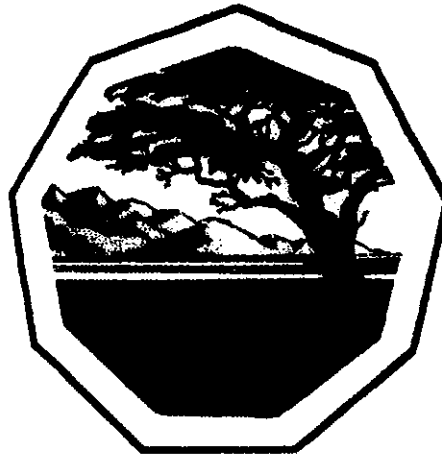
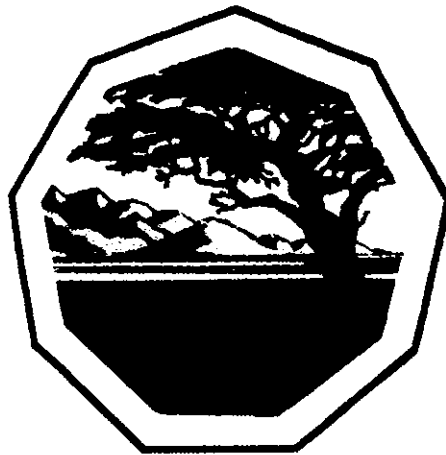


Fort Ord  
Reuse Authority



Board Packet  
For  
October 10, 2008  
Board Meeting

Fort Ord  
Reuse Authority



Board Packet  
For  
October 10, 2008  
Board Meeting



## Fort Ord Reuse Authority

100 12<sup>th</sup> Street, Building 2880, Marina, CA 93933

Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

### BOARD OF DIRECTORS MEETING

Friday, October 10, 2008, at 3:30 pm

FORA Conference Facility/Bridge Center

201 13<sup>th</sup> Street, Building 2925, Marina (on the former Fort Ord)

### AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ACKNOWLEDGEMENTS
5. PUBLIC COMMENT PERIOD: Members of the audience wishing to address the Board on matters within the jurisdiction of the Authority but not on the agenda may do so during the Public Comment Period. You may speak for a maximum of three minutes on any subject. Public comments on specific agenda items will be heard at the time the matter is being considered by the Board.
6. CONSENT AGENDA ACTION
  - a. September 12, 2008 board meeting minutes
  - b. General Jim Moore Boulevard (Phase IV) and Eucalyptus Road (Phase I) Improvement Project - authorization to award construction contract
7. OLD BUSINESS INFORMATION
  - a. Habitat Conservation Plan approval process INFORMATION
  - b. Environmental Services Cooperative Agreement (ESCA) - update INFORMATION
  - c. Marina Coast Water District capacity charges ACTION
8. NEW BUSINESS - none
9. EXECUTIVE OFFICER'S REPORT INFORMATION
  - a. Administrative Committee report INFORMATION
  - b. Legislative Committee report – draft September 29, 2008 meeting minutes and draft 2009 FORA Legislative Agenda INFORMATION
10. ANNOUNCEMENTS AND CORRESPONDENCE
  - a. Decision on Save Our Peninsula v. FORA litigation (oral report)
11. ADJOURNMENT

**ACTION MINUTES  
OF THE  
FORT ORD REUSE AUTHORITY  
BOARD OF DIRECTORS' MEETING  
Fort Ord Reuse Authority Conference Facility/Bridge Center  
October 10, 2008**

**APPROVED**

1. CALL TO ORDER

Chair Russell called the meeting to order at 3:30 pm and requested a roll call.

2. ROLL CALL

The following board members were present:

Voting members present:

Chair/Mayor Russell (City of Del Rey Oaks)	Council Member Bloomer (City of Seaside)
Mayor McCloud (City of Carmel)	Mayor Wilmot (City of Marina)
Council Member Barnes (City of Salinas)	Mayor Della Sala (City of Monterey)
Council Member Mancini (City of Seaside)	Supervisor Potter (County of Monterey)
Council Member Davis (City of Pacific Grove)	Mayor Pendergrass (City of Sand City)
Supervisor Mettee-McCutchon (County of Monterey)	

Arriving after the roll call were Council Member McCall (City of Marina) and Jim Cook, alternate for Supervisor Calcagno (County of Monterey).

Ex-Officio members present:

Graham Bice (UC Santa Cruz)	James Main (CSUMB)
Hunter Harvath (Monterey-Salinas Transit)	Dr. Douglas Garrison (Monterey Peninsula College)
Gail Youngblood (BRAC)	Debbie Hale (TAMC)
Kenneth Nishi (Marina Coast Water District)	

Arriving after the roll call was COL Pamela von Ness (U.S. Army). Absent were representatives from the 17<sup>th</sup> Congressional District, the 15<sup>th</sup> State Senate District, the 27<sup>th</sup> State Assembly District, and Monterey Peninsula Unified School District.

With a quorum present, Chair Russell opened the meeting.

3. PLEDGE OF ALLEGIANCE

Chair Russell asked Mayor Della Sala, who agreed, to lead the Pledge of Allegiance.

4. ACKNOWLEDGEMENTS

Chair Russell acknowledged the presence of Council Member Steve Bloomer, the Seaside alternate who was standing in for Mayor Rubio. Mayor McCloud introduced Jake Odello, a student at Carmel High School who is shadowing her this week because he is interested in a career in politics.

## 5. PUBLIC COMMENT PERIOD

Margaret Davis expressed concerns about the possible change in usage of the Marina Equestrian Center from a public recreational center to private business use and asked that the item be placed on the November FORA board agenda. Gail Morton, an attorney representing the equestrian center, called attention to the information packets related to the usage change, which were presented to the voting board members, and also requested that the issues be reviewed by the FORA Board.

## 6. CONSENT AGENDA

There were two items on the Consent Agenda: Item 6a (September 12, 2008 board meeting minutes) and Item 6b [General Jim Moore Boulevard (Phase IV) and Eucalyptus Road (Phase I) Improvement Project – authorization to award construction contract]. There were no board or public comments. **Motion to approve Items 6a and 6b on the Consent Agenda was made by Council Member Mancini, seconded by Mayor McCloud, and carried.**

## 7. OLD BUSINESS

Item 7a – Habitat Conservation Plan (“HCP”) approval process: Director of Planning and Finance Steve Endsley provided a brief summary of the recent developments as described in the board report. He said that some unexpected delays in the reviews by the CA Department of Fish and Game and the U.S. Fish and Wildlife Service will push completion of the document and environmental impact report into January, but the process is still pretty much on track. He said he would be monitoring the process closely, particularly if it requires additional work resulting in additional costs by the consultants. There were no board or public comments.

Item 7b - Environmental Services Cooperative Agreement (“ESCA”) - update: Executive Officer Houlemard said that this report is a “good news presentation,” noting particularly the excellent cooperation among the regulators, U.S. Army, FORA and LFR, Inc., which had been confirmed in a recent letter from the regulators. He said the public safety officers have been very active in handling safety matters and noted FORA’s support of obtaining funding for their facility in Parker Flats. ESCA Program Manager Stan Cook presented a brief PowerPoint that summarized the following: the final cleanup actions in the Seaside parcels; community engagement events; and notice of the initial workshop, surveys and brush cutting operations connected with the Parker Flats parcels, which are scheduled for cleanup to start soon. Mr. Houlemard noted that Kristie Reimer, the LFR program manager, was present to answer any questions. Board members followed with questions regarding how successful FORA’s ESCA hotline had been and the number of e-mails received. Mr. Houlemard spoke to the concerns regarding FORA’s environmental insurance policy with AIG, stating that the AIG insurance subsidiary is separate from the parent company, where the current financial problems exist. He suggested that board members read the reports from the five state insurance auditors, which FORA staff can provide. There were no further board comments and no comments from the public.

Item 7c – Marina Coast Water District (“MCWD”) capacity charges: Director of Planning and Finance Steve Endsley reported on the number of meetings that have occurred and said progress in resolving some of the facts and figures had been made. He said staff is recommending that the item be deferred to the November or December FORA board meeting. Mayor McCloud requested a clarification concerning the October 15<sup>th</sup> joint meeting. There were no public comments. **Motion to defer board action on MCWD’s proposed capacity charges until the November/December board meeting was made by Council Member Mancini and seconded by Supervisor Mettee-McCutchon.** Supervisor Mettee-McCutchon asked if there were any legal implications for FORA regarding the need to respond within the 90 days, as noted in the staff report, and Authority Counsel Bowden replied that the Board had responded that it needed more information and this action served to comply. Mayor Wilmot remarked that the response was a request for time to further analyze the charges, which MCWD had accepted. Executive Officer Houlemard indicated that respective counsel

might debate the question but confirmed that FORA had been working closely with MCWD and others impacted by the charges, and this issued was not a concern today. **The motion carried.**

8. NEW BUSINESS - none

9. EXECUTIVE OFFICER'S REPORT

There were two items in this report: Item 9a (Administrative Committee Report) and Item 9b (Legislative Committee report – draft September 29, 2008 meeting minutes and the draft 2009 FORA Legislative Agenda): Executive Officer Houlemard summarized the process by which the 2009 Legislative Agenda would reach final approval and said he welcomed any further changes, preferably before the November board meeting.

10. ANNOUNCEMENTS AND CORRESPONDENCE

Item 10a [Decision on Save our Peninsula v. FORA litigation (oral report)]: Executive Officer Houlemard reported the court had issued an “intended decision” in the case. He offered to forward a copy to anyone requesting the document.

Mr. Houlemard also commented on the October 9<sup>th</sup> groundbreaking of Monterey Peninsula College’s public safety officer program classrooms on Col. Durham Road and added that the project is moving along very well. Dr. Garrison remarked that between 75 and 80 people attended the event, including representatives from virtually all the public safety agencies in the area.

Mr. Houlemard called attention to the letter, date-stamped 10/8/08, from Pinnacle Bank, which summarized the bank’s review of financing the AMBAG office building at 2<sup>nd</sup> Avenue and Imjin Parkway and a recommendation to consider partnering with FORA in the construction of a jointly utilized building on the property, rather than two separate buildings. AMBAG Executive Director Nick Papadakis’s response to the AMBAG Board of Directors, dated 10/8/08, recommended that discussions continue, development of the AMBAG pad be completed, and bridge financing be secured.

Debbie Hale, TAMC executive director, thanked FORA for collaborating with TAMC, Monterey-Salinas Transit, and County representatives, along with others, in an effort to bring their legislative agendas in concert. She said this was the second year of their efforts to coordinate the agendas, which will provide greater political clout.

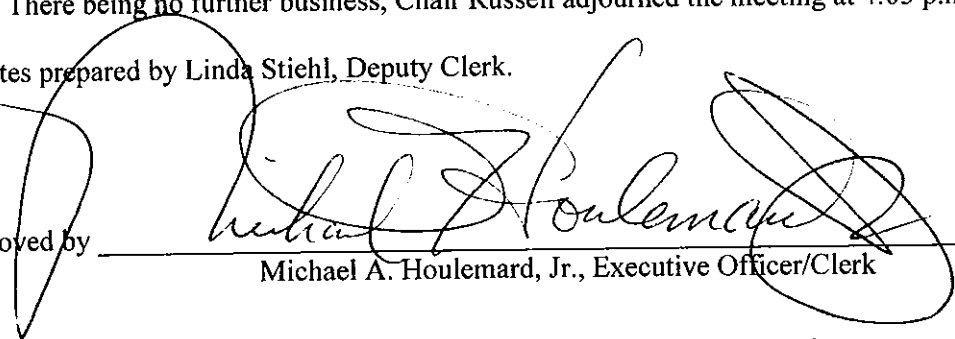
Supervisor Mettee-McCutchon provided a brief update on the Central Coast Veterans Cemetery, including mention of the Board of Supervisor’s consideration of approval of the Master Plan at their October 21<sup>st</sup> meeting. She said groundbreaking might be as early as 2011.

11. ADJOURNMENT

There being no further business, Chair Russell adjourned the meeting at 4:05 p.m.

Minutes prepared by Linda Stiehl, Deputy Clerk.

Approved by

  
Michael A. Houlemard, Jr., Executive Officer/Clerk

**On Veterans' Day in 2002**, two PT Cruiser clubs in Northern California - Monterey Bay PT Cruisers and PT Cruisers of Silicon Valley - came together on behalf of the hospitalized veterans at the VA hospitals in Palo Alto and Menlo Park, and hosted "Show 'n' Shines" for them to enjoy for a few hours in the morning and in the afternoon respectively. Along with their spiffed-up cars; the members brought delicious, but healthful treats and a huge display of respect and appreciation. They were so well-received that they were asked back the next year.

**The following year**, two Corvette clubs and a group of Mini Coopers were invited to join and a show was done at each site, for most of the day in both locations. Radio-controlled car races and lots of raffle prizes were added to the mix and the enduring formula was devised. The show became the lead-off event for a week-long celebration of our veterans.

**In 2005**, with the help of some local custom and classics car enthusiasts, the PT owners and Corvette drivers fielded almost sixty cars for the patients at the Menlo Park VA Hospital. The show was better than ever: three tables of awesome food gifts, and eight tables strewn with raffle prizes and gifts for our veterans.

These free shows are a vital part of the Car Show for the Vets formula and we are committed to continuing this format of Show 'n' Shines.

**But wait, there's more:**

In an effort to raise both funds and awareness; in 2006, *Car Show for the Vets* was formed by the primary organizers of the hospital shows with a whole new approach: juried car shows for car enthusiasts of all stripes to come together and enjoy their hobby, win a few prizes and trophies, and demonstrate their support and appreciation for those who have given so much for our country. Many of our exhibitors are veterans themselves; but that's not required. We like to say, "*You don't have to be a Vet to show your car and show you care.*"

These shows are a cooperative effort among a local car club or clubs, an American Legion post and Car Show for the Vets (CSV). We have a formula that works - and we would love to share it with others who share our goal: Helping America's veterans.

All net proceeds go to veterans causes. We charge a nominal registration, host a raffle, sell t-shirts and other merchandise and solicit donations and sponsorships for prizes and trophies. The Legion Post supplies the food and beverages, and they keep the proceeds from those sales.

**If you would like to be a CSV Committee Chair, and organize a show in your locale, find one of the board members on the [Contacts page](#) and let us know.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## CONSENT AGENDA

<b>Subject:</b>	General Jim Moore Boulevard (Phase IV) and Eucalyptus Road (Phase I) Improvement Project – authorization to award construction contract	
<b>Meeting Date:</b>	October 10, 2008	<b>ACTION</b>
<b>Agenda Number:</b>	6b	

### RECOMMENDATION:

Authorize the award of a construction contract to Raminha Construction Company (Atascadero, CA) in the amount of \$3,987,480 plus up to a 10% construction contingency reserve, for construction of Phase IV improvements to General Jim Moore Boulevard ("GJMB") and Phase I improvements to Eucalyptus Road as depicted in the Construction Documents.

### BACKGROUND/DISCUSSION:

At its meeting in September 2005, the Fort Ord Reuse Authority ("FORA") Board of Directors adopted the Environmental Documents for the GJMB (McClure Way to South Boundary Road) and Eucalyptus Road Improvement Project. The Board's action has allowed staff to advertise construction ready phases of the project for competitive bids as funding becomes available. The bids for the fourth phase of work on GJMB and the first phase of work on Eucalyptus Road were opened on September 30, 2008 with the following results:

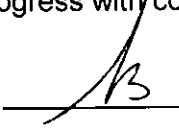
1.	Raminha Construction Company	\$3,987,480
2.	Monterey Peninsula Engineering	\$4,146,215
3.	Floyd Johnston Construction	\$4,607,741
4.	Beebe Construction	\$4,708,115
5.	Whitaker Contractors	\$4,733,900
6.	Sierra Equipment Rental	\$4,793,150
7.	Sanco Pipelines	\$4,859,259
8.	Don Chapin Construction	\$4,988,285
9.	McGuire & Hester	\$4,992,907
10.	Granite Construction	\$4,993,308
11.	Mountain Cascade Inc.	\$5,050,505
12.	Graniterock	\$5,140,571
13.	Independent Construction Company	\$5,347,986
14.	Lewis & Tibbits Inc.	\$6,300,178
15.	Gordon N. Ball Inc.	\$6,595,801

*Engineer's Opinion of Probable Cost* \$4,851,901

Funding sources and the fiscal level of obligation are presented in the "FISCAL IMPACT" section below. A milestone schedule is attached (**Exhibit A**) for information.

FORA staff therefore recommends that the FORA Board authorize award of a construction contract to Raminha Construction to progress with construction of the Improvements.

### FISCAL IMPACT:

Reviewed by FORA Controller 

### **Anticipated Construction Contract Expenses:**

Construction contract award to Raminha Construction Co.	\$3,987,480
Up to 10% construction contingency reserve	\$ 398,748
Total Cost (Projected)	\$4,386,228



**Construction Contract Revenue Sources:**

Community Facilities District Revenue/FORA Line of Credit	\$ 1,792,378
Marina Coast Water District funds	<u>\$ 2,593,850</u>
Total Revenue	\$ 4,386,228

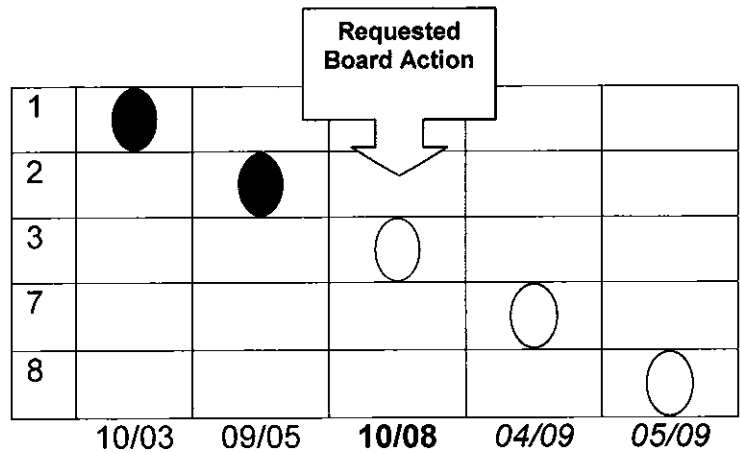
Funding for this project from development fees and/or line of credit was approved in the FY 08-09 operating budget and CIP budget.

**COORDINATION:**

City of Seaside, City of Del Rey Oaks, Marina Coast Water District, Administrative Committee and Executive Committee

Prepared by  Approved by   
James A. Feeney, P.E. Michael A. Houlemard, Jr.

**MILESTONE SEQUENCE DIAGRAM FOR GENERAL JIM MOORE BOULEVARD  
PHASE IV AND EUCALYPTUS ROAD PHASE I IMPROVEMENT PROJECT**



1. Authorized Service Work Order 3 – General Jim Moore Boulevard Widening and Service Work Order 4 – Eucalyptus Road Widening
2. Approved/adopted environmental documents and authorization to bid
3. **Authorize construction contract award for the General Jim Moore Boulevard Phase IV and Eucalyptus Road Phase I improvement project**
4. *Authorize filing the Notice of Completion for the General Jim Moore Boulevard Phase IV and Eucalyptus Road Phase I improvement project*
5. *Transfer ownership of facilities constructed*

**EXHIBIT A**

**Attachment to Consent Agenda Item 6b  
October 10, 2008 FORA Board Meeting**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Habitat Conservation Plan approval process

**Meeting Date:** October 10, 2008

**Agenda Number:** 7a

**INFORMATION**

### RECOMMENDATION(S):

Receive a status report regarding preparation of Habitat Conservation Plan ("HCP") and State of California 2081 Incidental Take Permit ("ITP") Process.

### BACKGROUND/DISCUSSION:

#### **Recent Developments:**

1. On September 30, 2008, a conference call including representatives from the Fort Ord Reuse Authority ("FORA"), U.S. Fish and Wildlife Service ("USFWS"), Denise Duffy & Associates ("DD&A") [National Environmental Policy Act ("NEPA")/California Environmental Quality Act ("CEQA") consultant], Bureau of Land Management ("BLM"), and others was held and the schedule noted in #2 below was endorsed.
2. HCP working group meetings were held on September 9 and 16, 2008 to discuss the steps to complete the Public Draft HCP and schedule. At the September 9 meeting, representatives of the FORA Administrative Committee were given an opportunity to engage FORA's consultant about issues related to schedule and content. At the September 16 meeting, FORA's jurisdictions discussed the remaining chapters with USFWS and confirmed that the project schedule remains on target for release of a review draft document by January 2009.
3. On June 18, 2008, the HCP working group reviewed the revised Monitoring Chapter and provided feedback to Jones & Stokes on the Implementation and Funding Chapters.
4. On May 5, 2008, DD&A, NEPA/CEQA consultant, held a conference call meeting of the principals to schedule final Environmental Impact Statement ("EIS")/Environmental Impact Report ("EIR") document processing.
5. On April 21, 2008, USFWS Assistant Director Brian Arroyo gave assurances that he would apply his resources to resolve funding issues between USFWS and the BLM and to meet HCP review schedules for the HCP and HCP NEPA documents.
6. On March 28, 2008, California Resources Secretary Mike Crisman met with FORA's legislative representatives and confirmed prior commitments to employ sufficient staff and resources within California Department of Fish and Game ("CDFG") to meet review schedules and resolve outstanding HCP issues.

#### **Past Actions:**

FORA completed a Draft HCP on January 23, 2007 covering topics necessary to submit the HCP to CDFG and an application for a basewide State 2081 ITP. The Draft HCP was circulated to USFWS, CDFG, FORA's land use jurisdictions, and other prospective habitat managers participating in the program. USFWS provided written comments on

the Draft HCP in March 2007, July 2007, and February 2008. CDFG provided written comments in April 2007.

To define necessary steps to obtain CDFG approval of a basewide State 2081 Permit, FORA's legislative representatives met with key stakeholders in CDFG, California Department of Parks and Recreation ("State Parks"), and the Governor's Office on April 30, 2007. Subsequent meetings were held with Mike Crisman, State of California Resources Secretary, and John McCamman, CDFG Chief Deputy Director (at the time). These discussions identified several steps for FORA and CDFG to take to secure a successful 2081 permit. The representatives and stakeholders identified a need for a larger scope for the HCP consultant work, requiring FORA to redistribute a Request for Qualifications ("RFQ") containing a larger budget than previously included in the March 2007 RFQ. In return, key stakeholders in Sacramento gave assurances they would perform required work on their end and support a "final" process. In response to the need for an expanded scope of work, at its May 11, 2007 meeting, the FORA Board directed staff to redesignate unused HCP funds in Fiscal Year ("FY") 06-07 for HCP consultant work and directed staff to enter into a contract, not to exceed \$150,000, with an HCP consultant to conduct the increased scope of work.

FORA staff received several responses to its RFQ and selected Jones & Stokes, Inc. ("Jones & Stokes") for the contract, which gives FORA the expertise to respond to USFWS and CDFG comments on the draft HCP. Jones & Stokes successfully completed comparable HCP's in Northern California and is the author of the 1997 Fort Ord Habitat Management Plan. The initial contract was for \$85,445 and covers revisions to Draft HCP chapters, resulting from agency comments and FORA staff concurrence. An amendment to this contract for additional tasks and budget to recombine State and Federal HCP's was approved on September 14, 2007. The approved FY 06-07 and FY 07-08 budgets included additional funding for this purpose.

Jones & Stokes identified a window of opportunity to expedite permit issuance. As noted, Jones & Stokes have proposed recombining the truncated State and Federal HCP processes into one HCP document and one combined public review period, which would result in a shorter timeframe for Federal and State permit issuance and a stronger HCP document. Significant progress on the State HCP made in the last year should allow Jones & Stokes to complete the necessary Federal HCP chapters on an expedited basis. This allows FORA to use the HCP document for both Federal NEPA and State CEQA permit applications.

On May 23, 2007, FORA hosted an HCP working group meeting among Jones & Stokes, FORA, CDFG, USFWS, University of California ("UC"), BLM, and State Parks to discuss agency comments on the Draft HCP Funding Chapter. The HCP working group identified issues and discussed probable solutions to improve the Draft HCP funding section. A follow-up conference call occurred on May 31, 2007. To expedite agency review of the Draft HCP, Jones & Stokes suggested that USFWS and CDFG prepare comment letters on Draft HCP chapters reviewed to date and that the agencies offer oral comments on the remaining chapters. This approach was well received and was discussed in further detail during a strategy session among FORA, USFWS, and CDFG held in early June. On July 12, 2007, the HCP working group met, reviewed past comments received from USFWS and CDFG, reviewed Jones & Stokes' technical memo proposing revisions to the draft HCP, and reviewed Jones & Stokes' draft costing

model. On August 29, 2007, the HCP working group held another meeting, in which the group: provided additional feedback on the draft costing model, requested feedback from working group members on Draft HCP sections, addressed questions on the Early Transfer/Environmental Services Cooperative Agreement ("ET/ESCA"), and asked for feedback from USFWS and CDFG on inclusion of the proposed alignment of the Multi-Modal Corridor along Intergarrison Road in lieu of a previous alignment bisecting the UC Fort Ord Natural Reserve. On November 15, 2007, the working group reviewed a draft HCP Implementing Agreement, a required HCP document.

On October 1, 2007, Mayor Joe Russell, then Marina Mayor Ila Mettee-McCutchon, and Mayor Ralph Rubio met with State of California Resources Secretary Crisman and CDFG Interim Director McCamman and, as a consequence, a letter was drafted demonstrating CDFG support for FORA's ET/ESCA activities. In December 2007, Jones & Stokes personnel met with USFWS in Ventura regarding staff transition and other issues. Jones & Stokes presented the revised draft HCP Funding Chapter, costing model assumptions/inputs, and HCP development schedule to the HCP working group on April 10, 2008 to generate feedback from working group members.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

Funding for this item was included in the FY 07 and 08 budgets and was carried over to the FY 09 budget.

**COORDINATION:**

Executive Committee, Administrative Committee, Legislative Committee, Coordinated Resources Management and Planning Team, City of Marina, County of Monterey, U.S. Army, USFWS and CDFG personnel, Jones & Stokes, DD&A, UC, BLM, and various development teams.

Prepared by   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

<b>Subject:</b>	Environmental Services Cooperative Agreement (ESCA) – update	
<b>Meeting Date:</b>	October 10, 2008	<b>INFORMATION</b>
<b>Agenda Number:</b>	7b	

### RECOMMENDATION:

Receive a Fort Ord Reuse Authority ("FORA") Environmental Services Cooperative Agreement ("ESCA") Remediation Program ("RP") status report.

### BACKGROUND:

In Spring 2005, the U.S. Army ("Army") and FORA entered into negotiations to execute an Army-funded Environmental Services Cooperative Agreement ("ESCA") leading to the Early Transfer ("ET") of 3,340 acres of former Fort Ord property prior to regulatory environmental sign-off. In early 2007, the Army awarded FORA a \$100 million ESCA Grant to perform munitions cleanup on the ESCA parcels and FORA also entered into an Administrative Order on Consent ("AOC") with U.S. Environmental Protection Agency ("U.S. EPA") and California Department of Toxic Substance Control ("DTSC"), defining conditions under which FORA assumes responsibility for the Army remediation of the parcels. FORA then entered into a Remediation Services Agreement ("RSA") with LFR, Inc. to provide Munitions and Explosives of Concern ("MEC") remediation services and for Pollution Legal Liability and Cost-Cap insurance policies for this remediation work through American International Insurance Group ("AIG").

The ESCA RP has been in progress for approximately one year and six months. The Governor has concurred on the transfer of the ESCA parcels under a Finding of Suitability for Early Transfer. Currently, FORA staff, FORA Special Counsel (Kutak Rock), and the Army are processing the ESCA property transfers. Field work has been focused on Seaside parcels east of General Jim Moore Boulevard, completing work on Special Case Areas ("SCAs") left after the initial Army cleanup and munitions clearance for the General Jim Moore Boulevard and Eucalyptus realignment project. The future General Jim Moore Boulevard and Eucalyptus roadway corridor clearance work was included in ESCA Change Order # 2 approved by the Board in September 2007.

### DISCUSSION:

Since the ESCA work began in early 2007, FORA and its MEC remediation team (LFR/Weston/Westcliffe) have been working and meeting with Regulators, the Army and the Jurisdictions on the necessary documentation and site preparation to commence ESCA MEC field work and conduct public outreach to the community. Site work commenced east of the existing General Jim Moore Boulevard in January 2008. The ESCA activities for the last Quarter are detailed in **Attachment "A"** of the ESCA Quarterly Grant Report.

Noteworthy items in this report are the following:

- FORA ESCA RP team has engaged in approximately 141 Technical and 53 Community Outreach tasks and activities; and
- Fieldwork for Change Order # 2: The field work for the General Jim Moore Boulevard and Eucalyptus Road corridors is complete. EPA and DTSC are working with the ESCA Remediation team to complete approval to begin grading of the General Jim Moore Boulevard

and Eucalyptus Road on October 17<sup>th</sup>, 2008. FORA Engineering staff have released a request for bids on the grading for General Jim Moore Boulevard and Eucalyptus Road and have a bidder selected for the Board's approval at this Board meeting (see item 6b for more detail).

Noteworthy Community Outreach activities have been:

July 3, 2008: Meeting with the Veterans Cemetery Citizens Advisory Committee to address the upcoming draft Parker Flats RI/FS Work Plan document.

July 15, 2008: Meeting with the ESCA Remediation Team, County of Monterey and Monterey County Horse Park staff to provide a draft schedule of the horse park property remediation and to discuss long-term trail needs.

July 22, 2008: Notification to Fort Ord Environmental Justice Network (FOEJN) advising that the ESCA Remediation Team discovered and would be demolishing a fused 57mm projectile.

August 11, 2008: On-site visit to ESCA properties and former Fort Ord for Deputy Assistant Secretary of the Army Paul P. Bollinger. Conducted a tour of Fort Ord and briefed him on the Environmental Services Cooperative Agreement (ESCA).

August 28, 2008: Meeting with the County Supervisor and the City of Seaside staff to discuss issues on the future Veterans Cemetery property located in the ESCA parcels.

September 11, 2008: Attended the Veterans Cemetery Citizens Advisory Group meeting and advised them the Record of Decision (ROD) has been signed on the bulk of their property and provided an anticipated date for the transferring of the property covered by the ROD.

September 11, 2008: ESCA staff attended the California State University Monterey Bay (CSUMB) Club Showcase event and represented the ESCA Remediation Program and provided public outreach and informational materials to CSUMB students, staff and faculty.

In addition to the above Community Outreach activities, the following activities should also be noted:

August 12, 2008 - Letter from Lance Houston of the Fort Ord Community Advisory Group ("FOCAG") to the FORA Board containing general comments on the cleanup of the former Fort Ord. The letter can be viewed in the Army Administrative Record by accessing the following address: [http://www.fortordcleanup.com/adminrec/ar\\_pdfs/AR-ESCA-0100/](http://www.fortordcleanup.com/adminrec/ar_pdfs/AR-ESCA-0100/) : ESCA-0100 -- FOCAG Position Paper; Environmental Contamination; Remediation and Development of Military Munitions Training Areas at Former Fort Ord: Request for a revised Base Wide EIR, dated 8/12/2008 by Lance Houston (FOCAG).

August 12, 2008: On-site visit with Environmental Protection Agency (EPA) attorneys to ESCA properties and former Fort Ord. Conducted a tour of Fort Ord and briefed them on the Environmental Services Cooperative Agreement (ESCA).


Recent events in American financial institutions have highlighted problems that are being faced by American International Group, Inc. ("AIG") which is the parent company for American International Specialty Lines Insurance Company ("AISLIC") who has provided an Environmental Pollution Protection policy guaranteeing the ESCA contract work. On September 23, 2008 the President of AIG, Joe Boren, reported to the FORA Chair, FORA staff, LFR, Weston Solutions, FORA's insurance broker and FORA's Authority Counsel that the U.S. government is working with the AIG

parent company to help them with their financial problem. The parent companies' problems do not affect AISLIC and that the ESCA funds are "walled off" from access by the parent company, they are protected and cannot be used or pledged by the parent company. AISLIC is extremely solvent and will continue with business as usual. This news was relayed to the FORA Board Members via the attached memorandum (**Attachment "B"**) on September 25, 2008.

The ESCA remediation team will begin work in the Parker Flats area this fall. Future land uses in the Parker Flats area are residential, commercial and habitat. Future projects earmarked for Parker Flats are the Veterans Cemetery, Monterey Peninsula College's police training facility, and the Monterey County Horse Park. The ESCA Team will hold a Parker Flats specific Community Workshop in late October or early November 2008 to discuss the scope of MEC removal work, site preparation activities, access impacts/restrictions, and habitat management requirements.

The Parker Flats MEC remediation work will impact the use of trails and at times various roads that traverse Parker Flats. The ESCA Remediation Team has been working with the local Police and Fire departments, BLM, CSUMB and the Fort Ord Users Group to devise a meaningful and enforceable access corridor system to direct the public through the ESCA properties after they are transferred to FORA. Directional signage will be used to guide citizens through the access corridor system. Access corridor maps will be provided to the Fort Ord Users Working Group to distribute to their member organizations, posted on information kiosks located at the major known access points through the ESCA properties, distributed to local bicycle shops and distributed by BLM. This access corridor system will be provide the basic security structure for the Parker Flats area that will be augmented by LFR and Weston to support their specific MEC remediation field work needs.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

No fiscal impact. All ESCA work is covered by approved budget items and/or the grant award from the Army.

**COORDINATION:**

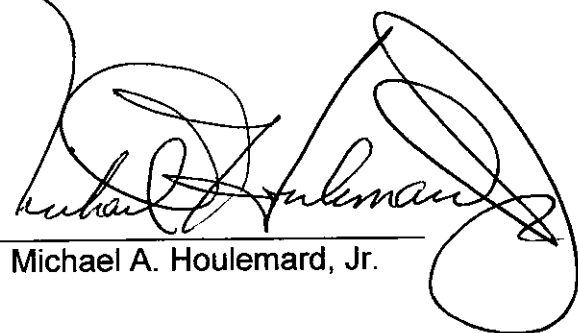
Administrative Committee; Executive Committee; Negotiating Team; Special

Prepared by



Stan Cook

Approved by



Michael A. Houlemard, Jr.



## QUARTERLY PROJECT REPORT

### Environmental Services Cooperative Agreement

**Report No:** 6

**Reporting Period:** July 1, 2008 to September 30, 2008

**Grant Recipient:** Fort Ord Reuse Authority

**Agreement No:** W9128F-07-2-0162

**PR No:** W59XQB70879961

**Effective Date:** March 30, 2007

**Grant Officer:** Doug Hadley  
Contracting Officer/Grants Officer  
U.S. Army Corps of Engineers, Omaha District  
Phone: (402) 221-3045  
Fax: (402) 221-4199

**Compiled by:** Stan Cook  
ESCA Remediation Program, Program Manager  
Fort Ord Reuse Authority  
100 12<sup>th</sup> Street  
Building 2880  
Marina, CA 93933  
Phone: (831) 883-3672  
Fax: (831) 883-3675

**Submitted to:** Gail Youngblood  
Fort Ord BRAC Environmental Coordinator  
PO Box 5008  
Presidio of Monterey  
Monterey, CA 93944  
Phone: (831) 242-7918  
Fax: (831) 242-7091

*This report is submitted per the requirements in the Cooperative Agreement Award, Attachment E.1, Technical Services and Requirement Statement, Section 3.1. Project Progress Reports.*

## Table of Contents

Background/Scope and Purpose .....	2
Document Technical Progress or Work Completed .....	4
ESCA Grant Funds Spent - This Quarter - Total to date .....	16
Upcoming work for the next reporting Quarter .....	16
Technical or Regulatory issues that may impact project schedule .....	17
Status of comments submitted by Army on documents submitted by FORA .....	17
Status coordination of MEC documents with DDESB .....	17
Corrective Measures Implementation Reports .....	17
Corrective Measures Effectiveness Report .....	17
Needed Notifications in accordance with the ESCA.....	17
Changes to the AOC .....	17
Summary of public participation – This Quarter- Next Quarter.....	17
Project Updates to Coordinated Resource Management Planning (CRMP) meeting ...	22

## **Background/Scope and Purpose**

### **Background.**

The Federal Government, for and on behalf of the citizens of the United States of America, acts as the steward of certain real property on which it operates and maintains military facilities necessary for the defense of the United States of America. Certain military facilities are no longer required for that mission, and the Department of Defense (DoD) closed and plans to dispose of certain real and personal property at those facilities in accordance with the authority of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510 (10 U.S.C. Section 2687 note, as amended). DoD is authorized to dispose of real and personal property on the former Fort Ord to the Fort Ord Reuse Authority (FORA). Under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Section 9620(h)(3)(C), federal property may be transferred prior to the completion of all remedial action necessary to protect human health and the environment. Under this early transfer authority, DoD may transfer portions of Fort Ord to the FORA, which may assume responsibility for certain environmental response activities (Environmental Services).

The property to be transferred and the geographic area in which work will be performed under the ESCA are identified herein as the Areas Covered by Environmental Services, (ACES). The environmental response activities required of the FORA under the Environmental Services Cooperative Agreement (ESCA) are identified herein as the Environmental Services. The ESCA provides the funding, specifications and requirements for the FORA's performance and completion of the Environmental Services in the ACES. Cleanup of the ACES is governed by CERCLA, the National Contingency Plan (NCP), the Administrative Settlement Agreement and Order on Consent (AOC), and other applicable laws and regulations. The Army has conducted investigations and site characterization under its own authorities under CERCLA, the Defense Environmental Restoration Program (DERP), and other applicable laws and regulations, and has identified both contaminated areas as well as uncontaminated areas. Additional site characterization and investigations are to be performed. Following the early transfer of the ACES, FORA will be obligated to comply with the AOC under the oversight of the United States Environmental Protection Agency (US EPA) and the Department of Toxic Substances Control (DTSC). As provided in the ESCA, the Parties agree that the FORA's performance of the Environmental Services must satisfy certain obligations of the Army under CERCLA and the NCP. If inconsistencies are found between the ESCA and the AOC after the ESCA has been signed, the Parties will work toward a resolution, in accordance with Section D.9 of the ESCA. The ESCA is of mutual benefit to the Army and FORA because it will facilitate early transfer and the immediate reuse of the ACES by allowing FORA to perform the Environmental Services in conjunction with redevelopment activities. The ESCA, executed in anticipation of an early transfer, will allow FORA full access to the ACES in order to implement the Environmental Services and redevelop the ACES. The ESCA does not reduce or alter in any way the responsibilities and obligations of the Army

under CERCLA, the NCP, or Section 330 of Public Law 102-484 ("Section 330"), except as otherwise provided in the ESCA.

**Purpose.**

The provisions of the ESCA establish the terms and conditions necessary for the completion of the Environmental Services required to obtain Site Closeout and the execution of Long-Term Obligations associated with Site Closeout. The AOC and Technical Specifications Requirements Statement (TSRS) establish the process for obtaining Site Closeout within the ACES. By execution of the ESCA, the Army and FORA concur with the AOC and TSRS. The ESCA in no way restricts the Parties from modifying the Covenant to Restrict the Use of Property (CRUP) or the Environmental Protection Provisions (EPP), and documents referenced therein, before or after the Environmental Services at the ACES have begun. However, any such modifications shall not eliminate or change FORA's or Army's obligations under the ESCA unless a concurrent modification is made to the ESCA in accordance with Section D.21.

**Scope.**

FORA shall cause to be performed the Environmental Services, in consideration of the payment of a fixed sum by the Army in accordance with and subject to the provisions of the ESCA. The Environmental Services, to the extent required to be performed under the ESCA, shall satisfy the requirements of CERCLA and the NCP by satisfying the requirements provided in the AOC and TSRS. The Environmental Services will be performed in furtherance of the FORA's approved Reuse Plan and integrated with redevelopment activities, all as more particularly described in the TSRS.

The AOC establishes the process for obtaining Site Closeout within the ACES. By the execution of the ESCA, the Army concurs with the process set forth in the AOC, and all documents and approvals referenced therein; however, this concurrence in no way limits the FORA's ability to complete Environmental Services that go beyond the requirements of CERCLA and Resource Conservation and Recovery Act (RCRA) for the ACES by satisfaction of the AOC. Furthermore, the ESCA in no way restricts the parties to the AOC from modifying the AOC and documents referenced therein, pursuant to the terms thereof, before or after the Environmental Services at the ACES have begun; however, any such modifications will be coordinated with the Army and shall not eliminate or change FORA's or Army's obligations under the ESCA unless otherwise agreed in a writing signed by the Parties. In addition to providing the specified funding, the Army will retain the responsibilities and liabilities specified within the ESCA and attachments. The Army's program oversight shall ensure that the remedies implemented by the FORA pursuant to the AOC and TSRS are consistent with CERCLA and the NCP, Department of Defense Explosives Safety Board (DDESB) requirements, and other applicable laws and/or regulations. The Parties agree that the implementation of the AOC must be consistent with remedy requirements of CERCLA, the NCP, and other applicable laws and regulations, and that future modifications to the AOC will likewise be consistent with such remedy requirements. FORA agrees to achieve Site Closeout and perform the required remedial actions in accordance with and subject to the provisions of the ESCA. In accordance with 42 U.S.C.

9620(h)(3)(C)(iii), after all response actions necessary to protect human health and the environment on the ACES, or portions thereof, have been taken, the Army will grant to the FORA the CERCLA warranty that all necessary response actions have been taken.

### **Document Technical Progress or Work Completed**

In this Quarter, FORA and FORA's Remediation Team (LFR, Weston Engineers & Westcliffe Engineering) accomplished the following: ESCA Team Conference Calls, preparation and follow-up for various meetings: regulatory, special interest, preparation of Weekly and Monthly Progress Reporting, drafting of Bid requests for surveying and brush cutting for Parker Flats, coordination and communication with Army as required, initiated Response to Comment Group 1 Remediation Investigation/Feasibility Study (RI/FS) Work Plan, Drafting of Parker Flats Phase 1 Intuition Control Plan, Initiated Group 2 RI/FS Report, Biological Monitoring, Field Surveys and Reporting of Parker Flats, Field Training as required, Coordination with Army on HMP/BO, Drafting of Field Manual, Mapping source information coordination and documentation, Mapping in support of program documentation, Preparation/Distribution of Site Status Maps, Interface of UXO Fast and GIS Mapping, Bi-weekly GIS/Geo Meetings and Geophysical mapping/GIS coordination.

FORA's critical dates, technical progress, or work completed within this Quarter are:

July 1, 2008: Quality Assurance professional reviewed the LFR/Weston proposed changes to QC-2 and the reacquisition field variance.

July 1, 2008: Communication with DTSC regarding DTSC's acceptance of the LFR/Weston proposed changes to QC-2 and the reacquisition field variance.

July 1, 2008: Communication with EPA requesting clarification on document retention language in the Administrative Order on Consent.

July 1, 2008: Meeting with Army Corps of Engineers and Bureau of Land Management to see about providing them with access to asphalt recycled off the Seaside Special Case Area roads for their use in the inland ranges.

July 1, 2008: Meeting with ESCA Remediation Team and Quality Assurance Oversight Professional to address changes to the Field Variance Form on reacquisition and excavation and how QC-2 failures will be dealt with in the Seaside 1-4 QC-2 white paper.

July 2, 2008: Reviewed the updated Army Fort Ord Cleanup Document Schedule that includes the ESCA documents.

July 2, 2008: Reviewed the draft final version of the ESCA Summary of Existing Data Report (SEDR).

July 2, 2008: Finalized reimbursement letter with Environmental Protection Agency.

July 2, 2008: Reviewed proposed changes Field Variance #4 (LFR/Weston proposed changes to QC-2 and the reacquisition field variance).

July 3, 2008: Teleconference with Quality Assurance Oversight Professional and ESCA Remediation Team to review and revise language in LFR/Weston proposed changes to QC-2 white paper and the reacquisition field variance.

July 3, 2008: Reviewed Army memorandum regarding soil sampling of the Levins projector site.

July 7, 2008: Received Army's comments on the draft Group 1 RI/FS Work Plan Volumes 1 and 2, Seaside Munitions Response Area and Parker Flats Munitions Response Area Phase II.

July 7, 2008: Reviewed air monitoring reports.

July 7, 2008: Reviewed field activities report from ESCA Remediation Team.

July 7, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work (Quality Assurance Oversight Professional, sifting plant operations, digital geophysical mapping, site safety and schedule updates).

July 7, 2008: Submitted FORA comments on the draft Group 1 RI/FS Work Plan Volumes 1 and 2, Seaside Munitions Response Area and Parker Flats Munitions Response Area Phase II.

July 8, 2008: Communication with Environmental Protection Agency regarding status of Governor's visit to the Association of Defense Communities Annual Conference as a possible venue for signing the FOSET 5 Covenant Deferral package.

July 8, 2008: Sent approval of the Fort Ord Seaside Munitions Response Area (MRA) QC-2 Approach 2008-07-01 document to Quality Assurance Oversight Professional.

July 9, 2008: Meeting between ESCA managers to discuss the ESCA cleanup performance during the past year and the challenges anticipated in the year ahead.

July 10, 2008: Teleconference with Regulators and ESCA Remediation Team to discuss: approval of changes to the QC-2 approach in Seaside 1-4; impact of fencing located in the pavement along General Jim Moore Boulevard and, content for the next ESCA Regulatory meeting.

- July 10, 2008: FORA staff review of proposed changes to ESCA Grant language before submission to ESCA Grant Administrator for approval.
- July 10, 2008: Review of Environmental Protection Agency's (EPA) comments on the draft Group 1 RI/FS Work Plan, Seaside Munitions Response Area and Parker Flats Phase II.
- July 10, 2008: Teleconference with ESCA Remediation Team to discuss: preparation for Monterey County Horse Park meeting; coordination with BRAC on their Site 39 soil hauling proposal through Seaside 1-4; monthly meeting with Regulators, impact of munitions found; and letter to City of Seaside Redevelopment Agency staff regarding notifications for potential detonations.
- July 14, 2008: Meeting with FORA Engineering to discuss Army's current plans to haul the Site 39 soils through Seaside 1-4 and onto Eucalyptus Road.
- July 14, 2008: Meeting with Army BRAC and Army Corps of Engineers to discuss coordinating Army's current plans to haul the Site 39 soils through Seaside 1-4 and onto Eucalyptus Road.
- July 14, 2008: Meeting with Army Corps of Engineers to discuss their use of the Seaside 1-4 blue line road and the potential impact on the MEC clearance of the Seaside 1-4 Special Case Areas.
- July 14, 2008: Reviewed the Army's comments on the draft Final Summary of Existing Data Report (SEDR).
- July 14, 2008: Meeting with ESCA Remediation Team to discuss the Army's current plans to haul the Site 39 soils through Seaside 1-4 and onto Eucalyptus Road.
- July 16, 2008: Provide tour for Army BRAC auditors to view ESCA property, current field work activities and other Fort Ord Economic Development Conveyance (EDC) properties.
- July 16, 2008: Teleconference with Quality Assurance Oversight Professional, FORA and ESCA Remediation Team to discuss their upcoming visit to provide QA services on select portions of Seaside 1-4 Special Case Areas (SCAs).
- July 16, 2008: Received an updated contact list for Munitions and Explosives of Concern (MEC) demolition notifications.
- July 17, 2008: Received the Army Corps of Engineers' cleanup information during the construction support they provided to Monterey Peninsula Engineering working on the Aquifer Storage Recharge well improvement site within the Seaside ESCA parcel.

- July 17, 2008: Meeting with ESCA Remediation Team to discuss preparation for the upcoming July ESCA Regulatory meeting.
- July 21, 2008: Weekly conference call with ESCA Remediation Team to discuss field work activities, schedule and meeting coordination, status of the FOSET package and public outreach efforts.
- July 22, 2008: Meeting with Quality Assurance Oversight Professional to discuss the day's Digital Geophysical Mapping Quality Assurance efforts.
- July 22, 2008: Attended the Army MR-BCT meeting and provided an update on the ESCA Remediation Program and field work activities.
- July 22, 2008: Sent out a notification to Army BRAC to advise that the ESCA Remediation Team discovered and would be demolishing a fused 57mm projectile.
- July 22, 2008: Notification to the Regulators and Community to advise that the ESCA Remediation Team discovered and would be demolishing a fused 57mm projectile.
- July 23, 2008: Communication with Quality Assurance Oversight Professional to coordinate an on-site visit to the ESCA property to perform QA in the field in Seaside.
- July 23, 2008: Received a request from the Army for the recycled asphalt from the Seaside 1-4 Munitions Response Areas (MRAs) for use on the inland ranges roads.
- July 23, 2008: Sent a copy of the historic documents on the former MOUT facility (which is an ESCA parcel) to the ESCA Remediation contractors.
- July 23, 2008: Meeting with ESCA Remediation Team to prepare for the upcoming ESCA July Regulatory meeting on 7/24 in Emeryville CA.
- July 25, 2008: Received Quality Assurance report from Quality Assurance Oversight Professional for on-site QA
- July 25, 2008: Requested copies of the General Jim Moore Boulevard and Eucalyptus Road realignment grading plans and specifications to review and comment on the Munitions and Explosives of Concern (MEC) construction support language to ensure it supports the needs of the Regulators to release General Jim Moore Boulevard and Eucalyptus corridors for construction.



- July 25, 2008: Received signed Administrative Order on Consent (AOC) effectiveness letter which includes revised language clarifying ESCA document retention.
- July 29, 2008: Received Monterey Horse Park's proposed trail plan map through the habitat portions of ESCA parcels.
- July 29, 2008: Received EPA approval of the Seaside 1-4 QC-2 white paper.
- July 29, 2008: Meeting with ESCA Remediation Team to coordinate contractor's biologist attendance at the upcoming CRMP meeting.
- July 29, 2008: Teleconference with County of Monterey regarding Veterans Cemetery habitat clearance needs in ESCA parcels.
- July 31, 2008: Received approved changes in the ESCA grant award to allow for earlier Army payments.
- July 31, 2008: Site visit to Seaside 1-4 property to inspect the blue-line road in the Seaside 1-4 parcels.
- July 31, 2008: Teleconference with Monterey Bay Unified Air Pollution Control District (MBUAPCD) to discuss the air monitoring being performed on the Seaside 1-4 parcels.
- July 31, 2008: ESCA Remediation Team provided a response to Monterey Bay Unified Air District's questions regarding air monitoring being performed on the Seaside 1-4 parcels.
- July 31, 2008: Teleconference with ESCA Remediation Team biologist and remediation contractor project manager to prepare for the upcoming CRMP meeting to discuss ongoing plant surveys for Ranges 43-48 and the Parker Flats area.
- July 31, 2008: ESCA Team requests a meeting to coordinate all the ESCA, BRAC and FORA projects that are planned to occur in the next few months along Eucalyptus Road.
- July 31, 2008: Teleconference with Regulators to discuss proper procedure for submission of the Technical Information Paper (TIP) to support the release of the General Jim Moore and Eucalyptus Road corridors for construction.
- August 1, 2008: Communication with BRAC contractor to request if they can haul rock for use in the inland range roads across the Seaside site on Watkins Gate Road.
- August 1, 2008: Communication with Department of Toxic Substances Control (DTSC) requesting DTSC's comments on the draft Remedial Investigation/Feasibility Study (RI/FS) Work Plan.

August 1, 2008: Sent out letters and copies of the draft Group 2 Remedial Investigation/Feasibility Study Work Plan to the Regulators for review and comment.

August 5, 2008: Received and reviewed weekly field reports from FORA Engineering.

August 5, 2008: Teleconference with Environmental Protection Agency (EPA) to review the cover letter and submittal procedures for the Technical Information Paper on the roadways and utility corridor.

August 5 2008: Teleconference with Department of Toxic Substances Control (DTSC) to discuss progress and status of the Quality Assurance field work.

August 5, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work (Quality Assurance Oversight Professional, sifting plant operations, digital geophysical mapping, site safety and schedule updates).

August 5, 2008: Provided LFR/Weston Team with an original and signed copy of the cover letter addressed to Environmental Protection Agency (EPA) for the Technical Information Paper along with attachments.

August 6, 2008: Communication with Quality Assurance Oversight Professional on the Quality Assurance field work performed on the pick list generated by the QAOP in Seaside 1-4 Roadway and Utility corridor areas.

August 6, 2008: Request to LFR/Weston Team from LFR/Weston Team to leave the vegetation in the General Jim Moore Boulevard WOW section so that it does not erode before the FORA road grading contractor can go onsite to manage erosion control.

August 6, 2008: Communication with Army BRAC biologist to confirm the acreage of the FOSET 5 parcels and the subset of these parcels known as the ESCA parcels.

August 6, 2008: Teleconference with Regulators to provide them with a "passed – no failures" report on the Quality Assurance field work performed on the pick list generated by Quality Assurance Oversight Professional in the Seaside 1-4 roadway and utility corridor areas.

August 6, 2008: Received a request from Regulators for a hard copy of the draft Technical Information Paper (TIP) and a digital copy so they can review the document.

- August 6, 2008: Communication with Regulators regarding their comments on the Group 1 Remedial Investigation/Feasibility Study (RI/FS).
- August 7, 2008: Requested a map from the Army on behalf of the jurisdiction that captures the Army's knowledge of the portions of the ESCA properties that can support fire fighting on ESCA parcels should a fire occur.
- August 7, 2008: Coordinated a telephone conference call between Quality Assurance Oversight Professional (QAOP) and ESCA Remediation Team to discuss the Quality Assurance report.
- August 11, 2008: Prepared deed packages for the transfer of ESCA parcels from the Army to the Fort Ord Reuse Authority.
- August 11, 2008: Coordination with Quality Assurance Oversight Professional and ESCA Remediation Team on Quality Assurance report supporting the Technical Information Paper (TIP) for release of the roadway and utility corridors for grading purposes.
- August 11, 2008: Received, reviewed and approved the summary notes for the July Munitions Response-Base Cleanup Team meeting.
- August 11, 2008: Communication with ESCA Remediation Team regarding the discovery of a 40mm item in the recycled asphalt from the ESCA Special Case Areas. ESCA Remediation Team began investigations and advised Army and Regulators of the discovery.
- August 11, 2008: Communication with Quality Assurance Oversight Professional of the discovery of a 40mm item found in the recycled asphalt from the ESCA Special Case Areas and coordination of corrective actions.
- August 12, 2008: Received, reviewed and forwarded a copy of the Army Engineering pamphlet on Munitions and Explosives (MEC) support to FORA Engineering.
- August 12, 2008: Communication with Army BRAC to request copies of documents describing their past construction support efforts so that ESCA Remediation Team can understand what will be needed for grading of General Jim Moore Boulevard and Eucalyptus Road.
- August 12, 2008: Meeting with Army BRAC, Army Corps of Engineers, FORA Remediation Team, Bureau of Land Management to determine if they can safely resume sending recycled asphalt materials from the ESCA properties to the inland ranges for use as road topping.

- August 13, 2008: Reviewed and commented on the draft Quality Assurance report for General Jim Moore Boulevard and Eucalyptus corridors provided by the Quality Assurance Oversight Professional.
- August 13, 2008: Communication with Army BRAC to request a copy of the latest document they have describing the construction support process they have used/provide for construction support on areas being remediated.
- August 13, 2008: Announcement from Governor of California that the FOSET 5 transfer of properties to FORA is completed.
- August 14, 2008: Forwarded a copy of the memorandum to the Army summarizing the ESCA Remediation activities and request for a cover letter that acknowledges the Quality Assurance results meet the Quality Control objectives.
- August 14, 2008: Teleconference with Army BRAC regarding their desire to only take recycled AC products that are smaller than 1" to insure that no 40mm practice grenades could be in the material.
- August 14, 2008: Received a letter from Army BRAC advising that the Army offers military munitions familiarization training to anyone digging holes or disturbing soil on the former Fort Ord. Distributed copies of the letter to FORA Engineering staff.
- August 14, 2008: Communication with Environmental Protection Agency (EPA) to discuss the concept of using a hammer mill to reduce all AC and other oversized materials from Seaside to 1" minus in size. ESCA Remediation Team provided a draft copy of the field variance form for the Regulators review.
- August 14, 2008: Reviewed the Quality Assurance Oversight Professional's Quality Assurance Report for the future General Jim Moore and Eucalyptus roadways and utility corridors.
- August 14, 2008: Reviewed the Quality Assurance Report corrective action memorandum from ESCA Remediation Team.
- August 18, 2008: Teleconference with Quality Assurance Oversight Professional requesting a cover letter for the Quality Assurance Report package.
- August 18, 2008: Sent out Quality Assurance Report package to Regulators and community member groups via U.S. mail and email.
- August 18, 2008: Teleconference with Presidio of Monterey Fire Department regarding clarification of prescribed burn procedures and prescription for upcoming burn.

- August 18, 2008: Teleconference with County of Monterey to discuss clarification information for prescribed burn procedures and prescription for upcoming burn.
- August 20, 2008: Updated the ESCA binders for FORA staff.
- August 25, 2008: Reviewed incident report from the Army on a practice 40mm grenade found in salvaged/recycled AC materials.
- August 26, 2008: Received email from Army BRAC regarding intrusive and nonintrusive firefighting operations on ESCA parcels.
- August 26, 2008: Received email from Environmental Protection Agency (EPA) regarding field variance for crushing and sifting the remaining oversize materials.
- August 26, 2008: Received request from Department of Toxic Substances Control (DTSC) for Quality Assurance Oversight Professional to provide document review services for DTSC on the current ESCA documents.
- August 26, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work (Quality Assurance Oversight Professional, sifting plant operations, digital geophysical mapping, site safety and schedule updates).
- August 28, 2008: Meeting with FORA Engineering and ESCA Remediation Team to discuss the relocation of Comcast fiber optic cables into the new utility corridor along the Seaside/Inland range interface property line.
- August 28, 2008: Teleconference with AIG and ESCA Remediation Team to provide a complete update on ESCA project activities.
- September 1, 2008: Reviewed the Army comments to the Draft Technical Information Paper, Phase II, Seaside Munitions Response Area, Roadway Alignment and Utility Corridor, dated August 5, 2008.
- September 1, 2008: Reviewed the army comments for Draft Group 2 Remedial Investigation/Feasibility Study Work Plan, CSUMB Off-Campus and North County Munitions Response Areas (MRAs) dated August 1, 2008.
- September 1, 2008: Communication with Regulators on the ability to allow limited public access to the Phase one Parker Flats area trails as soon as the Regulators sign the Parker Flats Phase 1 Record of Decision (ROD).
- September 1, 2008: Received Environmental Protection Agency's (EPA) signature page for the Parker Flats Phase 1 Record of Decision (ROD).

September 1, 2008: Communication with LFR/Weston Team to secure time frames for the Veterans Cemetery parcel field work and closure dates that will be used to create a briefing for the County Supervisor and City of Seaside.

September 1, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work (Quality Assurance Oversight Professional, upcoming General Jim Moore Boulevard Bid Walk, site safety and schedule updates).

September 3, 2008: Communication with LFR/Weston team on the time frames for the Veterans Cemetery parcel field work and closure dates that will be used to create a briefing for the County Supervisor and City of Seaside.

September 3, 2008: Provided a briefing to FORA Executive Officer and Director of Planning and Finance on the time frames for the Veterans Cemetery parcel field work and closure dates that will be used to create a briefing for the County Supervisor and City of Seaside.

September 4, 2008: Developed a format for the monthly report to Environmental Protection Agency (EPA) as described on page 27 of the revised version of the Administrative Order on Consent (AOC) document.

September 4, 2008: Teleconference with Regulators to discuss Field Variance #7 regarding the use of a crusher and the disposition of the resulting recycled asphalt material.

September 4, 2008: Teleconference with Regulators to discuss preferred format of the monthly ESCA Program Report required in the Administrative Order on Consent (AOC) document.

September 5, 2008: Teleconference with BRAC regarding the use of soil from Seaside 1-4 for use at the Fort Ord landfill.

September 5, 2008: Teleconference with Regulators to discuss site access and how FORA plans on handling public notifications on access changes.

September 5, 2008: Teleconference with FORA Executive Officer and ESCA Remediation Team to discuss relocation of the residential cleanup areas in the north area of the Seaside Cemetery parcel to another location and how to address the cleanup of trails in the Horse Park area based on the habitat constraints, the Horse Park development plans and ESCA budget.

September 5, 2008: Sent e-mail communication to County Supervisor, Seaside City Manager and staff advising that ESCA Remediation Team is reviewing their

request to relocate the residential cleanup areas in the north area of the Seaside Cemetery parcel to another location.

September 8, 2008: Reviewed EPA draft comments on the Technical Information Paper, Phase II Seaside MRA Roadway Alignment and Utility Corridor.

September 9, 2008: Communication with LFR/Weston Team to discuss responses to Regulators' questions in the last monthly ESCA Regulators meeting.

September 9, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work and schedule updates.

September 10, 2008: Received and reviewed the graphic proofs from Carsonite Composites of the Access Corridor signage.

September 10, 2008: Sent an excel spread sheet to EPA with critical dates of the General Jim Moore Boulevard Roadway Technical Information Paper (TIP) review and revisions needed to get to a No Further Action (NFA) letter along with the critical dates for the FORA General Jim Moore Boulevard Construction Project Bid and Award of Contract for the project.

September 10, 2008: Teleconference with FORA, Quality Assurance Control Oversight Professional (QAOP) and LFR/Weston Teams to discuss QC failure identified during QC-2 where a super-anomaly cast a large DGM "shadow" masking the presence of a MEC-like item that was not discovered during initial removal procedures. Corrective action report was drafted and reviewed with QAOP.

September 11, 2008: Reviewed comments received from DTSC on the Technical Information Paper (TIP).

September 11, 2008: Teleconference with Regulators to discuss the upcoming Corrective Action Report for the failure found in QC-2 in SCAW085 in Seaside 1-4 caused by a large metal super-anomaly.

September 11, 2008: Sent EPA and DTSC proposed revisions to a former DTSC comfort letter for used, if needed, in creating a template for the EPA and DTSC NFA letters allowing access to in the future General Jim Moore Boulevard and Eucalyptus roadway corridors.

September 11, 2008: Received a map from LFR/Weston Team of the existing monitoring wells located within the future General Jim Moore Boulevard and Eucalyptus roadway corridors.

September 15, 2008: Teleconference with Department of Toxic Substances Control (DTSC) to discuss comments submitted on the RI/FS and how to address them.

September 15, 2008: Teleconference with LFR/Weston Team to discuss comments submitted on the RI/FS and how to address them.

September 15, 2008: Sent a cover letter submitting the Parker Flats Explosives Siting Plan to the U.S. Army Defense Ammunition Center for their review.

September 15, 2008: Teleconference with Quality Assurance Oversight Professional to discuss the Corrective Action Report and the ESCA Remediation team.

September 15, 2008: Meeting with LFR/Weston Teams to prepare for the General Jim Moore Boulevard and Eucalyptus roadwork pre-bid conference to address construction support, fencing and other issues.

September 15, 2008: Meeting with FORA Engineering to review the General Jim Moore Boulevard and Eucalyptus roadwork pre-bid conference to address construction support, fencing and other issues.

September 16, 2008: Attended the General Jim Moore Boulevard and Eucalyptus roadwork pre-bid conference with LFR/Weston Teams to address site safety, construction support, fencing and other issues.

September 16, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work and schedule updates.

September 16, 2008: Meeting with DTSC at LFR/Weston Team office for a briefing on the General Jim Moore Boulevard and Eucalyptus roadwork pre-bid conference.

September 19, 2008: Received communication from LFR/Weston Team requesting information about how the restrictions (CRUPs) may be lifted for only portions of the appropriate parcels in Parker Flats where the Record of Decision (ROD) has been signed.

September 22, 2008: Communication with BRAC requesting coordination on Parker Flats fieldwork and DoD facilities, geophysics summit scheduled during the week of 10/6, geophysical test plot at E20c.1 and Seaside time frames and anticipated schedules for field work.

September 22, 2008: Sent comments and concerns of Quality Assurance Oversight Professional with LFR/Weston Teams about the QC-2 information coordination.

September 22, 2008: Communication with LFR/Weston Team to coordinate a geophysical summit for all the Fort Ord geophysicists to attend to review DTSC's proposed changes from using a Geophysical Test Plot to using Geophysical test strips.



September 23, 2008: Teleconference with AIG and FORA insurance broker to discuss the impacts of the recent AIG bailout.

September 23, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work, upcoming documents for review by public and schedule updates.

**ESCA Grant Funds Spent- This Quarter- Total to date**

See the attached Financial Report form 272.

**Upcoming work for the next reporting Quarter**

In the upcoming Quarter FORA and FORA's Remediation team will perform the following activities:

List of Documents for the upcoming Quarter is provided below:

1. Final Community Involvement and Outreach Plan (CIOP) Plan;
2. Final Group 1 RI/FS Work Plan - Seaside and Parker Flats MRAs
3. Draft Final Group 2 RI/FS Work Plan - County North and CSUMB Off-Campus MRAs
4. Final Technical Information Paper for Roadway Alignment and Utility Corridor, Seaside MRA, and
5. Draft Parker Flats MRA Phase I Institutional Controls Implementation Plan/Operation and Maintenance Plan.

**Field services to be performed in the upcoming Quarter:**

1. Continue sifting soil from re-scraped Special case Area (SCA) polygon SCA-W074
2. Complete initial DGM of SCA W074 outside the roadway alignment
3. Continue DGM Reacquisition, Anomaly Excavations and QC-1 in SCA polygons outside the roadway alignment
4. Continue QC-2 DGM of SCAs outside the roadway alignment
5. Review/collect data in support of QC-2 practices
6. Fill terrain related data gaps
7. Establish survey grid boundaries
8. Perform QC3 of SCAs outside the roadway alignment
9. Demobilize sifting plant
10. Coordination and communication with FORA as required

11. Coordination and communication with Army as required
12. Weekly Field Operations Meetings
13. Continue daily air monitoring
14. Parker Flats trail walk and recorded erosion along trails
15. Meeting and site walk for Seaside blue-line utility relocation bid

**Technical or Regulatory issues that may impact project schedule**

N/A

**Status of comments submitted by Army on documents submitted by FORA**

Comments have been received and answered on all documents.

**Status coordination of MEC documents with DDESB**

All DDESB reviews have been completed in a timely manner. None are outstanding.

**Corrective Measures Implementation Reports**

N/A

**Corrective Measures Effectiveness Report**

N/A

**Needed Notifications in accordance with the ESCA**

N/A

**Changes to the AOC**

EPA released a reformatted version of the AOC with a clarification of the language in Section XXXV Retention of Records 112 located on page 52 of the new version of the AOC and page 44 of the original version. This clarification was noticed in the EPA's AOC Effectiveness letter dated July 25, 2008 and removes a typographical error.

**Summary of public participation – This Quarter- Next Quarter**

Public Participation during this Quarter was extensive including preparation of the Final Community Involvement and Outreach Plan and preparing an ESCA fact sheet and Quarterly newsletter to support outreach. Participated with the Army Fort Ord Environmental Cleanup (BRAC office) in the Community Information Workshops.

FORA's critical outreach dates and public participation completed within this Quarter are:

July 3, 2008: Meeting with Veterans Cemetery Citizens Advisory Committee to address their request to review the upcoming draft Parker Flats RI/FS Work Plan document.

- July 7, 2008: Received comments from Seaside community member regarding the draft Group 1 RI/FS Work Plan Volumes 1 and 2, Seaside Munitions Response Area and Parker Flats Munitions Response Area Phase II.
- July 7, 2008: Received forwarded question from Seaside Mayor Ralph Rubio from a resident from Seaside regarding tree removal in Seaside 1-4 parcels.
- July 9, 2008: Evening Community Involvement Workshop presentation. ESCA Program Manager provided handouts for community members in attendance such as ESCA newsletters and fact sheets.
- July 10, 2008: Public comment summary sheet designed to provide a simplified, one-page set of directions for the public to use so that their comments to the ESCA documents are easier for them to make and meet their needs.
- July 15, 2008: Meeting with ESCA Remediation Team, County of Monterey and Monterey County Horse Park staff to provide them with a draft schedule of remediation on their horse park property and discussion on their long-term trail needs.
- July 16, 2008: Provided the FORA Administrative Committee with an update to the ESCA Remediation Program, gave them a copy of the latest ESCA Grant Quarterly Report and answered questions posed by Board members.
- July 21, 2008: Received and reviewed a copy of the article published in the Monterey Horse Park's newsletter featuring the ESCA Remediation Program.
- July 22, 2008: Received and reviewed comment letter from the Fort Ord Community Action Group on the Community Involvement and Outreach Program.
- July 22, 2008: Notification to Fort Ord Environmental Justice Network (FOEJN) advising that the ESCA Remediation Team discovered and would be demolishing a fused 57mm projectile.
- July 23, 2008: Meeting with a remediation contractor requesting to be placed on the bid list for ESCA-related work and provided them with the contact information for the ESCA Remediation Team.
- July 30, 2008: Received and reviewed the Fort Ord Community Action Group's comments on the draft final Summary of Existing Data Report (SEDR).
- August 1, 2008: Sent out letters and copies of the draft Group 2 Remedial Investigation/Feasibility Study Work Plan to community organizations for their review and comment.

August 1, 2008: Received, reviewed and distributed a newspaper article that appeared in *The Californian* regarding the impact of the cleanup level on the delivery of the endowment parcel for the Veterans Cemetery.

August 5, 2008: Provided LRF/Weston team with an original and signed copy of the cover letter addressed to community organizations for the Technical Information Paper along with attachments.

August 5, 2008: Meeting with Laguna Seca team to prepare for upcoming Laguna Seca events.

August 6, 2008: Created an informational brochure for the Association of Defense Communities Mobile Workshop Bus Tour that highlights the ESCA Remediation Program as part of this effort.

August 6, 2008: Received and reviewed the latest ESCA newsletter (July 2008 – Vol. 2, No. 3). Eight hundred (800) copies of the newsletters were delivered to the Army BRAC office for insertion into their regular local mailer. One hundred (100) copies were delivered to LFR/Weston Team and FORA ESCA Remediation Program for outreach work. Five hundred (500) copies were delivered for use at the Association for Defense Communities Annual Conference and the Monterey County Fair. Two thousand five hundred (2,500) copies were delivered to *The Post* newspaper as inserts in the next publication.

August 7, 2008: Meeting with Emergency Services providers. Provided updates on the FOSET approval and schedule of ESCA property transfer, Seaside field work on General Jim Moore Boulevard (work schedule, community safety plan and outreach), and a report on upcoming documents and field work at Parker Flats and CSUMB/County North.

August 11, 2008: On-site visit to ESCA properties and former Fort Ord for Deputy Assistant Secretary of the Army Paul P. Bollinger. Conducted a tour of Fort Ord and briefed him on the Environmental Services Cooperative Agreement (ESCA).

August 12, 2008: On-site visit to ESCA properties and former Fort Ord for Environmental Protection Agency (EPA) attorneys. Conducted a tour of Fort Ord and briefed them on the Environmental Services Cooperative Agreement (ESCA).

August 13, 2008: Reviewed article from the San Francisco Gate newspaper regarding the FOSET 5/ESCA transfer.

August 13, 2008: Reviewed article from the Register Pajaronian newspaper regarding the FOSET 5/ESCA transfer.

August 13, 2008: Reviewed article from the Monterey Herald newspaper regarding the FOSET 5/ESCA transfer.

August 13, 2008: Reviewed article from the Californian newspaper regarding the FOSET 5/ESCA transfer.

August 13, 2008: Reviewed article from the San Francisco Chronicle newspaper regarding the FOSET 5/ESCA transfer.

August 13, 2008: Assisted MPC staff member to locate the original engineering and construction drawings for the MOUT facility (MPC to be future owner of MOUT) located on one of the ESCA parcels.

August 13, 2008: Forwarded copies of representative maps and email to CSUMB police and the County of Monterey from Bureau of Land Management (BLM) and the BLM Bicycle Equestrian and Trail Association (BETA) group showing motorcycle dirt bike riders on future ESCA properties as photographed and plotted by BLM BETA group and chased by BLM law enforcement.

August 14, 2008: Reviewed newspaper article about Olympic marathon runner Blake Russell that refers to her use of the Fort Ord trail system for her training.

August 18, 2008: Coordination of delivery of promotional materials for upcoming publication of *The Post* newspaper.

August 18, 2008: Teleconference with Fort Ord Environmental Cleanup group regarding Monterey County Fair debriefing.

August 19, 2008: Teleconference with ESCA Remediation team public outreach consultant regarding Monterey County Fair debriefing and logistics for delivery of newsletters to *The Post*.

August 19 2008: Teleconference with ESCA Remediation Team Document Control staff member regarding the coordination of conducting a comparison/accounting of all the documents and responses from community members to ensure they have all been submitted into the Administrative Record.

August 18, 2008: Received and reviewed a copy of the 8/12/08 Position Paper from Fort Ord Citizens Advisory Group and forwarded a digital copy to the Administrative Record and ESCA Remediation Team.

August 20, 2008: Sent out Emergency Services Coordination Meeting Summary Notes to participants.

August 20, 2008: Sent out reminder email, coordination and preparation for Emergency Services Coordination Meeting scheduled for 9/11/08.

- August 20, 2008: Sent out reminder email, coordination and preparation for Users Working Group Meeting scheduled for 8/26/08.
- August 20, 2008: Scanned and emailed copies of newspaper articles from The California and Monterey County Herald regarding ESCA property transfers.
- August 20, 2008: Teleconference with a Seaside community member inquiring whether or not FORA will be conducting a prescribed burn. The community member was referred to the Army BRAC office/toll-free prescribed burn hotline number.
- August 25, 2008: Reviewed newspaper article submitted to *The Post* newspaper for publication.
- August 26, 2008: Monthly meeting with Users Working Group. They were provided with an update on the status of the transfer of ESCA property, field activities, signage installation and kiosks construction.
- August 27, 2008: Meeting with ESCA Remediation Team to review a draft presentation on Parker Flats proposed work plan.
- August 28, 2008: Meeting with County Supervisor and the City of Seaside staff to discuss issues on the future Veterans Cemetery property located in the ESCA parcels .
- September 2, 2008: Meeting at Laguna Seca to prepare and coordinate for their upcoming Moto GP Superbike Race over the weekend of September 27, 2008.
- September 3, 2008: Provided the monthly ESCA update for the FORA Administrative Committee.
- September 3, 2008: Meeting with Marina Equestrian Center representative to discuss their access issues on ESCA properties.
- September 4, 2008: Sent a memorandum and map of various portions of the Veterans Cemetery property to the County Supervisor, Seaside City Manager and their staff.
- September 10, 2008: Prepared comments and revisions with ESCA public outreach consultant on the Parker Flats Outreach Strategy document.
- September 10, 2008: Received and reviewed a draft letter from the Army in response to various letters from the Fort Ord Citizens Advisory Group (FOCAG) about Army-retained conditions on fort Ord that have been received through the ESCA Hotline and at the FORA offices.

September 11, 2008: Meeting with Emergency Services providers. Provided updates on the FOSET approval and schedule of ESCA property transfer, Seaside field work on General Jim Moore Boulevard (work schedule, community safety plan and outreach), review of proposed signage for access corridors, and a report on upcoming documents and field work at Parker Flats and CSUMB/County North.

September 11, 2008: Attended the Veterans Cemetery Citizens Advisory Group meeting and advised them the Record of Decision (ROD) has been signed on the bulk of their property and provided an anticipated date for the transferring of the property covered by the ROD.

September 11, 2008: ESCA staff attended the California State University Monterey Bay (CSUMB) Club Showcase event and represented the ESCA Remediation Program and provided public outreach and informational materials to CSUMB students, staff and faculty.

September 12, 2008: Sent a map of the ESCA Access Corridors to ESCA public outreach consultant that has been reviewed and approved by the Emergency Services providers and the Fort Ord Users Group.

Below is a listing of the total number of ESCA Hotline telephone calls received at (831) 883-3506 and ESCA-dedicated email for the second quarter of 2008. Members of the community called/emailed with questions regarding upcoming ESCA-related community events and public meetings, impacts to residential living due to field work activities along General Jim Moore Boulevard, questions about potential trail closures and access to Eucalyptus Road, requests to be placed on the ESCA email distribution list and inquiries regarding employment on the former Fort Ord.

	<u>ESCA Hotline</u>	<u>ESCA Email</u>
July 2008:	0	16
August 2008:	3	21
<u>September 2008:</u>	<u>2</u>	<u>13</u>
TOTAL:	5	50

### **Project Updates to Coordinated Resource Management Planning (CRMP) meeting**

FORA's critical dates, CRMP updates completed within this Quarter are:

- CRMP meeting attended by the LFR Biologist.
- CRMP Weed Management Sub- Committee attended by the FORA ESCA Program Manager and the LFR Biologist.



**Fort Ord Reuse Authority**  
**FORA ESCA Remediation Program**

100 12<sup>th</sup> Street, Building 2880, Marina, CA 93933  
Phone: (831) 883-3672 • Fax: (831) 883-3675 • [www.fora.org](http://www.fora.org)

Attachment B  
To Item 7b  
FORA Board Meeting, October 10, 2008

MEMORANDUM

TO: Fort Ord Reuse Authority ("FORA") Board of Directors  
FROM: Michael A. Houlemard, Jr./ FORA Executive Officer  
RE: Environmental Services Cooperative Agreement – AIG Insurance  
DATE: September 24, 2008

Chair Joseph Russell has asked me to summarize the status of our relationship with AIG Insurance for completing the Environmental Services Cooperative Agreement ("ESCA") munitions removal work. An AIG subsidiary (see below) provides cost cap and HTW coverage for \$127M of ESCA work under an Environmental Protection Program ("EPP") Policy. This Memorandum responds to questions we have received from Board members about AIG's financial condition. In addition to this Memorandum, AIG and FORA's insurance broker ("Marsh, Inc.") have provided supporting information on their respective web sites. We will refer Board members to specific web locations at the close of this memorandum.

FORA's EPP insurance policy is written by American International Specialty Lines Insurance Company ("AISLIC"). AISLIC is an independent subsidiary of AIG. AIG is in financial trouble. AISLIC is not. AIG's cash-shortage was caused by "heavy" investment in mortgage backed securities accompanied by failure of mortgages pledged as collateral. The question is whether the problem posed to the AIG parent puts FORA's AISLIC EPP policy in jeopardy. The answer is that the EPP is not imperiled by the problems besetting the parent company.

Barry Steinberg and our broker, Kathy Gettys of Marsh, Inc., discussed the AIG crisis with AIG executives. According to those executives AISLIC's reserves are more than adequate as required by insurance regulations. As a consequence of insurance industry regulations, the AIG parent may not access AISLIC capital to pay the parent company's debts without regulatory approval. Concerns about AISLIC's ability to pay claims associated with the Fort Ord cleanup are, therefore, not warranted.

Portions of this Memorandum rely on the attached AIG press release. I have also relied on a conference between FORA, our ESCA contractors, Marsh, Inc., AON Insurance and others on Tuesday with Joseph Boren, President of AIG Environmental Insurance. Chair Russell and Authority Counsel joined in the conference call. *Please visit the AIG website: <http://www.aig.com/commercialinsurance> or see the attached press release for more detailed information.* This site is updated regularly with the latest information and you have the option to sign up for alerts from AIG Commercial Insurance Group.

If you have further questions, please feel free to contact me or Stan Cook, ESCA Program Manager.

**OUTREACH » REMEDIATION » DOCUMENTATION = CLOSURE**



-----Original Message-----

From: Kathy.Gettys@marsh.com [mailto:Kathy.Gettys@marsh.com]  
Sent: Monday, September 22, 2008 4:20 PM  
To: Michael Houlemard; barry.steinberg@kutakrock.com; TollC@gtlaw.com;  
Gregory\_Schilz@aon.com; Frank.Lorincz@lfr.com  
Subject: Fw: Meeting: Gettys {Meeting ID: 6488}

FYI - please see the attached link from the New York State Insurance Department. Please feel free to pass on.

The New York State Insurance Department has issued a News Release today entitled "AIG Policyholders Should Be Careful If Approached To Replace Policies." The News Release and accompanying "AIG Frequently Asked Questions and Answers" can be accessed directly on the Insurance Department's Web site <http://www.ins.state.ny.us/press/2008/p0809222.htm>, and we have also posted a link on the AIG Update Center page of [www.marsh.com](http://www.marsh.com).

The first paragraph of the News Release captures the thrust of the Insurance Department's advisory statement:

"AIG's insurance companies are financially sound, with substantially more in assets than they need to pay all valid present and projected claims, Insurance Superintendent Eric Dinallo today reassured New York policyholders. Dinallo also announced he would issue notices to insurance companies, agents and brokers, reminding them of their responsibilities under New York Insurance Law to fully inform consumers of the possible costs of switching life insurance, annuity and other policies."

Regards,  
K

Kathy Gettys  
Client Executive  
Managing Director  
Marsh  
1225 17th Street, Suite 2100  
Denver, CO 80202  
303 308 4559



**Eric R. Dinallo Superintendent of Insurance 25 Beaver Street New York, N.Y.  
10004**

**ISSUED 9/22/2008**

**FOR IMMEDIATE RELEASE**

**AIG POLICYHOLDERS SHOULD BE CAREFUL IF APPROACHED TO  
REPLACE POLICIES**

***Insurance companies are financially sound; switching may have hidden costs;  
insurers, brokers and agents warned to follow consumer protection rules***

AIG's insurance companies are financially sound, with substantially more in assets than they need to pay all valid present and projected claims, Insurance Superintendent Eric Dinallo today reassured New York policyholders. Dinallo also announced he would issue notices to insurance companies, agents and brokers, reminding them of their responsibilities under New York Insurance Law to fully inform consumers of the possible costs of switching life insurance, annuity and other policies.

□Don't worry and don't make any rash decisions if you have a policy issued by an AIG insurance company, □ Dinallo said. □All your covered claims will be paid and all your annuity checks will come. Making sure insurance companies are solvent and able to pay every valid claim is my number one job, and the AIG insurance companies are strong and solvent.

□If you have a life insurance or annuity policy and someone tells you to replace it because of the troubles at AIG's parent company, call the Insurance Department immediately at 1-800-339-1759, □ Dinallo said. □Replacing or liquidating a life insurance policy or an annuity can have heavy hidden costs and tax consequences. That is why our Insurance Law requires that you get all the information you need to make an educated decision in your best interests. There may be a cancellation penalty if you cancel your automobile or homeowners policy. If someone tells you to replace any policy because an AIG insurance company is in trouble and may not be able to pay your claim, that is not only untrue, it is against the law. Call us. Some regulators have received reports that this is happening. We will not allow it to happen in New York. We will protect consumers from improper sales practices. □

Dinallo explained that the trouble with AIG is largely with AIG's non-insurance parent company, which is not regulated by the states and therefore not held to the same investment, accounting and capital adequacy standards as its state-regulated insurance subsidiaries. The insurance subsidiaries are solvent and able to pay their obligations.

□The financial strength of the insurance companies is why Governor Paterson was able to take a leadership role in efforts to rescue AIG,□ Dinallo said. □As an example, unlike the troubled parent company, the property and casualty insurance company New York regulates has significantly more in assets over and above the reserves required to cover all valid current and future claims. As regulators, we make sure the assets of the insurance companies are walled off, protected from the parent company's troubles and available to pay all your covered claims.□

Why are the insurers in a much better position than the financially challenged parent? State insurance regulators have numerous actions they can take to prevent an insurer from failing. Rating downgrades and drops in share price do not change an insurer's ability to pay claims. From conservative accounting rules and mandatory annual CPA audits to investment regulations/limitations and minimum capital/surplus requirements, a state insurance regulator's □toolbox□ allows insurers to handle greater losses than other parts of the financial sector in down-market cycles. Additional regulatory tools include performing regular, periodic financial analysis of insurers, and on-site examinations.

How are the policyholders protected, in the unlikely event that the insurer fails? Claims from individual policyholders are given the utmost priority over other creditors in these matters □ and, in the unlikely event that assets are not enough to cover these claims, there is still another safety net in place to protect consumers: the state guaranty funds. These funds are in place in all states. If an insurance company becomes unable to pay claims, the guaranty fund will provide coverage, subject to certain limits, similar to the FDIC's coverage for bank accounts. This entire solvency framework and safety net for policyholders is uniform in every state.

How did the AIG parent get into financial distress? Non-insurance entities are not subject to the strict solvency framework applied to insurers. This allowed various non-insurers to engage in risky credit transactions (huge positions in credit derivative swaps on mortgage-backed securities) without the appropriate limits and minimum capital/surplus to protect the company from a downswing in the mortgage-backed security markets. Per the federal Gramm-Leach-Bliley Act (GLBA), insurance regulatory authority only applies to actual insurance entities and transactions with those entities. Within AIG, there are 71 U.S. insurers subject to this authority. The remaining 176 entities are split between foreign entities and non-insurance U.S. entities.

The New York State Insurance Department has closely monitored the financial condition of the insurance companies it regulates. Under the direction of Governor David A. Paterson, the Department worked with AIG, the Federal Reserve, the NAIC and others to facilitate transactions intended to help shore up the parent company and preserve New York jobs.

The NAIC named Dinallo chair of the working group established to oversee AIG insurance interests and ensure that policyholders of the insurance subsidiaries remain protected. This oversight will continue as AIG operates under the credit facility offered by the Federal Reserve.

The Department has undertaken various measures, including establishing an AIG hotline, to keep New York policyholders informed. A list of Frequently Asked Questions for Consumers is available at the Department's website, <http://www.ins.state.ny.us/faqcs1.htm>. Consumers with questions on AIG should call the Department's AIG hotline at 1-800-339-1759 from 9 a.m. to 8 p.m., Monday through Friday.

###

### **AIG Frequently Asked Questions and Answers**

**Question: Is AIG going bankrupt?**

**Answer: AIG is an international financial holding company with numerous businesses. Your insurance and annuity policies are written by AIG's insurance companies. Those companies are financially strong and their assets are protected by state regulators.**

**Question: Are the insurance and annuity policies I purchased from AIG safe or am I going to lose my money?**

**Answer: Your policies are safe. AIG's insurance companies are financially strong and fully able to honor all policyholders' claims. The New York State Insurance Department will continue to closely monitor the situation to ensure policyholders are protected and that there will continue to be sufficient assets to pay claims.**

**Question: Should I cash in my insurance and annuity policies and purchase insurance from another insurer?**

**Answer: As stated above, the AIG insurance companies are financially strong so your policies are not in jeopardy. Whether you should cash in your insurance policy or switch insurance to another insurer is, as always, a personal decision. Please be aware that some policies may contain surrender charges and/or cancellation penalties. Call the Insurance Department's AIG hotline at 1-800-339-1759 to find out all the information your agent or broker should give you before you make a decision. Talk to your financial adviser before making any decisions. If you have any insurance policy with an AIG company and someone tells you to replace it because of the troubles at AIG's parent company or supposed trouble at the insurance company, call the Insurance Department's AIG hotline immediately at 1-800-339-1759.**

**Question: Should I pay the insurance premium bill that I just received from AIG?**

**Answer:** Yes, in order for your coverage with AIG to continue, you will need to pay the insurance premiums. Failure to pay your premiums can result in the termination of your insurance policies by the insurance company.

**Question:** Would my insurance and annuity policies have been protected had AIG been declared insolvent and ordered to be liquidated by a court?

**Answer:** There are guaranty funds in place in all states which act as a safety net in the event an insurer becomes insolvent. We have answers to some of your questions on New York's guaranty fund here. For policies issued to residents of New York, the Life Insurance Company Guaranty Corporation of New York protects life insurance policies as well as annuity contracts and accident and health insurance policies issued by licensed life insurers, subject to certain limitations. You may obtain information about the Guaranty Corporation by viewing the Policyholder Protection Brochure at [http://www.ins.state.ny.us/consumer/life/licgc\\_brochure.pdf](http://www.ins.state.ny.us/consumer/life/licgc_brochure.pdf) or visiting the company's website at <http://www.nylifega.org/>. There are also guaranty funds in place for certain Property/Casualty insurance policies such as automobile, homeowners and Workers' Compensation insurance.

**Question:** I heard the government may take over AIG. What are state regulators doing to make sure AIG insurance companies will continue to be able to pay claims?

**Answer:** The agreement between AIG and the Federal Reserve protects the assets of the insurance companies so they will be available to pay claims. New York Insurance Superintendent Eric Dinallo heads a working group established by the National Association of Insurance Commissioners to oversee AIG insurance interests and make sure policyholders continue to be protected during this process. Any significant transaction affecting an AIG insurance company will need approval from state regulators.

**Question:** What can I do if I am having difficulty getting through to AIG on the telephone?

**Answer:** You may obtain information about filing a complaint with the New York State Insurance Department by visiting <http://www.ins.state.ny.us/complhow.htm>

**Question:** What number can I call to speak with someone at the New York State Insurance Department?

**Answer:** The Insurance Department's AIG toll free hotline is 1-800-339-1759. As an alternative, you may e-mail us at [consumers@ins.state.ny.us](mailto:consumers@ins.state.ny.us) with your contact information and we will return your call within 24 hours.

###



# Status Update FORA Board of Directors

October 10, 2008

*Presentation by:*

Stan Cook – Program Manager  
Michael A. Houlemard, Jr. – Executive Officer

1



Fort Ord  
Reuse Authority



Westcliffe  
Engineers, Inc.

## SEASIDE

- Special Case Areas
  - 100% complete
- Quality Assurance
  - Next week
- Roadway corridors
  - Ready to grade

2



Fort Ord  
Reuse Authority



Westcliffe  
Engineers, Inc.



3



Fort Ord  
Reuse Authority

**LFR**

**WESTON**

*Westcliffe  
Engineers, Inc.*



4

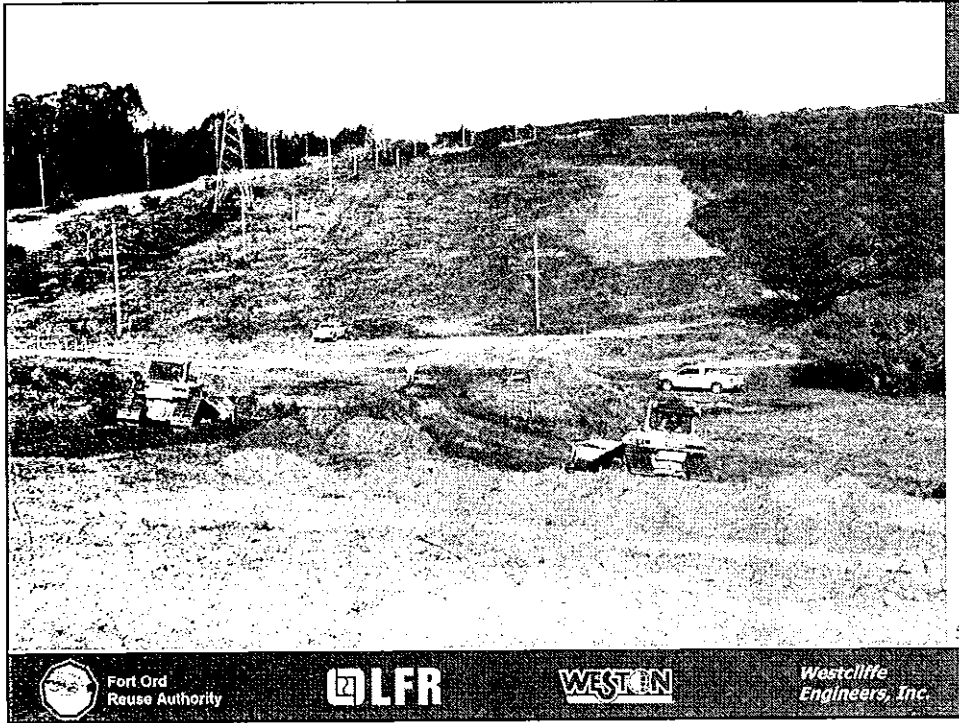


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**LFR**

**WESTON**

*Westcliffe  
Engineers, Inc.*



Fort Ord  
Reuse Authority

**LFR**

**WESTON**

*Westcliffe  
Engineers, Inc.*

## COMMUNITY ENGAGEMENT

- 53 events / activities
- Contact – Hotline / E-mail
- Quarterly Report



Fort Ord  
Reuse Authority

**LFR**

**WESTON**

*Westcliffe  
Engineers, Inc.*

6



# PARKER FLATS

- Community Workshop: October 29, 2008
- Survey: October 2008
- Brush cutting: November 2008

7



Fort Ord  
Reuse Authority



Westcliff  
Engineers, Inc.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Marina Coast Water District capacity charges

**Meeting Date:** October 10, 2008

**Agenda Number:** 7c

**ACTION**

### RECOMMENDATION(S):

Defer action on capacity charges until November/December 2008.

### BACKGROUND:

From April 30, 2008 to July 16, 2008, the Fort Ord Reuse Authority ("FORA") Administrative and Water/Wastewater Oversight Committees held joint meetings to discuss Marina Coast Water District ("MCWD") water and wastewater systems rates, fees and charges for fiscal year 2008-2009. In addition, since Fall 2007, MCWD has conducted individual meetings with jurisdictions and developers concerning Fort Ord Service Area capacity issues. Among the discussion items, MCWD has proposed increases to the water and sewer capacity charges from the current combined amount of \$3,800 per Equivalent Dwelling Unit ("EDU") to the combined amount of \$17,660.00 per EDU. The FORA Board approved Resolution No. 08-06 adopting a compensation plan and setting rates, fees and charges for base-wide water, recycled water and sewer services on the former Fort Ord. However, the Board approved resolution excluded Fort Ord increases in capacity charges proposed by MCWD. The FORA Administrative Committee withheld a recommendation on the proposed increases to the capacity charges to review the factors supporting the increase and research possible alternatives. The FORA and MCWD Boards, at their joint meeting in July, deferred capacity charge action and directed staff to further assess the proposed increase and report back by the October meeting. By this report, staff indicates that progress on this issue has been made during discussions at the Administrative Committee level, with resolution of outstanding items in time for Board consideration at the December 2008 Board meeting.

### DISCUSSION:

At the July 30, 2008 FORA Administrative Committee meeting, committee members suggested that MCWD schedule a workshop on August 14 with Bartle Wells Associates, MCWD's financial consultant, to explain how the proposed capacity charges were determined and answer questions.

During the August 14, 2008 workshop, MCWD and their consultants made an extensive presentation regarding their fee structure and Capital Improvement Program ("CIP"). After discussion, MCWD was asked to provide two pieces of additional information: 1) a comparison of their 2005-2006 Capital Improvement Program, used to derive the previous capacity charges, with the current 2008-2009 CIP, used to derive the proposed capacity charges, and 2) a document modeling the effect that a water and sewer

surcharge would have on the proposed capacity charges. This additional information was presented to the FORA Administrative Committee on September 17, 2008.

Section 7.2.1 of the FORA/MCWD Agreement and Ordinance requires FORA to respond to MCWD within three months after receiving a proposed budget or a written request or a referral for further response. At its July 11, 2008 Board meeting, FORA's response to MCWD's proposed budget was that it intended to resolve the future capacity charge issue by its October 10, 2008 Board meeting following receipt of additional information from MCWD.

FORA staff, MCWD staff, jurisdictions, and developers are making progress toward reducing the capacity charge fee. Also, further deliberation on the Regional Plenary Oversight Group ("REPOG") process can benefit this capacity charge discussion. The Administrative Committee recommends extending for 60 days prior to considering the capacity charge. MCWD staff has concurred in this recommendation.

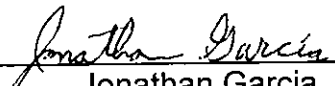
**FISCAL IMPACT:**

Reviewed by FORA Controller 

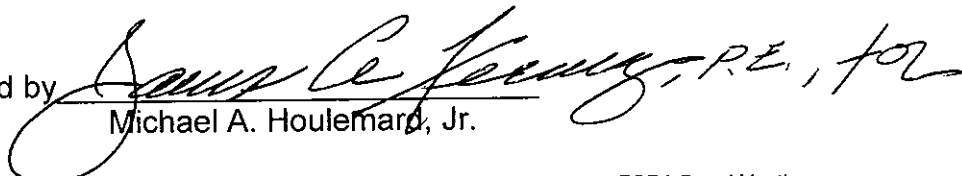
The proposed increase to MCWD's water and sewer capacity charges for the former Fort Ord could impact the cost and phasing of certain former Fort Ord developments. Since several developments are stalled due to the current economic conditions, an increase in the capacity charge could further defer development.

**COORDINATION:**

MCWD, Executive Committee, and Administrative Committee

Prepared by   
Jonathan Garcia

Reviewed by   
Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b> Administrative Committee report	
<b>Meeting Date:</b> October 10, 2008	<b>INFORMATION</b>
<b>Agenda Number:</b> 9a	

### RECOMMENDATION:

Receive a report from the Administrative Committee.

### BACKGROUND/DISCUSSION:

The Administrative Committee met on September 17<sup>th</sup> and October 1<sup>st</sup>. The approved minutes of the September meeting and the draft minutes from the October meeting are attached for your review.

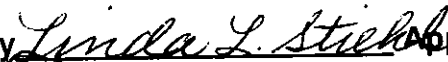
### FISCAL IMPACT:

None

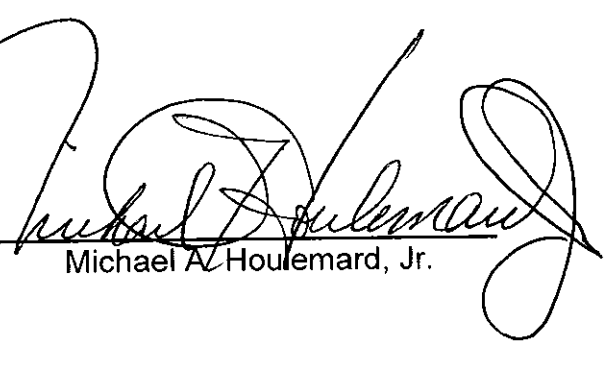
### COORDINATION:

Administrative Committee

Prepared by

  
Linda L. Stiehl

Approved by

  
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY**

100 12<sup>th</sup> Street, Building 2880

Marina, CA 93933

(831) 883-3672 (TEL) · (831) 883-3675 (FAX) · www.fora.org

**DRAFT**

**MINUTES OF THE  
ADMINISTRATIVE COMMITTEE MEETING  
Wednesday, October 1, 2008**

**1. Call to Order**

Co-Chair Doug Yount called the meeting to order at 8:16 a.m. The following representatives from the land recipient jurisdictions, representing a quorum, were present:

\*Nick Nichols – County of Monterey

\*Ray Corpuz – City of Seaside

\*Doug Yount – City of Marina

\*Bill Reichmuth – City of Monterey

Also present, as indicated by the roll sheet signatures, were:

Diana Ingersoll – City of Seaside

\*Todd Muck - TAMC

Jim Feeney – FORA

Scott Hilk – Marina Community Partners

\*Graham Bice – UC MBEST

(\*)Heidi Burch – City of Carmel

Bob Schaffer – Marina Community Partners

\*Kathleen Ventimiglia – CSUMB

Jonathan Garcia – FORA

\*Vicki Nakamura – Monterey Peninsula College

Jim Arnold – FORA

\*Jim Heitzman – Marina Coast Water District

Steve Endsley – FORA

Debbie Platt – City of Marina

Stan Cook – FORA

\*Gail Youngblood – Army BRAC

Bob Holden – MRWPCA

\*Michael Gallant – Monterey-Salinas Transit

\* indicates a committee member and (\*) indicates a FORA voting member but not a land recipient jurisdiction

Voting board member jurisdictions not represented at this meeting were Del Rey Oaks, Salinas, Sand City and Pacific Grove.

**2. Pledge of Allegiance**

Co-Chair Yount asked Diana Ingersoll, who agreed, to lead the Pledge of Allegiance.

**3. Acknowledgements, announcements and correspondence**

Assistant Executive Officer Jim Feeney called attention to the articles in the meeting packet about AIG's current status and commented that FORA's cost cap insurance policy with AIG was in no jeopardy, since it is in an insurance subsidiary that is regulated.

**4. Public comment period - none**

**5. Approval of September 17, 2008 Administrative Committee minutes**

Graham Bice asked that "Dave" Road in Item 7a(2) be corrected to read "the Fort Ord Natural Reserve." There were no other objections and the minutes were approved as corrected.

## 6. Review of draft October 10, 2008 FORA board meeting agenda

Assistant Executive Officer Jim Feeney provided an update on the General Jim Moore Boulevard/Eucalyptus Road Improvement Project (Item 9b), noting that should the Board authorize award of the construction contract, groundbreaking would be in late October. When Marina Coast Water District ("MCWD") General Manager Jim Heitzman remarked that MCWD would be expending over \$2 million to install the pipeline in the roadways without any offsets from connection fees for several years, a lengthy discussion followed. Bill Reichmuth (City of Monterey) said his jurisdiction would be open to paying 50% on Monterey's connection charges upfront and suggested that the members look at the many options that might alleviate the cash flow impact to MCWD. Mr. Feeney noted that for this particular project, MCWD representatives have been tracking closely with FORA on cost of installations and intend to recommend to the MCWD Board moving forward with funding. Bob Schaffer urged all to brief their policymakers on the issues, remarking that timing was important. Mr. Feeney suggested that he attend the Executive Committee meeting this afternoon for a continuation of the discussion on this topic. ESCA Program Manager Stan Cook provided a quick summary of the ESCA board report and quarterly report (Item 10b).

## 7. Old Business

### Item 7a – Habitat Conservation Plan ("HCP"):

(1) Status report: Director of Planning and Finance Steve Endsley reported there had been two recent meetings regarding the HCP issues, the first one being a face-to-face with Jones & Stokes on September 9<sup>th</sup>, which proved very useful. He said the working group would continue their review of the draft HCP document, which is expected to be "on the street" no later than early January. He commented that a conference call with consultants at Denise Duffy & Associates yesterday confirmed that the HCP and accompanying Environmental Impact Report are on track according to the timeline. He stated that the next meeting of the working group would focus on the Implementation Agreement, which all parties to the HCP must approve and sign. He requested that all comments be sent to him or Jonathan Garcia no later than October 15<sup>th</sup>. Graham Bice requested a copy of the funding chapter.

(2) Multi-Modal Transit Corridor ("MMTC") realignment – approve Memorandum of Agreement ("MOA"): Associate Planner Jonathan Garcia reported that he is scheduling a meeting of the working group to work through the issues in §1.4. Mr. Feeney recommended that this item be removed from the October board agenda until these issues are resolved. Nick Nichols commented that the current language is not clear. Discussion followed. Mr. Feeney remarked that the regulators would not sign off on the HCP with the old alignment in place so the MOA needs full approval by the parties. He recommended that a briefing of the current CSUMB players be scheduled before the next meeting of the working group, since there were so many new representatives participating in the recent discussions. Co-Chair Yount suggested that enough flexibility be crafted in the text to cover CSUMB's concerns but commented that some of the concerns might be coming from CSU in Long Beach. This item will be presented to the FORA Board for approval at the November board meeting.

Item 7b - Regional Plenary Oversight Group ("REPOG"): Water for Monterey County project – update: Marina Coast Water District ("MCWD") General Manager Jim Heitzman provided a brief update on the project, noting that MCWD and California American Water had committed funding for REPOG over the next year and Monterey Regional Water Pollution Control Agency made a funding commitment for six months. He reported that the City of Monterey had had a special council meeting to focus on it, which resulted in council approval of a resolution supporting the project. The Seaside

City Council had also received a presentation last month, and he reported that the first workshop by Monterey County Water Resources Agency's parallel process has been scheduled for October 23<sup>rd</sup>.

Item 7c – Marina Coast Water District (“MCWD”) capacity charges – recommendation to the Board: MCWD General Manager Jim Heitzman stated again the he would be willing to meet with anyone requesting more information about the issue, adding that meetings with the Fort Ord developers have been helpful, particularly in determining which costs could be held back and various alternatives to the costs. Scott Hilk, Marina Community Partners managing director, confirmed that the active developers are looking closely at the impacts of the capital charges. He encouraged installation of the pipeline but in a manner that works with the projects and minimizes costs to the development community. He suggested scheduling a meeting of all the parties – MCWD, the developers, the Fort Ord land use jurisdictions and FORA. Assistant Executive Officer Feeney suggested including the Water/Wastewater Oversight Committee members and that the meeting be scheduled following the next Administrative Committee on October 15<sup>th</sup>. Mr. Heitzman said MCWD is good for the capacity charges to be returned to the FORA Board in December. Mr. Hilk remarked that the development community would urge expediting the process and would prefer taking the item to the Board in November. Mr. Heitzman suggested having another meeting with Bartle Wells to which all interested persons could attend. Debbie Platt requested that several textual changes be made to the draft board report and the members voiced no objections to the changes.

Item 7d – California State University, Monterey Bay 2007 Master Plan: Recirculated Draft Environmental Impact Report (RDEIR) dated July 2008 – status report: Assistant Executive Officer Feeney reported that FORA staff and land use jurisdictions have continued to meet with representatives from CSUMB and CSU (Long Beach). He said that FORA's understanding of the Supreme Court's decision is clear that off-campus mitigation funds must be secured. Discussion followed Co-Chair Yount's update regarding the conclusion of yesterday's meeting with CSUMB/CSU. Mr. Yount reported that, as a next step in the discussions, CSU would schedule a smaller group meeting to draft the term sheet regarding how to settle the mitigation issues. Mr. Feeney reported that CSU would be acting to certify the RDEIR on either November 13<sup>th</sup> or 14<sup>th</sup>, and the document would be available to the public about 10 days beforehand. CSUMB's responses to comments would be incorporated into the document at that time.

Item 7e – Draft 2009 FORA Legislative Agenda: Executive Assistant Linda Stiehl provided updates on the Legislative Committee's response to the document and the changes submitted since September 17<sup>th</sup>. She said the items in the document are being coordinated with those on TAMC's and the County's legislative priority lists, and the FORA Legislative Agenda will be presented to the FORA Board at the November meeting. She said any changes should be submitted to either Mr. Houlemard or Ms. Stiehl, in his absence.

8. **New Business** - none

9. **Adjournment**

Co-Chair Yount adjourned the meeting at 9:26 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

**FORT ORD REUSE AUTHORITY**

100 12<sup>th</sup> Street, Building 2880

Marina, CA 93933

(831) 883-3672 (TEL) · (831) 883-3675 (FAX) · www.fora.org

**APPROVED**

**MINUTES OF THE  
ADMINISTRATIVE COMMITTEE MEETING  
Wednesday, September 17, 2008**

**1. Call to Order**

Co-Chair Doug Yount called the meeting to order at 8:17 a.m. The following representatives from the land recipient jurisdictions, representing a quorum, were present:

\*Jim Cook -- County of Monterey

\*Dick Goblirsch -- City of Seaside

\*Doug Yount -- City of Marina

\*Bill Reichmuth -- City of Monterey

Also present, as indicated by the roll sheet signatures, were:

Jim Feeney -- FORA

\*Gail Youngblood -- Army BRAC

Jonathan Garcia -- FORA

Suresh Prasad -- Marina Coast Water District

\*Jim Heitzman -- Marina Coast Water District

\*Kathleen Ventimiglia -- CSUMB

Sean Tillener -- Marina Heights

\*Michael Gallant -- Monterey-Salinas Transit

\*Don Bachman -- TAMC

Les Turnbeaugh -- City of Monterey

Steve Endsley -- FORA

Bob Holden -- MRWPCA

(\*Heidi Burch -- City of Carmel

\*Graham Bice -- UC MBEST

Scott Hilk -- Marina Community Partners

\*Vicki Nakamura -- Monterey Peninsula College

Bob Schaffer -- Marina Community Partners

(\*Steve Matarazzo -- City of Sand City

Debbie Platt -- City of Marina

\* indicates a committee member and (\*) indicates a FORA voting member but not a land recipient jurisdiction

Voting board member jurisdictions not represented at this meeting were Salinas, Seaside and Pacific Grove.

**2. Pledge of Allegiance**

Co-Chair Yount asked Bill Reichmuth, who agreed, to lead the Pledge of Allegiance.

**3. Acknowledgements, announcements and correspondence**

Item 3a -- CA Redevelopment Association's estimates of agency ERAF payments: At the end of the meeting, Jim Cook returned to this item and commented that the Monterey County number seemed low and asked if it were a 1-year hit. Marina Community Partners representative Thom Gamble remarked that it might be a 3- to 5-year hit and suggested that FORA consider seeking a post-budget legislative cleanup item to obtain an exemption for base redevelopment projects.



Mr. Cook said the impacts on FORA could amount to a sizable hit and suggested the entities seeking legal advice talk among themselves to reduce the attorney fees.

**4. Public comment period - none**

**5. Approval of September 3, 2008 Administrative Committee minutes**

**Motion to approve the September 3, 2008 meeting minutes was made by Les Turnbeaugh, seconded by Dick Goblirsch, and carried with no objections.**

**6. Follow-up to September 12, 2008 FORA board meeting**

Assistant Executive Officer Jim Feeney said the meeting went relatively quickly and consisted mostly of information items. He summarized several of the items and noted that the new FORA auditor would start work on last year's audit next week.

**7. Old Business**

Item 7a – Habitat Conservation Plan (“HCP”):

(1) Status report: Director of Planning and Finance Steve Endsley reported there had been two meetings since the last Administrative Committee meeting, the last one being a face-to-face meeting with Jones & Stokes last week, which proved very useful. When chapters 1-10 are completed, they will be given to U.S. Fish & Wildlife Service (“FWS”), which will provide comments to FORA. Mr. Endsley said the working group has been working on model to resolve the higher than anticipated figures regarding funding. FORA's costs will be tiered off of the Bureau of Land Management's costs, which the latter has been negotiating with FWS. He added that the time schedule still shows the acceptance of the environmental reports by year's end. He learned yesterday during a conference call with FWS that they would need one month for their review, so the overall schedule is still on track. Co-Chair Yount requested that the time schedule be distributed to the members.

(2) Multi-Modal Transit Corridor realignment – approve Memorandum of Agreement (“MOA”): Associate Planner Jonathan Garcia reviewed the recent modifications in Sections 1.3 and 1.4 of the MOA, noting that this draft was the same draft presented to the board members at their September 12<sup>th</sup> meeting. He reported that the County is checking on getting the parcel legal descriptions and the participants have agreed to obtain their own, instead of having FORA obtain them. He said it is important that all participants approve the MOA and agree to the release of the rights of way. Assistant Executive Officer Jim Feeney called attention to the sentence regarding “fair market value” of the parcels in Section 1.4, which CSUMB had inserted, and said closure on this issue is needed. The three questions raised by Mayor McCloud at the September board meeting were discussed: (1) where the environmental report was, which Mr. Feeney explained; (2) whether all residents impacted by the realignment had been notified, which the members agreed to do; and (3) whether this realignment could be changed after FORA sunsets in 2014, to which Mr. Feeney replied that there might be an opportunity for others to revisit the corridor, although much would depend on who owns the real estate and the costs to purchase the rights of way. Graham Bice mentioned a non-exclusive easement across the Fort Ord Natural Reserve on UC Santa Cruz property that is still owned by the Army; Gail Youngblood responded there should be no problem getting the Army

to release it to UCSC, and she will work on accomplishing that. Dick Goblirsch questioned the comment note from CSUMB on the last page of the draft MOA, which requested a clarification. Discussion followed regarding the fair market value for rights of way versus the significant value gained from the MMTTC improvements, an issue that must be resolved before the MOA is presented to the FORA Board. Bill Reichmuth suggested arranging an update briefing with Dr. Dianne Harrison, CSUMB President. Mr. Feeney said that FORA staff will work with the TAMC staff on the follow-ups necessary to reach final approval of the MOA.

Item 7b - Regional Plenary Oversight Group: Water for Monterey County project – update: Marina Coast Water District (“MCWD”) General Manager Jim Heitzman reported that the next meeting of the water managers had been set for September 24<sup>th</sup>. Funding of the REPOG (Regional Plenary Oversight Group) will be an important topic of discussion. He said that MCWD had already agreed to pay its fair share and CalAm has been looking for ways to fund their fair share. Assistant Executive Officer Feeney requested that FORA’s needs (about \$80 million and 2,400 acre-feet/year of additional water) be kept in mind. He said that the regional project could possibly reduce FORA’s costs by one-half, if it is successful, but that other options might need to be considered if the REPOG fails. Mr. Heitzman reported that potentially several REPOG meetings were being scheduled in October, and Bill Reichmuth said that a presentation to the Monterey city council members was scheduled for next Wednesday, including action on a resolution of support. General discussion followed. Mr. Heitzman reported that they are moving through the draft environmental document with the Public Utilities Commission now and it could be released to the public as early as December with a public hearing in January. He reported that he had met with many members of the community and experienced a high level of support, but added that it is important to continue to push for support from all parties. He said a few of the project details have changed since its original inception, because of good input from the community. He said he would be happy to provide update presentations to anyone requesting them. Mr. Feeney suggested that a presentation be scheduled for the Administrative Committee in October and for the FORA Board in November. Jim Cook said that a meeting of the REPOG governance committee had been scheduled for September 19<sup>th</sup> and he would report the outcome to the Administrative Committee at its next meeting.

Item 7c – Marina Coast Water District (“MCWD”) capacity charges – update: MCWD General Manager Jim Heitzman reported that meetings with the Fort Ord developers are being scheduled, and he is open to meeting with anyone with concerns, questions or alternatives. Assistant Executive Officer Feeney encouraged further discussion of the details comparing the figures in the MCWD’s 2005-06 Capital Improvement Program (“CIP”) and the current CIP figures, particularly meetings with, and evaluations by, the developers and staff engineers, with a focus on ways to fairly reduce the capital charges. He noted the time-sensitivity of bringing this item to the FORA Board by the October meeting. He reminded all that the Facilities Agreement between MCWD and FORA states that FORA must approve or respond to the capacity charges within 90 days of receipt of the document. If the issues cannot be resolved, he said, the FORA staff recommendation would probably be to maintain the previous capacity charges until modifications can be made. MCWD Finance Director Suresh Prasad remarked that MCWD had estimated a debt service of \$2 million, of which \$1.4 million is for the Ord Community. Mr. Feeney suggested scheduling a joint Administrative/ Water Wastewater Oversight Committee meeting in October.

Item 7d – California State University, Monterey Bay 2007 Master Plan: Recirculated Draft Environmental Impact Report (RDEIR) dated July 2008: Executive Officer Feeney said a pre-meeting with several entities would take place immediately followed the Administrative

Committee meeting this morning and another meeting with the traffic engineers had been scheduled. Both meetings are preliminary to the negotiation meeting with CSU and CSUMB officials next Monday morning, when the funding issues regarding the mitigations will be discussed. He added that CSU is expected to certify the RDEIR in November.

## **8. New Business**

Item 8a – 2009 FORA Legislative Agenda – request for items: Executive Assistant Linda Stiehl reported that Executive Officer Houlemard had requested input from the jurisdictions regarding the items to be placed on the 2009 FORA Legislative Agenda. This document in draft form will be presented to the Legislative Committee at their September 29<sup>th</sup> meeting. Bill Reichmuth strongly suggested that SB 375 be closely watched; this bill deals with transportation planning and the tracking of green house gases, has not yet been signed by the Governor, and will be discussed by the Monterey Bay Area Managers' Group at their meeting on September 19<sup>th</sup>. Jim Cook suggested supporting legislation that would increase Federal funding to the State for each veteran interred in the Central Coast Veterans Cemetery, which would decrease the size of the required endowment; he also suggested additional grant funding to implement the HCP. The members requested a status report in October on the 2009 Legislative Agenda and copies of the spreadsheet reports FORA receives from JEA & Associates showing the progress of each of the bills FORA follows throughout the legislative session. Co-Chair Yount remarked that it is important for the jurisdictions to coordinate their legislative needs and efforts.

## **9. Adjournment**

Co-Chair Yount adjourned the meeting at 9:37 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

<b>Subject:</b>	Legislative Committee report – draft September 29, 2008 meeting minutes and draft of the FORA 2009 Legislative Agenda	
<b>Meeting Date:</b>	October 10, 2008	<b>INFORMATION</b>
<b>Agenda Number:</b>	9b	

### RECOMMENDATION:

- Receive the draft minutes from the September 29, 2008 Legislative Committee meeting and the current draft of FORA's 2009 Legislative Agenda.

### BACKGROUND/DISCUSSION:

The Legislative Committee met on September 29<sup>th</sup> to discuss a number of items of timely importance. In addition to the report from Assembly Member Laird's office, the question of whether to recommend application of a federal Public Lands Designation under the National Landscape Conservation System was considered; a preliminary review of SB 375 (transportation planning and tracking green house gases) was made; and the first review of the FORA's draft 2009 Legislative Agenda occurred. The draft minutes are attached for your review.

As noted, the Legislative Committee reviewed each item on the draft 2009 Legislative Agenda at their September 29<sup>th</sup> meeting and recommended some additions to the text. The document attached includes those textual changes. Members of the Administrative Committee, who had indicated an interest in coordinating their jurisdiction's legislative efforts with FORA's, also provided input at their September 17<sup>th</sup> and October 1<sup>st</sup> meetings. This document is presented now for informational purposes and input from the FORA board members. Staff expects to bring the document back to the Board at the November meeting with a recommendation for approval. Mr. John Arriaga, FORA's legislative representative in Sacramento, has recommended that approval be obtained no later than early December, when the new two-year Legislature gathers to begin work on the 2009 bills and budget. If you have any suggestions regarding FORA's 2009 Legislative Agenda, please contact Executive Officer Houlemard at the FORA Office.

### FISCAL IMPACT:

Reviewed by FORA Controller 

Unknown at this time

### COORDINATION:

John Arriaga from JEA & Associates, Transportation Agency for Monterey County, and the Legislative Committee

Prepared by   
Linda L. Stiehl

Approved by 

Michael A. Houlemard, Jr.

# Fort Ord Reuse Authority

100 12<sup>th</sup> Street, Building 2880, Marina, CA 93933

Tel: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

## MINUTES of the LEGISLATIVE COMMITTEE MEETING Monday, September 29, 2008, at 1:30 PM

# DRAFT

### 1. Call to Order and Roll Call

Chair/Mayor Russell called the meeting to order at 1:35 p.m. The following members, and others, were present:

Present: Chair/Mayor Joe Russell, Mayor Gary Wilmot and Supervisor Calcagno. Colleen Freeman participated by telephone. Supervisor Potter arrived shortly after the meeting was called to order.

Absent: Mayor Rubio and representatives from the 17<sup>th</sup> Congressional District and the 15<sup>th</sup> State Senate District

By telephone: John Arriaga and Suzanne Fox (JEA & Associates)

FORA Staff: Michael Houlemard, Executive Officer  
Jerry Bowden, Authority Counsel  
Stan Cook, ESCA Program Manager/Real Property & Facilities Manager  
Steve Endsley, Director of Planning and Finance  
Jonathan Garcia, Associate Planner  
Linda Stiehl, Executive Assistant

Also present: Steve Reed and Christina Watson

### 2. Public Comments - None

### 3. Approval of the April 28, 2008 meeting minutes

A motion to approve the April 28, 2008 meeting minutes was made by Mayor Wilmot, seconded by Supervisor Calcagno, and carried.

### 4. Reports from legislative offices

Item 4a – U.S. Congress: no report

Item 4b – State Senate: no report

Item 4c – State Assembly: Colleen Freeman provided an update on the bills that had been signed or vetoed by the Governor and commented that Assembly Member Laird was entering the final two

months of his term. She also reported that Harry Ermoian, Mr. Laird's legislative aide and FORA's key contact on the Sacramento staff, was splitting his time between Mr. Laird's office and the incoming budget chair, Assembly Member Noreen Evans.

## 5. Old Business

Item 5a – Report from JEA & Associates – 2007-08 State Legislative Session summary report: John Arriaga reported that the regular and extended Legislative sessions had been adjourned. He said the new two-year Legislature would begin on December 1<sup>st</sup>, and key issues will be putting eminent domain to bed and dealing with the water issues. He stated that Assembly Member Caballero has been taking a leading role in finalizing a water bond, which came close to achieving final approval; deliberations will continue in the next session. Suzanne Fox, JEA legislative policy director and vice president, provided an overview of the budget, noting that the Governor had vetoed the budget proposed by the Legislature but a compromise was reached and the Governor signed the budget on September 23<sup>rd</sup>. This budget requires a special election in March 2009 to obtain approval of certain fund transfers and a lottery for the General Fund. She noted of interest to FORA the line items for the Parks and Recreation Department and the \$820 million for water programs. She reported the Governor had signed over 500 bills of those on his desk until the budget was approved but has until tomorrow to sign any others of the remaining 300+. Mayor Russell called attention to the FORA Legislative Matrix received from JEA today, and Mr. Arriaga said he would prepare a summary update, including information about SB 375, within the next three weeks.

## 6. New Business

Item 6a - Fort Ord Public Lands Designation: Executive Officer Houlemard summarized the Working Draft of this item in the meeting packet, which included definitions and examples of the National Landscape Conservation System ("NLCS") designations and remarked that FORA works closely with the Bureau of Land Management ("BLM") regarding habitat planning. He said that naming NLCS parcels would not change or affect any development already on former Fort Ord and a big advantage would be having access to federal funding for BLM and also opportunities to qualify for private and special trust funds. He said FORA must request the designations, not BLM. Supervisor Potter asked if there were any restriction or constraints connected to the designations, and Mr. Houlemard replied that he was not aware of any. He said staff time to complete an application would be minimal. **A motion to add this item to FORA's 2009 Legislative Agenda, providing the designation does not add restrictions or constraints, was made by Mayor Wilmot, seconded by Supervisor Potter, and carried.**

Item 6b – Review first draft of FORA's 2009 Legislative Agenda: Executive Officer Houlemard reviewed each item, commenting that items from last year had been adjusted on this year's document to be current. He called attention to the following: **Item C** (funding support for Monterey Peninsula College's public safety officer training program) – the possibility of accessing new funding from the Department of Homeland Security; **Item D** (veterans' cemetery) – support for federal action to possibly amend reimbursement levels for burials, which could reduce the operational costs in the endowment fund; **Item E** (state and federal funding for FORA's augmented water program) – Suzanne Fox said that state water bond funds could come on very quickly, since the bill is on the Governor's desk now awaiting his action. If he signs it, FORA's Legislative Agenda would need to be amended, so she will keep FORA informed. **Item F** (support for Seaside's efforts to secure state legislation enabling FORA jurisdictions to provide direct financial assistance to sales tax generating commercial projects on certain undeveloped parcels) – This bill is still on the table. Successful passage would benefit Seaside

and also Del Rey Oaks, Marina and Monterey County. Mr. Arriaga said he would brief Assembly Member Caballero and Mr. Laird's replacement. **Item G** (efforts to obtain transportation bond funding for TAMC's projects to offset FORA's \$125 million Capital Improvement Program transportation obligations on and proximate to former Fort Ord) – Mr. Houlemard said that FORA continues to work closely with TAMC and others in a coordinated and non-competitive way and this collaborative approach could result in much-needed funding, which Christina Watson (TAMC senior transportation planner) confirmed. **Item H** (CSUMB's requests to the Legislature for off-campus impact mitigation funds and also funds for building removal and contaminant waste abatement on former Fort Ord) – Mr. Houlemard said CSUMB, Seaside, Marina and FORA still have significant building removal and contaminant abatement obligations to fund and funding requests are being actively pursued.

In closing, Executive Officer Houlemard asked the members if they had any direction to staff, noting that approval of the 2009 Legislative Agenda would probably be the staff recommendation to the Board in November. Mr. Arriaga said that final approval should be made no later than December. The members agreed to continue the item to their November 5<sup>th</sup> meeting for action.

Item 6c – Discussion of SB 375 (transportation planning; tracking of green house gases): John Arriaga reported that this bill represents a major piece of legislation. It was introduced in 2007 and is now on the Governor's desk for signature. He then summarized some of the major sections of the bill. He said a 20-page technical analysis of this bill is expected shortly and there are still questions about the implications. If the bill is signed in its present form, he said workshops would be held to flesh out the text. Executive Officer Houlemard reported that many jurisdictions in the state have indicated reservations about this bill, in particular, the City of Monterey. Supervisor Calcagno recommended that a decision be held off for the time being until more implementation information is available. Mayor Wilmot commented that the 1990 green house levels had not been clearly defined. Christina Watson said that TAMC supports the bill. After discussion, the members agreed to assign a "watch" position to the bill, given that the Governor would likely act before a position could be forwarded.

## **7. Announcements/Correspondence**

Executive Officer Houlemard provided an update on the status of AIG, noting that FORA's insurance policy is in a good position, since it is in a regulated insurance subsidiary. He called attention to the recent article in the New York Times, which was available as a handout.

## **8. Adjournment** - The meeting was adjourned at 2:14 p.m.

Minutes prepared by Linda Stiehl, FORA Executive Assistant

**WORKING DRAFT (9/30/08)**  
**Fort Ord Reuse Authority**  
**2009 Legislative Agenda**  
(approved by the FORA Board on \_\_\_\_\_)

## **Work Program**

The 2009 Fort Ord Reuse Authority ("FORA") Legislative Agenda offers legislative, regulatory, policy, or resource allocation support actions to improve and/or enhance former Fort Ord reuse or provide state and federal funding to FORA, the U.S. Army ("Army") or FORA member entities for use on former Fort Ord redevelopment. The items on the Legislative Agenda focuses on property transfer, Munitions and Explosives of Concern ("MEC") removal, commercial/residential reuse, habitat management, infrastructure and mitigation funding, and applicable special measures in federal, state or local authority.

The order in which these items are presented herein/below is not an indication of their priority. All items are considered "priority" issues in achieving FORA's objectives.

**A. Work for federal legislation to obtain National Landscape Conservation System ("NLCS") designation for the Bureau of Land Management ("BLM") Natural Resource Management Area on the former Fort Ord. The NLCS encompasses approximately 27 million acres of public lands managed by BLM. The NLCS has four categories of federally designated areas:**

- 1) **National Monuments, National Conservation Areas ("NCA") and similar designations,**
- 2) **Wilderness,**
- 3) **Wild and Scenic Rivers, and**
- 4) **National Trails**

**ISSUE:** Habitat Conservation Plan ("HCP") approval and implementation are essential to former Fort Ord redevelopment. Obtaining an NLCS designation for BLM's former Fort Ord property would support HCP implementation through national recognition of the property's unique ecological and recreational resources.

- **Benefits:** Brings national attention to the unique flora, fauna and recreational resources found on current and future BLM property while supporting habitat preservation as described in the Fort Ord Habitat Management Plan and pending HCP.
- **Challenges:** Each year, the local BLM office competes nationally to receive public and private grants and federal appropriations that support its mission. As availability of public and private grant funding fluctuates, having an NCA (or other appropriate national designation) would emphasize the national significance of BLM's former Fort Ord property to



potential donors. The primary restriction associated with a national designation is the removal of that area from mineral exploration and development. It is noted that the U.S. Army's transfer of these lands to BLM removes the lands from mining laws anyway. Some designation efforts may add restrictions that may interfere with the HCP.

- **Proposed Position:** Support/introduce/sponsor federal legislation to obtain NCA designation (or other appropriate national designation) for BLM's former Fort Ord property. In this support, assure that designation efforts do not add restrictions that will interfere with reuse programs or implementing the HCP. By advocating NLCS designation, FORA would be supporting the mission of BLM (the largest Habitat Manager on the former Fort Ord that plays a vital role in implementing the HCP) and supporting recreation and tourism on the former Fort Ord by obtaining national recognition of this unique resource.

**B. Continue and enhance work with the 17<sup>th</sup> Congressional District, the 15<sup>th</sup> and 12<sup>th</sup> State Districts, and the 27<sup>th</sup> and 28<sup>th</sup> State Assembly Districts to secure approval of the former Fort Ord Habitat Conservation Plan ("HCP").**

**ISSUE:** HCP approval remains critical to former Fort Ord redevelopment. Alternatives to a basewide HCP are costly and time consuming and do not effectively serve the goal of managing or protecting endangered species.

- **Benefits:** HCP approval is essential to protecting habitat and effective development of jobs and housing for the region.
- **Challenges:** Processing has been problematic for over a decade. Insufficient agency resources and overlapping regulatory barriers have thwarted the HCP process.
- **Proposed Position:** Support legislative or regulatory coordination, state and federal resources, and strong advocacy to enable speedy reviews and processing – insisting on continued vigilance and cooperation among the regulatory agencies.

**C. Working with the County of Monterey and Monterey Peninsula College ("MPC"), assist in obtaining funding for capital and program support from the State of California and the Federal government for the public safety officer-training program at the MOUT (Military Operations on Urban Terrain) and Parker Flats locations on the former Fort Ord.**

**ISSUE:** FORA and the County have agreed to provide assistance to MPC in securing funds for this program in agreement to move uses from one location to another.

- **Benefits:** The Public Safety Officer Training Program is an important component of MPC's efforts in Fort Ord reuse. It could have broad benefits to enhanced public safety at the regional and state levels. Securing this funding would enhance the potential to implement this program.

- **Challenges:** Money available through the Office of Homeland Security, the Office of Emergency Services, or other sources may be restricted. There remains an environmental and planning process for this project still ahead.
- **Proposed Position:** Support/introduce/sponsor State and Federal legislation, budget allocations, funding streams, and/or specific resources for trust funds or other mechanisms that will provide the necessary means to create the Public Safety Officer Training Program.

**D. Assist with plans to develop, design and construct a Central Coast Veterans Cemetery to be located at the former Fort Ord.**

**ISSUE:** Cemetery space for California Central Coast veterans is inadequate for the thousands eligible for burial in a veterans' cemetery. Former Fort Ord is not only centrally located in the state but has land already designated for a new veterans' cemetery. Recent legislation has offered an approach to move ahead with the development by providing a mechanism for funding future operations. Further, funding for individual veteran interments is insufficient to cover cemetery operations expenses.

- **Benefits:** This cemetery would provide additional burial space for the region's approximately 50,000 veterans. An increase in the interment benefit would decrease the demand for endowment fund support of the cemetery operations.
- **Challenges:** Although the Federal government will reimburse the entire cost to construct the cemetery, the State of California must apply for inclusion in the State Veterans Cemetery program before awarding the construction agreement. Until recent legislation, the State of California has been reticent to make application. The annual cost of operating and maintaining the cemetery (estimated at \$200,000 per year) must have a guaranteed payer in the form of deposits in a trust account.
- **Proposed Position:**
  - Support implementation, budget actions and funding options at all levels to design, build and operate a Central Coast Veterans Cemetery;
  - Support efforts to sustain priority standing with the Department of Veterans Affairs with regard to the Central Coast Veterans Cemetery.
  - Support an increase in burial reimbursement fees from the Veterans' Administration.

**E. Work with the Monterey County Water Resources Agency ("MCWRA"), the Monterey Regional Water Pollution Control Agency ("MRWPCA") and the Marina Coast Water District ("MCWD") to secure State bond funds and Federal funding that may become available to assist in deploying the FORA Augmented Water Program.**

**ISSUE:** The FORA Capital Improvement Program requires \$40-42,000,000 to support the Water Augmentation Program for the necessary Base Reuse Plan development supplemental water needs. Securing funds to assist this

requirement, now dependent solely on funding from the FORA Community Facilities District development fees, could help the timely implementation of the recycled water and desalination water facilities.

- **Benefits:** Redevelopment, as permitted under the Base Reuse Plan, can occur so long as financing and installation of the augmenting water facilities proceed. Additional grant funding could reduce acre-foot-year costs of securing water resources for the jurisdictions and reduce the hefty capital charges that may otherwise be required.
- **Challenges:** Competing water projects throughout the Region and State for scarce proceeds. No current federal program exists for this funding.
- **Proposed Position:** Support and coordinate efforts with MCWD, MCWRA, MRWPCA, and FORA jurisdictions for securing funding and/or to endorse the use of bond funds proposed for this purpose.

**F. Support Seaside's efforts to secure state legislation that would enable FORA jurisdictions to provide direct financial assistance to former Fort Ord commercial projects.**

**ISSUE:** Current redevelopment law, adopted after the Authority Act, prohibits redevelopment authorities from providing direct financial aid to sales tax generating commercial projects on certain undeveloped parcels.

- **Benefits:** The ability to assist commercial developers will accelerate the development of several Fort Ord properties and provide FORA members with a greater degree of control over the nature and quality of commercial projects. By accelerating commercial development, the generation of tax increment funds will also be accelerated allowing for an increase in the development rate of affordable housing and needed infrastructure.
- **Challenges:** There is opposition by some in the Legislature to any change in redevelopment law because there is a perception that the public may link it to eminent domain and increase the chances that eminent domain restrictions will pass. Additionally, there is concern that changing redevelopment law in this provision will foster leap frog development in other areas and divert sales tax revenue away from the state.
- **Proposed Position:** Support the Seaside sponsored legislation to either provide a direct exemption for the former Fort Ord properties or define "urban use" within the Health and Safety Code related to the former Fort Ord in such a way as to include most parcels designated for commercial development within the Fort Ord Reuse Plan.

**G. Work with the Transportation Agency for Monterey County ("TAMC") to secure transportation bond funds.**

**ISSUE:** The FORA Capital Improvement Program requires mitigations of more than \$125,000,000 for transportation infrastructure on and proximate to the former Fort Ord. Some of this funding requires a local or other match from the appropriate regional or state transportation body to bring individual projects to completion.

- **Benefits:** The timely installation of required on-site, off-site and regional roadway improvements supports accommodating development impacts and maintaining and improving levels of service vital to the regional economy.
- **Challenges:** Applying scarce transportation funds to the appropriate projects to optimize transportation system network enhancements.
- **Proposed Position:** Support and coordinate with TAMC for any grants that may become available through the infrastructure bonds.

**H. Work with the State Assembly Districts and the State Legislature in support of California State University's ("CSU's") requests to the California Legislature for off-campus impact mitigation funds for the CSU Monterey Bay ("CSUMB") campus. Coordinate with CSUMB on requests for building removal and contaminant waste abatement on the former Fort Ord.**

- ISSUE:**
- a) In July 2006 the State of California Supreme Court ruled that CSU had responsibility to mitigate off-campus impacts promulgated by the development of its CSUMB campus. CSU, in order to fund its obligations as required by the Supreme Court, is requesting funds from the State Legislature.
  - b) Contaminated building removal is a significant expense to CSUMB and other former Fort Ord land use entities. A coordinated effort will be more likely to achieve funding success.
    - **Benefits:** Supporting legislature approval for CSU's request for mitigative funds for off-campus impacts will address the current absence of funds provided by CSU in financing its fair share of such impacts. Similarly, a coordinated effort to secure asbestos/lead abatement building removal support will help all levels of the regional reuse program.
    - **Challenges:** The competition for funds requested of the Legislature by CSU system-wide will be keen, with CSUMB being only one campus of the 23-campus system, many of which will be requiring like mitigative funds for impacts to the communities within which they reside.
    - **Proposed Position:** Support having the Legislature earmark the funds requested by CSU for the CSUMB campus as a funding priority for off-campus impact funds, in that the Supreme Court mandate addressed development and consequent impacts specifically for the CSUMB campus.



## MEMORANDUM

**TO:** Board of Directors  
**FROM:** Nick Papadakis, Executive Director  
**DATE:** October 8, 2008

**SUBJECT:** Office Building

Pinnacle Bank reported yesterday that they will be unable to finance the project. (See **attached** letter). Staff concurs, since it will be very difficult to meet their (and other financial institutions) requirements at this time.

Since the Ford Ord Reuse Authority (FORA) is also not ready to develop their office building in the manner originally envisioned, FORA, Pinnacle Bank and AMBAG staff have preliminary agreed that they could work together to determine if there is a feasible way to develop one office building for both FORA and AMBAG use.

Currently, under a previous agreement with FORA, the site preparation pre-building construction costs would be advanced by FORA (up to \$150,000), to be paid back when a construction financing had been secured. Since such financing is not forthcoming, a credit line is being pursued to pay off the FORA obligation. (See **attached** letter). In order to maximize AMBAG's equity (lot appraised at \$850,000 "as is" in December 2007), the site preparation work should be completed. Such work, and potentially the architectural plans, would further increase our future equity.

### **Staff Recommendation:**

1. Continue discussions with FORA and Pinnacle Bank for joint office development.
2. Complete pad development.
3. Secure bridge financing.

MH  
SUG  
5/5

Nick Papadakis, Executive Director  
Association of Monterey Bay Area Governments (AMBAG)  
PO Box 809  
Marina, CA 93933-0809



Dear Nick,

In regards to our on-going discussion for the construction financing of your office building located on the corner of 11<sup>th</sup> Street and Imjin Parkway, I have summarized our review as follows:

- I. Per the appraisal dated 12/3/07 and a loan at 75% loan to value would account for a loan in the range of \$2.1 million. The amount needed to complete the building is \$2.4 million and per the appraisal market rents would justify a loan at \$1.8 million. Cash flow needed to support the debt service of \$2.1 million is extremely tight and would have to come from all available sources of revenue with no surplus for AMBAG to operate. In addition, the appraisal is out dated and a new appraisal would have to be completed.
- II. We are aware that the Fort Ord Reuse Authority (FORA) plans a similar but larger building in the same complex. It has been further discussed that it might be better for AMBAG to sell their building pad and partner with FORA to construct a facility that accommodates both agencies. This alternative approach seems to be beneficial to both agencies, and we are willing to consider such a partnering effort.
- III. Pinnacle Bank is in review of a request from AMBAG for a \$150,000.00 line of credit to meet site prep work costs. Source of repayment will be from cash flow and sale of AMBAG building pad. AMBAG also agrees to move their operating accounts to Pinnacle Bank.

On behalf of everyone at Pinnacle Bank, I look forward to having you as a valued customer and meeting your financial needs. Our success depends on our ability to help you continue to be successful.

Best Regards,

David M. Soares  
Senior Vice President

C: Michael A. Houlemard, Jr., FORA Executive Officer

3