

Executive Committee, Authority Counsel, and Alliance Management

Prepared by \_\_\_\_\_ Approved by \_\_\_\_\_  
Robert J. Norris, Jr. Michael A. Houlemard, Jr.



**AL**  
RESIDENTIAL COMPANY

May 19, 2015

Mr. Michael Houlemard, Jr.  
Fort Ord Reuse Authority  
920 Second Street, Suite A  
Marina, California 93933

Re: Preston Park FY 2015/16 Proposed Budget

Dear Mr. Houlemard:

It has been a pleasure to continue to work with residents and the Fort Ord Reuse Authority over the last year. With the combination of wonderful residents and effective staff, a number of positive changes have been seen in Preston Park:

- 1) **Exterior Building Upgrades:** The conclusion of the Roofing Project took place this year, and garage motion sensor lights were installed in between each driveway. Replacement of all front and back doors, and all windows in the community will be complete on/before June 1.
- 2) **Safety Improvements:** Oven flue vents previously noted for repair were addressed. Concrete work at 704/706 Brown was completed. Repairs and repaving at two additional locations along Brown Court is scheduled for June.
- 3) **Tree Trimming:** Bids have been received for tree trimming throughout the community, and should begin in June.
- 4) **Units of Long Term Residents:** Several long-term residents have seen upgrades in their flooring, paint, and appliances with little intrusion or inconvenience. These services are extended to long-term residents upon notification or inspection indicating replacement is necessary.
- 5) **Green Initiatives:** The community continues to implement water and energy saving programs inspired by Alliance's own Focus Green Initiative. As a condition of the sale of the property, all toilets, showerheads, and faucet aerators were replaced with water conscious devices. Additional devices designated as water or energy saving are purchased and installed as replacement fixtures as needed. PG&E has been working with residents in the Below Market and Section 8 programs to weatherize their homes at no cost to the resident or the community. Planned landscaping changes will reduce the amount of water usage in the common areas of the community, and will continue to evolve into larger cost savings as we work in conjunction with Paul Lord at Marina Coast Water.

Alliance looks to continue to provide the residents at Preston Park a comfortable and quality living experience. Continued capital improvements throughout the community will allow this property to remain a desirable neighborhood for renters, as well as a continued source of affordable housing for the general populace of Marina.

Revenues

The primary source of revenue is rents, Section 8 voucher payments from the Housing Authority of the County of Monterey, and associated charges to residents such as late fees.

As shown in **Attachment A**, the proposed budget assumes that no change in rental rates takes place, and results in a 2.8% decrease in Total Income (\$171,087). This large decrease is mainly due to the absence of \$300,000 that was transferred in from the Capital account in order to conduct the Toilet Conservation project in January 2015. Revenue generated from Month to Month rental fees as well as a \$25 per pet charge for newer households continues to compound and Cleaning/Damage Fees are expected to be slightly higher than in the previous year.

Current Market Rent Conditions

The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year. Additionally, the comparables as outlined in the attached Market Survey dated 4.30.15 (**Attachment B**) are smaller in square footage than units at Preston Park, and many do not offer the specialized features including in-home laundry room, gated back yard with patio, direct access garage, generous storage space, dogs and cats accepted with pet deposit (Breed restrictions apply, max 2 animals per home).

Per the approved rent formula in 2010, the market rents for new move-ins are fluid throughout the year and change according to market conditions. Rents for incoming residents are as follows:

Unit Size	Current Rent Range for Incoming Market Rate Residents
Two Bedroom	\$1,650 - \$1,775
Luxury - Two BR	\$1,750 - \$2,300*
Three Bedroom	\$2,035 - \$2,060
Luxury - Three BR	\$2,275 - \$2,300*

\* Note: Nine 2-Bedroom homes and two 3-Bedroom home have additional features that warrant higher than average rental rates.

### Expenses

Expenses as outlined in **Attachment C** include Operating Expense projections and relevant changes from the FY 2014/15 budget. Operating expenses typically include expenditures for routine maintenance of the property, redecorating expenses as they apply to unit turns, and expenditures relating to the daily operations of the Leasing Office. Non-Routine expenses are included as they pertain directly to the daily function of the community, however are not typically able to be forecasted (i.e. large plumbing leaks requiring vendor service, unit specific rehabilitation projects). Annual Inspection materials are included with the Non-Routine expenses as they are a one-time yearly expense. Overall, total operating expenses proposed for FY 2015/16 are 9.1% lower than the estimated actual expenses for FY 2014/15 (\$176,609). Alliance seeks to maximize cost savings, e.g. lower utilities expenses through installation of water/energy saving devices, while contending with inescapable cost increases such as fuel for maintenance vehicles.

### Owner Distributions

The proposed budget assumes the continuation of Owner Distributions in the same amount (\$3,487,848) as was approved in the last 3 fiscal year budgets.

### Capital Expenses

Expenses categorized as Capital expenses directly impact the long term value of the community, including roof replacements, exterior painting, large-scale landscaping improvements, and interior upgrades including appliances and carpeting/vinyl. Capital projects that are currently pending completion at the end of May 2015 as approved in the 2014/15 FY include:

- 1) Exterior Unit Windows - \$845,000
- 2) Exterior Unit Doors - \$200,000

### 2015/2016 FY Capital Improvement Program

Alliance Residential staff members have been working closely with the City of Marina to formulate a budget that can be readily adopted by the Council upon execution of the Sale Agreement, as well as facilitate completion of all necessary Capital Projects (**Attachment D**). Top priority projects include:

- 1) Exterior Building/Flashing Repairs - \$1,000,000\*\*
- 2) Exterior Paint - \$400,000\*\*
- 3) Dry Rot Repairs - \$40,000
- 4) Leasing Office/Signage - \$90,000

\*\*NOTE - This project is also referred to as "Moisture Intrusion Project" and specifically addresses moisture entry where the garage roof flashing meets the exterior stucco in two story townhomes within Preston Park. In March 2015 the FOR A Board approved \$500,000 to be utilized for repairs from the 2014/2015 FY Budget, with the intention of approving an additional \$500,000 to be utilized in the 2015/2016 FY. At the same time, \$200,000 was approved to be spent painting the portion of the property that received repairs in the 2014/2015 FY, and another \$200,000 for the remainder of the painting in 2015/2016. As the progression of the sale of Preston Park exceeded the timeframe for work to begin, the project was put on hold until final sale. Most recently it has come to our attention that the project must take place in its' entirety in order for funding to be secured for the purchase to proceed. Therefore in the 2015/2016 FY Budget that is being presented we are asking for approval of the full \$1M for flashing and building repairs (\$500K that has already been approved, and the additional \$500K to complete the project) as well as \$400K to complete painting the entire community (\$200K that has already been approved, and \$200K that will be required to bring the project to completion).

### Capital Reserves Fund

In accordance with the 2015 reevaluation of the Replacement Reserves Study conducted in April 2008, Alliance recommends a minimum reserve withholding of \$2,072.87 per unit per year during the 2015/16 fiscal period. **Please refer to Attachment E.** This withholding would ensure that the asset holds adequate reserves to perform necessary replacements and repairs to protect the useful life of the buildings and account for possible unforeseen cost increases.

### Management Assessment

In accordance with the December 2012 budget approval, Management has been directed to provide detailed information regarding Leasing and Maintenance services provided to residents and prospects. Alliance Residential utilizes an

independent source (Kingsley Associates) to monitor and gauge resident satisfaction throughout the company portfolio (**Attachment F for Q4 2014 and Attachment G for Q1 2015**).

Alliance Residential staff members have been working with the Tenants Association to draft a Handbook for distribution to residents. The majority of the document is complete, with minimal changes still to be made in a small number of sections.

We will continue to look for new ways to improve our services over the coming year and remain committed to meeting the objectives set by FOR A.

Please feel free to contact me should you have additional questions or concerns at (408) 396-8341.

Regards,

Katie Edwards  
Regional Manager

Cc: Jonathan Garcia, FOR A  
Ivana Bednarik, FOR A  
Robert Norris, FOR A  
Brad Cribbins, Chief Operating Officer, Alliance Communities, Inc.  
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

Attachments:

- A. FY 2015/16 Budget Revenue Summary
- B. April 2015 Market Survey
- C. FY 2015/16 Budget Highlights of Operating Expenses
- D. FY 2015/16 Budget Document
- E. Capital Improvement Plan/Reserve Withholding
- F. Q4 2013 Kingsley Community Report
- G. Q1 2014 Kingsley Community Report





COMMUNITY DESCRIPTION	
Street address	682 Wahl Court
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-0119
Construction type	Mixed use
Year built	1987
Owner	Fort Ord Reuse Authority
Management	Alliance Residential Company
Total units	354
Physical occupancy	98%

COMMUNITY RATINGS	
Location	B
Visibility	C
Curb appeal	B
Condition	B
Interiors	C
Amenities	D

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Res/Meter
Sewer	Resident
Trash	Resident
Cable TV	N/A
Internet	Resident
Pest control	Community
Valet trash	N/A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$44
Lease terms	MTM and 6 months
Short term premium	\$150
Refundable security deposit	Equal to one months' rent
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	\$250 covers up to 2 pets
Pet rent	\$25 per pet per month

CONCESSIONS
No Concessions. Community is partially Below Market Rent and Section 8. Window/exterior door replacements on going. Water Conservation Project completed 1/15. New roofs installed/replaced 6/14.

COMMENTS
All units have an attached garage, in-home laundry room, and gated backyard. \$25 fee for end units.

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	Yes
Appliance color	White	Refrigerator	Frost-Free
Cable TV	No	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	No	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	Plush Cpt.
Icemaker	No	Upgraded lighting	No
Kitchen pantry	Yes	Vaulted ceiling	No
Linen closets	Yes	Washer/Dryer	No
Microwave	No	W/D connection	Full size
Outside storage	No	Window coverings	1" mini

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	No
Attached garages	Yes	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	Yes	Pet park	No
Billiard	No	Playground	Yes
Business center	Yes	Pools	No
Club house	Yes	Racquetball	No
Conclerge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	No	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg. PSF	Mos. Free	Term	Average	Avg. PSF
2X1		9	3%	1,150	\$1,650	\$1,650	\$1,650	\$1.43	0.00	0.00	\$1,650	\$1.43
2X1	Renovated	3	1%	1,150	\$1,750	\$1,750	\$1,750	\$1.52	0.00	0.00	\$1,750	\$1.52
2X1.5		76	21%	1,278	\$1,725	\$1,750	\$1,738	\$1.36	0.00	0.00	\$1,738	\$1.36
2X1.5	Renovated	2	1%	1,278	\$2,300	\$2,300	\$2,300	\$1.80	0.00	0.00	\$2,300	\$1.80
2X1.6	Renovated	3	1%	1,278	\$1,885	\$1,905	\$1,895	\$1.48	0.00	0.00	\$1,895	\$1.48
2X1.5		135	38%	1,323	\$1,750	\$1,775	\$1,763	\$1.33	0.00	0.00	\$1,763	\$1.33
2X1.5	Renovated	1	0%	1,323	\$1,910	\$1,935	\$1,923	\$1.45	0.00	0.00	\$1,923	\$1.45
3X2.5		123	35%	1,572	\$2,035	\$2,060	\$2,048	\$1.30	0.00	0.00	\$2,048	\$1.30
3X2.5	Renovated	2	1%	1,572	\$2,300	\$2,300	\$2,300	\$1.46	0.00	0.00	\$2,300	\$1.46
<b>Total / Weighted Average</b>		<b>354</b>	<b>100%</b>	<b>1,395</b>	<b>\$1,849</b>	<b>\$1,873</b>	<b>\$1,861</b>	<b>\$1.33</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,861</b>	<b>\$1.33</b>

**PRESTON PARK  
2016 STANDARD BUDGET  
CONSOLIDATION & SIGN-OFF**



Description	2016 Total	2015 Projected	Variance	Variance %
Physical Occupancy	98.13 %	98.33 %		
Economic Occupancy	94.74 %	95.22 %		

Gross Market Potential	\$6,259,908	\$6,091,290	\$168,618	2.8%
Market Gain/Loss to Lease	(\$160,787)	(\$133,248)	(\$27,539)	-20.7%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$61,904)	(\$47,957)	(\$13,948)	-29.1%
Rental Concessions	\$0	(\$300)	\$300	100.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$106,817)	(\$101,443)	(\$5,374)	-5.3%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	(\$2,972)	\$2,972	100.0%
Bad Debt Expense	\$0	(\$5,267)	\$5,267	100.0%
Other Resident Income	\$57,972	\$55,874	\$2,098	3.8%
Miscellaneous Income	\$1,080	\$304,662	(\$303,482)	-99.6%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
<b>TOTAL INCOME</b>	<b>\$5,989,451</b>	<b>\$6,160,638</b>	<b>(\$171,087)</b>	<b>-2.8%</b>
PAYROLL	\$601,134	\$560,291	(\$40,844)	-7.3%
LANDSCAPING	\$62,000	\$59,053	(\$2,947)	-5.0%
UTILITIES	\$101,200	\$99,904	(\$1,296)	-1.3%
REDECORATING	\$111,853	\$108,811	(\$3,042)	-2.8%
MAINTENANCE	\$109,548	\$111,169	\$1,620	1.5%
MARKETING	\$15,757	\$14,163	(\$1,594)	-11.3%
ADMINISTRATIVE	\$99,758	\$92,011	(\$7,747)	-8.4%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$149,836	\$146,663	(\$3,173)	-2.2%
INSURANCE	\$226,320	\$198,422	(\$27,898)	-14.1%
AD-VALOREM TAXES	\$107,520	\$105,844	(\$1,676)	-1.6%
NON ROUTINE MAINTENANCE	\$182,880	\$448,085	\$265,205	59.2%
<b>TOTAL OPERATING EXP</b>	<b>\$1,767,807</b>	<b>\$1,944,416</b>	<b>\$176,610</b>	<b>9.1%</b>
<b>NET OPERATING INCOME</b>	<b>\$4,221,644</b>	<b>\$4,216,122</b>	<b>\$5,522</b>	<b>0.1%</b>
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$663,840	\$642,035	(\$21,805)	-3.4%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$0	\$0	\$0	0.0%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
<b>NET INCOME</b>	<b>\$3,557,804</b>	<b>\$3,574,087</b>	<b>(\$16,283)</b>	<b>-0.5%</b>
CAPITAL EXPENDITURES	\$1,866,620	\$1,748,912	(\$117,708)	-6.7%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$733,796	\$728,273	(\$5,523)	-0.8%
REPLACEMENT RESERVE REIMBURSEM	(\$1,866,620)	(\$1,748,912)	\$117,708	6.7%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,487,848	\$3,487,848	\$0	0.0%
DEPRECIATION AND AMORTIZATION	(\$663,840)	(\$642,035)	\$21,805	3.4%
<b>NET CASH FLOW</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>	<b>-94.2%</b>

**Approvals**

Owner \_\_\_\_\_ Date \_\_\_\_\_

Asset Manager \_\_\_\_\_ Date \_\_\_\_\_

COO \_\_\_\_\_ Date \_\_\_\_\_

VP \_\_\_\_\_ Date \_\_\_\_\_

Regional Manager \_\_\_\_\_ Date \_\_\_\_\_

Business Manager \_\_\_\_\_ Date \_\_\_\_\_

*Alliance Residential, LLC makes no guarantee, warranty or representation whatsoever in connection with the accuracy of this Operating Budget as it is intended as a good faith estimate only.*

## Preston Park Budget Memo Attachment A - Revenue Summary

2015/2016 Budget – No Rent Increase Proposed

Revenue	Approved Budget FY 2014/2015	Estimated Actuals FY 2014/2015	Proposed FY 2015/2016		Variance of Approved Budget From 2014/2015 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2014/2015 Estimated Actuals	%	Comments		2015/2016 Proposed Budget vs. 2014/2015 Approved Budget	%
GROSS MARKET POTENTIAL	\$6,151,415	\$6,091,290	\$6,259,908	D	(\$60,123)	-1.0%	A decrease occurred as the proposed rental increase did not take effect until June 2015.	I	\$168,618	2.8%	Revenue increase projected as a rental increase was put into effect as of June 2015.	I	\$108,495	1.8%
MARKET GAIN/LOSS TO LEASE	(\$150,779)	(\$133,248)	(\$160,787)	I	\$17,531	-13.2%		D	(\$27,539)	20.7%		D	(\$10,008)	6.6%
NON-REVENUE APARTMENTS	(\$62,509)	(\$67,937)	(\$61,904)	I	\$14,552	-30.3%	Increase in this category as fewer large scale emergency maintenance issues arose.	D	(\$15,947)	29.1%	Decrease anticipated as one employee unit was occupied by a market tender for 6 months of the previous period.	I	\$603	-1.0%
VACANCY LOSS	(\$122,469)	(\$101,443)	(\$106,817)	I	\$21,026	-20.7%	Increase in income as homes were turned with fewer delays than anticipated.	D	(\$5,374)	5.3%	Projecting slightly higher turn times as major repair items are uncovered.	I	\$15,652	-12.8%
BAD DEBT EXPENSE	(\$1,200)	(\$5267)	\$1	D	(\$4,067)	0.0%	Decrease as 2 evictions left the property with larger than anticipated unpaid balances.	I	\$5,267	0.0%	Increase in income as the property expects to collect on move out rent and damages.	I	\$1,200	100.0%
OTHER RESIDENT INCOME	\$52,378	\$55,874	\$57,972	I	\$3,496	6.3%	Collection of Cleaning/ Damage Fees increased vs. previous period.	I	\$2,098	3.8%	Increase due to compounding MTM and Pet Rent Fees	I	\$3,594	10.7%
MISCELLANEOUS INCOME	\$316,600	\$304,562	\$1,080	D	(\$12,038)	-4.0%	Decrease in this category as the appliance recycling program was discontinued in Northern CA.	D	(\$503,482)	-99.6%	Decrease in income as \$300K transfer from Capital account was a one-time event for the Toilet Conversion Project.	D	(\$345,520)	-99.2%
TOTAL INCOME	\$6,183,434	\$6,160,538	\$5,989,451	D	(\$22,896)	-0.4%	Decrease in overall income as the rental increase did not take effect until June 2015.	D	(\$171,087)	-2.8%	Decrease in overall income as the rental increase did not take effect until June 2015.	D	(\$193,983)	-3.1%
NET INCOME	\$3,779,221	\$3,374,087	\$3,557,804	D	(\$205,134)	-5.7%	Overall decrease due to increasing depreciation expense.	D	(\$16,283)	-0.5%	Overall decrease due to increasing depreciation expense.	D	(\$221,417)	-5.9%

I – DESIGNATES INCREASE

D – DESIGNATES DECREASE

Preston Park Budget Memo Attachment C - Highlights of Operating Expenses

Operating Expenses	Approved Budget FY 2014/2015	Estimated Actuals FY 2014/2015	Proposed FY 2015/2016		Variance of Approved Budget From 2014/2015 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2014/2015 Estimated Actuals	%	Comments	2015/2016 Proposed Budget vs. 2014/2015 Approved Budget	%
SALARIES	\$939,525	\$966,160	\$980,496	I	\$26,635	7.3%	Increase in payroll due to Capital Projects.	I	\$14,336	1.9%	Increase in Payroll resulting from annual increases.	\$10,971	1.2%
PAYROLL TAXES + BURDEN	\$138,833	\$127,818	\$150,067	D	(\$11,015)	-8.6%	Expenses are split 40% Abrams Park, 60% Preston Park.	I	\$22,249	17.4%	Variance due to addition of in house staff with insurance benefits.	\$11,234	8.1%
NON-STAFF LABOR	\$18,000	\$15,651	\$21,600	D	(\$2,349)	-15.0%	Decrease in temporary services as all staff position are filled.	I	\$5,949	38.0%	Increase anticipated due to rising temp services costs.	\$3,600	20.0%
LANDSCAPING	\$69,800	\$59,053	\$62,000	D	(\$10,747)	-18.2%	Decrease due to contracting services at lower than anticipated.	I	\$2,947	5.0%	Slight increase as repair costs rise due to delayed Capital Projects.	(\$7,800)	0.0%
UTILITIES	\$104,309	\$99,904	\$101,200	D	(\$4,405)	-4.4%	Overall decrease as expenses were lower than estimated.	I	\$1,296	1.3%	Increase due to anticipated increase in water/sewer fees.	(\$3,109)	-3.0%
REDECORATING	\$86,843	\$106,811	\$111,853	I	\$21,968	20.2%	Due to the age and condition of countertops, multiple replazes have been necessary. Additionally, higher expenses in trim finishes have been experienced to improve the product finish level.	I	\$3,042	2.8%	Increase to account for updating occupied homes and unit turns.	\$25,010	28.8%
MAINTENANCE	\$101,812	\$111,169	\$109,548	I	\$6,357	5.7%	Larger than anticipated purchase of plumbing and electrical supplies, HVAC repairs, and vehicle repairs.	D	(\$1,621)	-1.5%	Slight decrease anticipated as community should have minimal expenses for Windows/Doors, Locks/Keys, Plumbing Fixtures, due to completion of Capital Projects.	\$1,736	1.5%
MARKETING	\$15,475	\$14,163	\$15,757	D	(\$1,312)	-9.3%	Slight decrease from anticipated expenses.	I	\$1,594	11.3%	Increase resulting from use of Pay-Per-Lease advertising service.	\$282	1.8%
ADMINISTRATIVE	\$92,088	\$92,011	\$99,758	D	(\$77)	-0.1%	Slight decrease from anticipated expenses.	I	\$7,747	8.4%	Increase resulting from higher expenses for Copier Service, Courtesy Patrol, and Training Expense.	\$7,670	8.3%
INSURANCE	\$207,012	\$198,422	\$226,320	D	(\$8,590)	-4.3%	Decrease in insurance costs.	I	\$27,898	14.1%	Increase in premiums.	\$19,308	0.0%
NON-ROUTINE MAINTENANCE	\$194,221	\$118,085	\$182,880	D	(\$46,136)	-10.3%	Decrease resulted from delay of bathtub replacement project.	D	(\$265,205)	-9.2%	Decrease in expenses as the Toilet Conversion Project was a one-time event.	(\$111,341)	-63.0%
TOTAL OPERATING EXPENSES	\$1,978,517	\$1,944,816	\$1,767,807	D	(\$34,101)	-1.8%	Decrease in total expenses due to delayed projects.	D	(\$176,609)	-9.1%	Overall decrease in total expenses from previous period due to Toilet Conversion Project.	(\$210,710)	-10.6%

I - DESIGNATES INCREASE  
D - DESIGNATES DECREASE

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** Approval of FY 2015/16 Capital Improvement Program Revisions

**Meeting Date:** June 12, 2015

**Agenda Number:** 8c

**INFORMATION/ACTION**

### RECOMMENDATION:

Approve FORA FY 2015/16 Capital Improvement Program (CIP) Revisions (**Attachment A**).

### BACKGROUND/DISCUSSION:

The FORA Board adopted the FY 2015/16 CIP at its May 8, 2015 meeting. While the item was being considered, Board members requested that staff analyze some additional concerns and return CIP revisions for Board consideration. Items for consideration included:

- 1) Highway 156 funding placement in FY 18/19 to support regional transportation planning,
- 2) Procedures for FORA reimbursement of caretaker costs to jurisdictions, and
- 3) FORA's Building Removal obligation for Seaside Surplus II given significant costs.

Staff reviewed **Highway 156 funding** in the 2015/16 CIP and recommends placing the requested \$5,000,000 in transportation funding in FY 18/19, assisting Transportation Agency for Monterey County (TAMC) Highway 156 planning efforts.

Since jurisdictions intend to perform **caretaker costs** and seek reimbursement from FORA, FORA staff will work with the Administrative Committee to develop procedures over the next two months that allow jurisdictions to implement necessary caretaker activities with assurances that FORA will reimburse them with available funds.

FORA staff will complete a business plan for **building removal** in the Seaside Surplus II area through an EDA grant. The business plan will provide an accurate cost estimate for abating hazards and removing buildings. Once these costs are identified, FORA and Seaside staff can discuss how FORA's Building Removal obligation in Seaside Surplus II might be adjusted to allow future development to occur in this area.

Finally, FORA staff recommends advancing water augmentation program funding to fiscal year 16/17 in support of Fort Ord **Water Augmentation** planning efforts.

### FISCAL IMPACT:

Reviewed by FORA Controller \_\_\_\_\_

Staff time is included in the approved FY 14-15 annual budget.

### COORDINATION:

Administrative Committee, Finance Committee

Prepared by \_\_\_\_\_  
Jonathan Garcia

Reviewed by \_\_\_\_\_  
D. Steven Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

**TRANSPORTATION NETWORK AND TRANSIT ELEMENTS**

**Attachment A to Item 8c  
FORA Board Meeting, 6/12/15**

<b>Lead Agency</b>	<b>Regional Improvements</b>									
	<b>Proj#</b>	<b>Description</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>POST FORA</b>	<b>TOTALS</b>	<b>Proj#</b>
TAMC/Caltrans	R3a	Hwy 1-Del Monte-Fremont-MBL						22,540,523	22,540,523	R3
TAMC/Caltrans	R10	Hwy 1-Monterey Rd. Interchange						3,682,427	3,682,427	R10
TAMC/Caltrans	R11	Hwy 156-Freeway Upgrade				\$5,000,000	5,460,585	-	10,460,585	R11
		<b>Subtotal Regional</b>	-	-	-	5,000,000	5,460,585	26,222,950	36,683,535	

<b>Off-Site Improvements</b>										
	<b>Proj#</b>	<b>Description</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>POST FORA</b>	<b>TOTALS</b>	<b>Proj#</b>
Monterey County	1	Davis Rd north of Blanco		500,000	247,737				747,737	1
Monterey County	2B	Davis Rd south of Blanco	400,000			600,000	5,250,749	6,000,000	12,250,749	2B
Monterey County	4D	Widen Reservation-4 lanes to WG				1,000,000	2,516,726	1,500,000	5,016,726	4D
Monterey County	4E	Widen Reservation, WG to Davis				1,000,000	1,268,959	1,000,000	3,268,959	4E
City of Marina	8	Crescent Ave extend to Abrams	200,000	200,000	550,000	387,702			1,337,702	8
		<b>Subtotal Off-Site</b>	600,000	700,000	797,737	2,987,702	9,036,434	8,500,000	22,621,872	

<b>On-Site Improvements</b>										
	<b>Proj#</b>	<b>Description</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>POST FORA</b>	<b>TOTALS</b>	<b>Proj#</b>
City of Marina	FO2	Abrams	200,000	200,000	720,325				1,120,325	FO2
City of Marina	FO5	8th Street			2,500,000	2,000,000	806,880		5,306,880	FO5
FORA	FO6	Intergarrison	150,000	500,000	1,350,000	2,310,978			4,310,978	FO6
FORA	FO7	Gigling	150,000	500,000	3,325,000	3,994,536			7,969,536	FO7
FORA	FO9C	GJM Blvd			1,042,702				1,042,702	FO9C
City of Marina	FO11	Salinas Ave			2,200,000	2,281,300			4,481,300	FO11
FORA	FO12	Eucalyptus Road	150,000		362,637				512,637	FO12
FORA	FO13B	Eastside Parkway	500,000	2,050,000	4,450,000	8,200,000	2,710,547		17,910,547	FO13B
FORA	FO14	South Boundary Road Upgrade	950,000	1,050,000	1,250,283				3,250,283	FO14
		<b>Subtotal On-Site</b>	2,100,000	4,300,000	17,200,947	18,786,814	3,517,427	-	45,905,187	

<b>Transportation Totals</b>	2,700,000	5,000,000	17,998,684	26,774,516	18,014,446	34,722,950	105,210,594
------------------------------	-----------	-----------	------------	------------	------------	------------	-------------

<b>Transit Capital Improvements</b>										
	<b>Proj#</b>	<b>Description</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>POST FORA</b>	<b>TOTALS</b>	<b>Proj#</b>
MST	T3	Transit Vehicle Purchase/Replace			2,000,000	2,000,000	2,000,000	2,817,126	8,817,126	T3
MST	T22	Intermodal Centers			1,000,000	1,000,000	2,000,000	2,867,796	6,867,796	T22
		<b>Subtotal Transit</b>	-	-	3,000,000	3,000,000	4,000,000	5,684,922	15,684,922	

<b>Transportation and Transit GRAND TOTALS</b>	2,700,000	5,000,000	20,998,684	29,774,516	22,014,446	40,407,872	120,895,516
--	-----------	-----------	------------	------------	------------	------------	-------------

TABLE 2

**TRANSPORTATION NETWORK AND TRANSIT ELEMENTS**

	2005-15	2015-16	2016-17	2017-18	2018-19	2019-20	Post FORA	2015-16 to Post FORA Total
<b>A. CIP PROJECTS FUNDED BY CFD DEVELOPMENT FEES</b>								
Dedicated Revenues								
Development Fees	28,387,335	5,585,000	11,906,000	15,356,000	23,344,000	31,653,000	78,632,000	166,476,000
Other Revenues								
Property Taxes	5,796,078	379,468	553,386	1,082,753	1,747,155	2,740,170	-	6,502,932
Loan Proceeds (1)	7,926,754	-	-	-	-	-	-	-
Federal Grants (2)	6,426,754	-	-	-	-	-	-	-
CSU Mitigation fees	2,326,795	-	-	-	-	-	-	-
Miscellaneous (Rev Bonds, Interest, CFD credit)	3,578,191	70,000	-	-	-	-	-	70,000
<b>TOTAL REVENUES</b>	<b>54,441,907</b>	<b>6,034,468</b>	<b>12,459,386</b>	<b>16,438,753</b>	<b>25,091,155</b>	<b>34,393,170</b>	<b>78,632,000</b>	<b>173,048,932</b>
Expenditures								
Projects								
Transportation/Transit	34,167,503	2,700,000	5,000,000	20,998,684	29,774,516	22,014,446	40,407,872	120,895,516
Water Augmentation [CEQA Mitigation]	561,780	-	1,580,600	1,535,600	2,334,400	3,165,300	15,389,748	24,015,648
Storm Drainage System [Completed by 2005]	[Table 1]	-	-	-	-	-	-	-
Habitat Management	7,665,830	1,756,670	3,595,612	4,637,512	7,049,888	6,144,144	9,150,344	32,334,170
Fire Rolling Stock	1,160,000	-	-	-	-	-	-	-
<b>Total Projects</b>	<b>43,555,113</b>	<b>4,456,670</b>	<b>10,186,212</b>	<b>27,171,796</b>	<b>39,158,804</b>	<b>31,323,890</b>	<b>64,947,964</b>	<b>177,245,334</b>
Other Costs & Contingency (3)								
Additional CIP Costs	3,034,400	-	-	-	-	-	18,134,327	18,134,327
Habitat Mgt. Contingency	930,874	91,433	-	-	-	-	20,283,097	20,374,530
CIP/FORA Costs	1,325,690	605,953	400,000	400,000	400,000	395,491	-	2,201,444
Property Tax Sharing Costs	37,947	-	55,339	108,275	174,716	274,017	-	650,293
Other Costs (Debt Service) (4)	5,595,830	-	-	-	-	-	-	-
<b>Total Other Costs &amp; Contingency</b>	<b>10,886,794</b>	<b>735,333</b>	<b>455,339</b>	<b>508,275</b>	<b>574,716</b>	<b>669,508</b>	<b>38,417,424</b>	<b>41,360,595</b>
<b>TOTAL EXPENDITURES</b>	<b>54,441,907</b>	<b>5,192,003</b>	<b>10,641,551</b>	<b>27,680,071</b>	<b>39,733,520</b>	<b>31,993,398</b>	<b>103,365,388</b>	<b>218,605,929</b>
Net Annual Revenue		842,466	1,817,835	(11,241,319)	(14,642,364)	2,399,772	(24,733,388)	
Beginning Balance		-	842,466	2,660,301	(8,581,017)	(23,223,382)	(20,823,609)	
Ending Balance CFD & Other		842,466	2,660,301	(8,581,017)	(23,223,382)	(20,823,609)	(45,556,998)	(45,556,997)
<b>B. CIP PROJECTS FUNDED BY LAND SALE REVENUES</b>								
Dedicated Revenues								
Land Sales (5)	49,221,940	485,000	2,127,606	9,370,287	14,908,759	9,829,367	12,829,326	49,550,343
Land Sales - Credits	6,767,300	-	6,750,000	-	-	-	12,659,700	19,409,700
Other Revenues (6)	1,425,000	-	-	-	-	-	-	-
Loan Proceeds (1)	7,500,000	3,000,000	-	-	-	-	-	3,000,000
<b>Total Revenues</b>	<b>64,914,240</b>	<b>3,485,000</b>	<b>8,877,606</b>	<b>9,370,287</b>	<b>14,908,759</b>	<b>9,829,367</b>	<b>25,489,026</b>	<b>71,960,043</b>
Expenditures								
Projects								
Building Removal	28,767,300	6,500,000	6,750,000	-	-	-	12,659,700	25,909,700
Other Costs (Loan Pay-off, Debt Financing)	17,817,383	69,500	1,560,000	1,560,000	-	-	-	3,189,500
<b>TOTAL PROJECTS</b>	<b>46,584,683</b>	<b>6,569,500</b>	<b>8,310,000</b>	<b>1,560,000</b>	<b>-</b>	<b>-</b>	<b>12,659,700</b>	<b>29,099,200</b>
Other Costs & Contingency (7)								
Transfer to FORA Reserve	-	10,000,000	-	-	-	-	-	10,000,000
Building Removal Contingency	-	5,000,000	-	-	-	-	-	5,000,000
<b>Total Other Costs &amp; Contingency</b>	<b>-</b>	<b>15,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000,000</b>
<b>TOTAL EXPENDITURES</b>	<b>46,584,683</b>	<b>21,569,500</b>	<b>8,310,000</b>	<b>1,560,000</b>	<b>-</b>	<b>-</b>	<b>12,659,700</b>	<b>44,099,200</b>
Net Annual Revenue	18,329,557	(18,084,500)	567,606	7,810,287	14,908,759	9,829,367	12,829,326	
Beginning Balance	-	18,329,557	245,057	812,662	8,622,949	23,531,708	33,361,074	
Ending Balance Land Sales & Other	18,329,557	245,057	812,662	8,622,949	23,531,708	33,361,074	46,190,400	46,190,400
<b>TOTAL ENDING BALANCE-ALL PROJECTS</b>		<b>1,087,523</b>	<b>3,472,964</b>	<b>41,932</b>	<b>308,326</b>	<b>12,537,465</b>	<b>633,402</b>	<b>633,403</b>

TABLE 2



# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** California State University Monterey Bay Master Planning Process Presentation

**Meeting Date:** June 12, 2015

**Agenda Number:** 8d

**INFORMATION**

### **RECOMMENDATION(S):**

Receive California State University Monterey Bay Master Planning Process Presentation.

### **BACKGROUND/DISCUSSION:**

California State University, Monterey Bay (CSUMB) has initiated its campus Master Plan update. The new Master Plan will build upon earlier planning efforts that facilitated the transition from CSUMB's portion of the former Fort Ord Army Base to a 21st-century campus for teaching, learning and research. The Master Plan will consider the academic environment, student and residential life, sustainability, mobility and infrastructure systems, and connections with Monterey Bay communities.

The planning process began in April, 2015, and is expected to conclude by the end of the calendar year. The planning process involves three phases of work: Discovery, Exploration, and Synthesis (Currently in the Discovery phase).

#### *Phase 1: Discovery*

The Master Planning process Discovery phase involves a comprehensive analysis of the current academic, technical and planning and design issues to inform the Master Plan. It also involves a dialogue with the CSUMB community to solicit perspectives on the long term vision for the campus, and to encourage participation in the planning process (as well as shared ownership of Master Plan outcomes). The consultant team will synthesize the findings of all Phase 1 tasks into a planning and design framework that establishes opportunities and constraints for the development of planning and design options during the Exploration phase of work. The Discovery phase will conclude by mid-July.

#### *Phase 2: Exploration*

The Exploration phase will examine options for near- and long-term campus development, based on the technical analyses, planning assessment and design framework defined in Phase 1, and guidance from the CSUMB community. The goal of the Exploration phase is to reach consensus on a preferred alternative to be developed during the Synthesis Phase 3 as a draft campus plan.

The Exploration phase will involve two rounds of alternatives development, review and refinement. The alternatives will respond to a variety of planning and development considerations, such as sustainability, strengthening campus image and identity, enhancing student and faculty engagement, reinforcing a vital heart to the campus, improving pedestrian and bicycle circulation and safety, and creating a framework for growth. The Exploration phase will conclude by mid-October.

#### *Phase 3: Synthesis*

Phase 3 of the planning process will focus on the detailed development and documentation of the draft and final campus Master Plan. The Master Plan will link the University's mission and vision with other perspectives generated through the planning process, while reinforcing the goals of the University's Climate Action Plan and plans for carbon neutrality by 2030. The Master Plan will establish a framework for building and site improvements that preserves and extends the sense and



quality of place and enhances connections with surrounding communities. The Synthesis phase will be completed by the end of December, 2015.

For more information, please visit: <http://csumb.edu/masterplan>.

**FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

Staff time for these items is included in the approved FORA budget.

**COORDINATION:**

CSUMB, Administrative and Executive Committees

DRAFT

Prepared by \_\_\_\_\_  
Josh Metz

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

Reviewed by \_\_\_\_\_  
Steve Endsley

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Outstanding Receivables

**Meeting Date:** June 12, 2015  
**Agenda Number:** 10a

**INFORMATION**

### RECOMMENDATIONS:

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update for May 2015.

### BACKGROUND/DISCUSSION:

Development Fee/Preston Park: In 1997, the U.S. Army and FORA executed an interim lease for Preston Park. Preston Park consisted of 354 units of former Army housing within the jurisdiction of the City of Marina (Marina). Marina became FORA's Agent in managing the property. Marina and FORA selected Mid-Peninsula Housing Coalition to manage the property and lease it to tenants. In 1998, Mid-Peninsula completed rehabilitating Preston Park units and began leasing the property to the public. After repayment of the rehab loan, Marina and FORA have by state law each shared 50% of the net operating income from Preston Park.

The FORA Board enacted a base-wide Development Fee Schedule in 1999 and Preston Park is among the parcels subject that FORA's Development Fee Schedule overlay. In March 2009, the FORA Board approved an MOU between FORA and Marina whereby a portion of the Preston Park Development Fee were paid through project reserves. In 2009, Marina transferred \$321,285 from the Preston Park project account, making an initial Development Fee payment for the project. The remaining balance is outstanding and was the subject of litigation.

In November 2014, Marina and FORA agreed to settle pending litigation primarily by Marina acquiring FORA's interest in Preston Park. In February 2015, FORA and Marina finalized settlement agreement terms. FORA will apply \$2.08 million of the \$35 million settlement amount to the outstanding development fees to address this outstanding receivables on FORA's books. Marina has no objection to the settlement funds being applied to the residual fees. It was anticipated that Marina would complete the purchase of FORA's interest in Preston Park by the end of June. However, the closing date could be deferred pending resolution of an outstanding capital project that may be required by the Marina's lender to be completed - prior to funding Marina's loan.

### FISCAL IMPACT:

All former Fort Ord projects are subject to either the developer fee overlay or the Community Facilities District fees to pay fair share of the California Environmental Quality Act required mitigation measures. In addition, the outstanding balance is a component of the Basewide Mitigation Measures and Basewide Costs described in Section 6 of the FORA Implementation Agreements. If any projects fail to pay their fair share it adds a financial burden to other reoccupied or development projects to compensate.

### COORDINATION:

Executive Committee

Prepared by \_\_\_\_\_  
Ivana Bednarik

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

# **Placeholder for Item 10b**

**Habitat Conservation Plan Update**

---

**This item will be included in the final Board packet.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Administrative Committee

**Meeting Date:** June 12, 2015

**Agenda Number:** 10c

**INFORMATION**

### **RECOMMENDATION:**

Receive a report from the Administrative Committee.

### **BACKGROUND/DISCUSSION:**

The Administrative Committee met on April 29, 2015 and May 13, 2015, the approved minutes will be included in the final Board packet.

### **FISCAL IMPACT:**

Reviewed by the FORA Controller \_\_\_\_\_

Staff time for the Administrative Committee is included in the approved annual budget.

### **COORDINATION:**

Administrative Committee

Prepared by \_\_\_\_\_ Approved by \_\_\_\_\_  
Roselyn Charles Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Post Reassessment Advisory Committee

**Meeting Date:** June 12, 2015

**Agenda Number:** 10d

**INFORMATION**

### RECOMMENDATION(S):

Receive a Post Reassessment Advisory Committee (PRAC) activity/meeting report.

### BACKGROUND/DISCUSSION:

The PRAC met on Friday, May 22, 2015 and received status updates and deliberated regarding the Trails Working Group, Economic Development related items, Blight Removal, and Regional Urban Design Guidelines. Members discussed economic development constraints and requested additional information from staff at the next meeting.

The next meeting of the PRAC is scheduled for 9:00 am on Friday, June 19, 2015.

Approved minutes from the Monday, April 20, 2015 meeting are attached (**Attachment A**).

### FISCAL IMPACT:

Reviewed by Fort Ord Reuse Authority (FORA) Controller \_\_\_\_\_

Staff time for this item is included in the approved FORA budget.

### COORDINATION:

PRAC, California State University Monterey Bay, Transportation Agency for Monterey County, Bureau of Land Management, Administrative and Executive Committees.

Prepared by \_\_\_\_\_  
Josh Metz

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.



**FORT ORD REUSE AUTHORITY**  
**BASE REUSE PLAN POST-REASSESSMENT ADVISORY COMMITTEE (PRAC)**  
**MEETING MINUTES**

9:00 a.m., Monday, April 20, 2015 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

**1. CALL TO ORDER**

Fort Ord Reuse Authority (FORA) PRAC Chair Victoria Beach called the meeting of a whole to order at 9:10 pm. The following people were in attendance:

**Committee Members**

Victoria Beach (Chair), City of Carmel  
Allan Haffa, City of Monterey  
Andre Lewis, CSUMB

**Staff**

Steve Endsley, FORA  
Jonathan Garcia, FORA  
Josh Metz, FORA  
Crissy Maras, FORA

**Other Attendees**

Tom Moore, MCWD  
Steve Matarazzo, UCSC  
Tim O'Halloran, City of Seaside  
Phyllis Meurer, member of the public  
Bob Schaffer, member of the public  
Jaine Haines, member of the public  
Kristie Markey, Supervisor Parker

**2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**

None.

**3. APPROVAL OF MEETING MINUTES**

a. March 26, 2015 Post Reassessment Advisory Committee Minutes

MOTION: Allan Haffa moved, seconded by Andre Lewis, to approve the March 26, 2015 meeting minutes, with changes requested by Chair Beach and Tom Moore.

MOTION PASSED: Unanimous.

**4. PUBLIC COMMENT PERIOD**

None.

**5. BUSINESS ITEMS**

a.) FORA Trails Working Group update

FORA staff has taken steps to convene a staff-level working group meeting by the end of this month. The group will first meet to identify the general blueprint – where cross-jurisdictional trails meet up – and then begin to identify areas of disagreement. This will allow the group to move towards a gap analysis, as recommended at a previous PRAC meeting by Laura Thompson. Members discussed current and future trailhead and National Monument access, and planning by the jurisdictions, developers, or others, to maintain access points. The working group will look at trailhead options and make progress reports to the PRAC.

b.) Economic Development Update

i. FORA Prevailing Wage Policy

FORA Senior Planner Jonathan Garcia reported that the FORA Board recently authorized a \$55K contribution to the CSUMB small business start-up center. Additionally, in an effort not to duplicate efforts, the eventual new hire for the FORA Economic Coordinator position would coordinate with the Monterey Bay Business Council and the Monterey Bay Economic Development Partnership to share information and identify how to best meet the regional needs to attract employers.

The FORA Master Resolution section defining Prevailing Wage (PW) was provided to members. Members discussed the recent ongoing issues regarding PW on the former Fort Ord, including using the proper area to define the rate, if is there a residential rate available, total pay versus take-home pay, how much PW impacts the price of a home, and how the Master Resolution defines First Generation Construction. The committee directed staff to research the questions with the Department of Industrial Relations, and return to a future meeting with additional information.

The Committee took item 5e out of order, as it pertained to the PW discussion.

e.) The PRAC charge was provided to members. The PRAC could discuss PW under Category IV items 'Reversal of Loss of Middle Class Jobs and Housing Opportunities' and 'Constraints and Uncertainties for Development on Fort Ord.' The issue of Supply and Demand was identified – paying higher wages to afford more expensively built homes versus paying typical area wages and building more affordable housing options. The committee requested additional information on the upfront costs and entitlement processes that are a detriment to development and how the current mix of jobs/housing balance responds to the need for higher wage jobs and housing affordability.

c.) Blight Removal Update

A \$320K Economic Development Administration grant proposal for a building removal business plan received initial positive feedback during the FORA legislative mission to Washington DC. Additionally, FORA submitted a \$3M I-Bank loan which is currently being reviewed and interest rates negotiated.

d.) Regional Urban Design Guidelines update

Victor Dover provided an RUDG update at the April FORA Board meeting and expects to provide the draft document within a week. Internal review will occur prior to task force review before going to the FORA Board in June. An RUDG task force meeting scheduled for 4/23 will include a presentation from the developer component of the consultant team.

**6. ITEMS FROM MEMBERS**

Chair Beach commented on her recent meeting with the Monterey Downs developers regarding their adherence to the RUDG in their designs and was encouraged that they seemed flexible.

**7. ADJOURNMENT**

The next meeting of the PRAC will be scheduled with a Doodle Poll sometime between 5/20 – 5/22. The meeting was adjourned at approximately 11:05 a.m.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Regional Urban Design Guidelines Task Force

**Meeting Date:** June 12, 2015

**Agenda Number:** 10e

**INFORMATION**

### RECOMMENDATION(S):

Receive Regional Urban Design Guidelines (RUDG) Task Force (Task Force) Update.

### BACKGROUND/DISCUSSION:

The RUDG Task Force met at 9:00am on Friday May 1 to receive a draft map depicting "where the guidelines apply". Discussion focused on understanding the basis for area designations and symbols, as well as labels and definitions. Members requested revisions and improvements prior to recommending Board review. A comprehensive RUDG completion schedule was confirmed with the consultant team that aims for Board presentation of Draft RUDG at the July 10<sup>th</sup> meeting and Final RUDG presentation at the November 13<sup>th</sup> meeting.

Approved April 23, 2015 meeting minutes are attached (**Attachment A**).

The next meeting of the Task Force was scheduled for 9:00 am on Thursday, June 25, 2015.

### FISCAL IMPACT:

Reviewed by Fort Ord Reuse Authority (FORA) Controller \_\_\_\_\_

Staff time for this item is included in the approved FORA budget.

### COORDINATION:

Administrative Committee, RUDG Task Force, and Dover, Kohl & Partners.

Prepared by \_\_\_\_\_  
Josh Metz

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.





## FORT ORD REUSE AUTHORITY

### REGIONAL URBAN DESIGN GUIDELINES TASK FORCE REGULAR MEETING NOTES

1:30 p.m., Thursday, April 23, 2015 | FORA Conference Room  
920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

#### 1. CALL TO ORDER AND ROLL CALL

Chair Michael Houlemard called the meeting to order at 1:35pm. The following were present:

Members:

John Dunn, City of Seaside  
Victoria Beach, City of Carmel-by-the-Sea  
Anya Spear, CSUMB  
Layne Long, City of Marina  
Carl Holm, Monterey County  
Elizabeth Caraker, City of Monterey

FORA Staff:

Michael Houlemard  
Jonathan Garcia  
Josh Metz  
Crissy Maras

Others:

Beth Palmer  
Bob Schaffer  
Jane Haines  
Phyllis Meurer  
Brian Boudreau  
Wendy Elliott  
Steve Matarazzo  
Hernan Guerrero, DKP (via phone)  
John Rinehart, Civitas (via phone)  
Bruce Freeman, Pinnacle Advisors  
Andre Lewis  
Gene Doherty

#### 2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

City of Seaside City Manager John Dunn announced that the City had released the Monterey Downs Environmental Impact Report and had scheduled an April 30<sup>th</sup> public workshop at 6:30 p.m.

Victoria Beach notified members of her communications with DKP staff regarding visualization tools to support the RUDG process.

#### 3. APPROVAL OF MEETING MINUTES

- a. April 2, 2015 Meeting Minutes
- b. March 23, 2015 Meeting Minutes

MOTION: Victoria Beach moved, seconded by John Dunn to approve the April 2 and March 23 minutes as presented.

MOTION PASSED: Unanimous

#### 4. PUBLIC COMMENT PERIOD

None

#### 5. BUSINESS ITEMS

- a. Receive/review consultant's draft "Developers Perspectives" presentation

Bruce Freeman of Pinnacle Advisors and John Rinehart of Civitas Consulting (subcontractors to Dover, Kohl and Partners) presented a draft "Developers Perspectives" presentation based on their involvement at the Fort Ord Charrette. The report included 3 main points: Creating a fresh brand for the Fort Ord area (most other base conversions benefited from new branding); Continually working to lower

development costs and barriers; and focusing development in emerging centers (including phasing retail development in relationship to demand).

Members discussed the recommendations and other suggestions/highlights including attracting a broad spectrum of new residents with a wide range of housing types and prices; creative ways of dealing with prevailing wage requirements; creating incentives to jump start projects; cautioning against overbuilding retail; studying absorption rates of starter homes to meet the current market needs; creative ways to deal with impact fees; and reexamining a combination of things that could reduce costs.

**6. ITEMS FROM MEMBERS**

None.

**7. ADJOURNMENT**

Chair Houlemard adjourned the meeting at 2:30 p.m.

# **Placeholder for Item 10f**

**Travel Report**

---

**This item will be included in the final Board packet.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Public Correspondence to the Board

**Meeting Date:** June 12, 2015

**Agenda Number:** 10g

**INFORMATION**

Public correspondence submitted to the Board is posted to FORA's website on a monthly basis and is available to view at <http://www.fora.org/board.html>.

Correspondence may be submitted to the Board via email to [board@fora.org](mailto:board@fora.org) or mailed to the address below:

FORA Board of Directors  
920 2<sup>nd</sup> Avenue, Suite A  
Marina, CA 93933

DRAFT

**- END -**

**DRAFT  
BOARD PACKET**