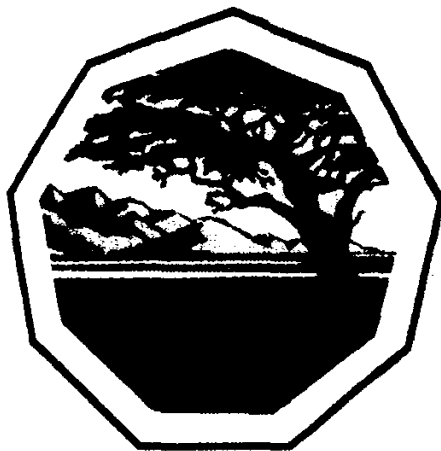


Fort Ord
Reuse Authority



Board Packet
For
Board Meeting
January 9, 2009



Fort Ord Reuse Authority

100 12th Street, Building 2880, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

BOARD OF DIRECTORS MEETING Friday, January 9, 2009, at 3:30 pm FORA Conference Facility/Bridge Center 201 13th Street, Building 2925, Marina (on the former Fort Ord)

AGENDA

1. CALL TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. ACKNOWLEDGEMENTS
4. 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.
5. CONSENT AGENDA ACTION
 - a. December 12, 2008 board meeting minutes
6. OLD BUSINESS INFORMATION
 - a. Habitat Conservation Plan approval process
 - b. Marina Coast Water District capacity charges
 - (1) SECOND VOTE on December board motion ACTION
 - (2) Approval of Resolution #09-01 amending Resolution #08-06 ACTION
 - c. California State University, Monterey Bay 2007 Master Plan: Recirculated Draft Environmental Impact Report (RDEIR) dated July 2008 – FORA's comment letters to RDEIR INFORMATION
 - d. Environmental Services Cooperative Agreement (ESCA) - update INFORMATION
7. NEW BUSINESS ACTION
 - a. Authorize use of Fort Ord Reuse Authority's funds for Del Rey Oaks' portion of Pollution Legal Liability loan payment
8. EXECUTIVE OFFICER'S REPORT INFORMATION
 - a. Administrative Committee report
 - b. Executive Officer's travel report
 - c. Imjin Office Park term sheet update INFORMATION
9. ELECTION OF OFFICERS FOR 2009
10. ANNOUNCEMENTS AND CORRESPONDENCE
11. ADJOURNMENT

(Information about items on this agenda is available at the FORA office at 100 12th Street, Building 2880, Marina, on the former Fort Ord or by calling 831-883-3672 or by accessing the FORA website at www.fora.org.)

**ACTION MINUTES
OF THE
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
January 9, 2009**

APPROVED

1. CALL TO ORDER AND ROLL CALL

Chair Russell called the meeting to order at 3:37pm and requested a roll call.

The following board members were present:

Voting members present:

Chair/Mayor Russell (City of Del Rey Oaks)
Mayor McCloud (City of Carmel)
Councilmember McCall (City of Marina)
Councilmember Mancini (City of Seaside)
Councilmember Selfridge (City of Monterey)
Councilmember Kampe (City of Pacific Grove)
Jim Cook (County of Monterey)

Mayor Rubio (City of Seaside)
Councilmember Gray (City of Marina)
Councilmember Barnes (City of Salinas)
Mayor Pendergrass (City of Sand City)
Supervisor Calcagno (County of Monterey)
Supervisor Potter (County of Monterey)

Ex-Officio members present:

Graham Bice (UC Santa Cruz)
Dr. Douglas Garrison (MPC)
Gail Youngblood (BRAC)
COL Darcy Brewer (U.S. Army)
Hunter Harvath (Monterey-Salinas Transit)

James Main (CSU Monterey Bay)
Amy Treadwell (27th State Assembly District)
Kenneth Nishi (Marina Coast Water District)
Dan Albert, Jr. (MPUSD)

Arriving after the roll was called Debbie Hale (TAMC). Absent were representatives from the 17th Congressional District and the 15th State Senate District.

With a quorum present, Chair Russell opened the meeting.

2. PLEDGE OF ALLEGIANCE

Chair Russell asked Supervisor Potter, who agreed, to lead the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS

Chair Russell acknowledged former Supervisor Ila Mettee-McCutchon who was present in the audience and commended her long service to FORA. Mayor Rubio, Councilmember Mancini, Supervisor Potter, Mayor McCloud, Councilmember Barnes, among others, made comments about her dedication to public service, her efforts to get the Central Coast Veterans Cemetery project moving forward, her service on the FORA Board in four different capacities, and the great mentor she has been. Executive Officer Houlemard recommended that an urgency item be considered by the Board. **Motion to consider an urgency item was made by Councilmember Mancini, seconded by Mayor Rubio, and carried.** Mr. Houlemard read a Resolution of

Appreciation and Commendation to Ila Mettee-McCutchon, and **board members unanimously agreed to approve it.** Ms. Mettee-McCutchon followed with personal remarks to those attending the meeting.

Chair Russell also acknowledged and welcomed the following newly appointed board members: Councilmember Bill Kampe from the City of Pacific Grove; Amy Treadwell, Assemblymember Monning's field representative; and Councilmember Nancy Selfridge from the City of Monterey. He also acknowledged newly installed Supervisor Jane Parker, who was sitting in the public section.

4. PUBLIC COMMENT PERIOD - none

5. CONSENT AGENDA

There was one item on the Consent Agenda: Item 5a (December 12, 2008 board meeting minutes). There were no board or public comments. **Motion to approve Item 5a was made by Councilmember Mancini, seconded by Mayor McCloud, and carried.**

6. OLD BUSINESS

Item 6a - Habitat Conservation Plan ("HCP") approval process: Associate Planner Jonathan Garcia opened his report with a short PowerPoint, from which he summarized the background of the HCP approval efforts since 1996, the draft Joint Powers Authority ("JPA") Agreement, the draft Implementing Agreement, and the recent meetings. Executive Officer Houlemard added that substantial progress has been made during the past six weeks resulting in a "significant amount of light at the end of the tunnel." He remarked that "we are close to having the HCP document published." Mayor Russell asked how the JPA would work, and Mr. Houlemard said it was a cooperative effort among the agencies that have habitat obligations on former Fort Ord. The JPA will assume FORA's HCP oversight responsibilities after FORA sunsets. There were no other board comments or any public comments.

At this time, Chair Russell acknowledged the presence of Councilmember Ken Gray, Marina's alternate, at the board table.

Item 6b - Marina Coast Water District ("MCWD") capacity charges: (1) SECOND VOTE on December board motion and (2) Approval of Resolution #09-02 amending Resolution #08-06: Associate Planner Jonathan Garcia summarized the two actions before the Board and called attention to the revised resolution that was distributed, noting the most recent changes. **Motion to approve Items 6a(1) and 6a(2) was made by Mayor Rubio, inclusive of all notes and amendments, and seconded by Supervisor Potter.** Councilmember McCall asked what the payback legal limits permitted by law in §1.7 were and why was this text included. Executive Officer Houlemard said this language would allow funding to be received from special grants, bonds, and other funding sources with restricted pay back mechanisms, because these opportunities are not automatically available without such specific language. Chair/Mayor Russell asked if there were any substantive changes in the final draft resolution, and Authority Counsel replied no. There were no further board comments or any comments from the public. **The motion passed unanimously.**

Item 6c - California State University, Monterey Bay 2007 Master Plan: Recirculated Draft Environmental Impact Report (RDEIR) dated July 2008 - FORA's comment letters to the RDEIR:

Executive Officer Houlemard provided a brief background summary. He said that a memorandum of agreement/understanding among the campus, the jurisdictions and FORA, had been drafted and is now circulating; it explains how the campus is moving ahead with its Master Plan and how it will handle its fair share obligations. Jim Main, the CSUMB representative, said the campus has endeavored to open lines of communications with the jurisdictions and is working to understand the methodology in order to determine a fair share figure and reach an equitable agreement. He remarked that mitigation funding today is entirely dependent on allocations approved by the California Legislature, which remains a stumbling block. Supervisor Calcagno asked if economic recovery funds could be a source of this funding. Executive Officer Houlemard said possibly, noting that improvement projects on General Jim Moore Blvd. and Eastside Road had completed their design component and are ready to move forward quickly when funding is available. He added that funding for the Imjin Parkway overpass is a major issue since it involves so many entities and is expensive. TAMC General Manager Debbie Hale asked what CSUMB's total mitigations are (The list showed \$13.9 million). Marina Coast Water District representative Ken Nishi asked if the mitigations could be included in the project costs. Mr. Houlemard responded that this suggestion had been the topic of many conversations. He said the number of cars and people, not the buildings themselves, determine the mitigations per CEQA regulations. Mr. Main remarked that securing more funding for mitigations for Academic 2 Building is not an option now, since the funding has already been identified, but it is in suspension due to state budgetary problems. He said that other CSU vice presidents have been discussing mitigation funding on a project basis devoted to CEQA compliance and environmental matters and are gathering information from other state educational institutions. Changes to include mitigations would require change in the overall infrastructure and approval by the CSU Board of Trustees. He said he would be happy to hear any suggestions or advice. There were no public comments.

Item 6d – Environmental Services Cooperative Agreement (“ESCA”) - update: Executive Officer Houlemard remarked that 2008 had been an “extraordinarily positive year” for the Fort Ord ESCA project. The latest good news was receipt on December 17th of the final ESCA payment of \$28 million from the Army. He said the project is now fully funded. Stan Cook, FORA's ESCA Program Manager, provided an ESCA status update assisted by a PowerPoint. He covered the major activities, including maps of the Seaside 1-4 activity closeout and the current work areas, photos of the Residential Quality Assurance (“RQA”) pilot project and the Parker Flats/Group 1 area, and a list of the upcoming community events. Mr. Houlemard added that the ESCA project is moving ahead in a very positive way, partly because of the great coordination with BRAC and the Army. He reported that the RQA pilot project has some of the best consultants in the country working on it. This purpose of this project is investigate and confirm the results of earlier Army MEC (“Munitions and Explosives of Concern”) field work with the newest technology to determine if further work is required to improve confidence levels sufficiently to permit residential uses. Kristie Reimer, the LFR ESCA Project Manager, remarked that the technological advancements are very exciting to the state and federal regulators and added that four ordnance and explosive items were found just today with RQA technology. Councilmember Mancini asked that the Veterans Cemetery Advisory Committee members be notified of the January 14th meeting.

7. NEW BUSINESS

Item 7a - Authorize use of Fort Ord Reuse Authority's (“FORA's”) funds for Del Rey Oaks' portion of Pollution Legal Liability loan payment: Executive Officer Houlemard summarized the situation and reported that a check had been received from the developer late today but it is pending clearance by the bank before any action on Item 7a is taken. **Motion to authorize the use of \$251,023 of FORA's funds to pay Del Rey Oaks' portion of the Pollution Legal**

Liability insurance, pending clearance of the developer's check, and also authorize the Executive Officer to adjust the beneficiary listing, if necessary, was made by Mayor Rubio and seconded by Supervisor Potter. Chair Russell abstained from the discussion and voting. Debbie Hale asked what the cost implications of reallocating the coverage elsewhere were. Mr. Houlemard said the other policyholders would not be impacted by this payment default, because each party has a separate agreement with the insurer. **The vote was called and the motion carried.**

8. EXECUTIVE OFFICER'S REPORT

There were three items in this report: Item 8a (Administrative Committee report), Item 8b (Executive Officer's travel report) and Item 8c (Imjin Office Park term sheet update): Re Item 8b: Executive Officer Houlemard said he had received word from Washington, DC, this morning inviting him to speak at a Senate Armed Services Committee hearing next Wednesday, January 21st, addressing funding issues related to legacy (closed) military bases with Ordnance & Explosives removal responsibilities. He requested that the Board consider an urgency item to authorize an extension of his trip to begin next week, instead of January 18th, since the Executive Committee, which approves his travel, is not scheduled to meet until February 4th. While he is in Washington, DC, he said he expects to meet with some of the president-elect's transition team and other administration leaders to gain information about, and lobby for, some of the economic recovery funds for former Fort Ord projects. He said his travel next week would be partially reimbursed by the Association of Defense Communities ("ADC") and he asked for flexibility to adjust the costs between ADC and FORA and to combine the two trips into one. Mayor McCloud suggested that the Board consider covering Mr. Houlemard's air travel and lodging for his entire trip. The final motion was as follows: **Motion to authorize Mr. Houlemard's extended trip to Washington, DC, as described in the previous discussion and including Mayor McCloud's suggestion, was made by Mayor Rubio, seconded by Councilmember Mancini, and carried.**

9. ELECTION OF OFFICERS FOR 2009

Mayor Pendergrass, who served as Chair of the Nominating Committee, announced the candidates. **Motion to elect Mayor Ralph Rubio as Chair, Supervisor Dave Potter as 1st Vice Chair, and Councilmember Dave McCall as 2nd Vice Chair, and confirm the appointments of Mayor Joe Russell as Past Chair and Mayor David Pendergrass as representative-at-large was made by Councilmember Mancini, seconded by Councilmember Selfridge, and carried.**

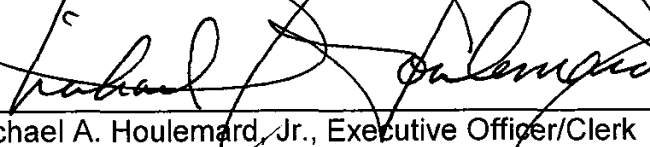
Outgoing Chair Russell turned the gavel over to incoming Chair Rubio. Chair Rubio thanked Mr. Russell for running a good meeting and "keeping the wildcats" in order.

10. ANNOUNCEMENTS AND CORRESPONDENCE - none

11. ADJOURNMENT - Chair Rubio adjourned the meeting at 4:40 p.m.

Minutes prepared by Linda Stiehl, Deputy Clerk.

Approved by


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

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Habitat Conservation Plan approval process

Meeting Date: January 9, 2009

Agenda Number: 6a

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 November 14, 2008, staff provided an oral report to the Board regarding comments made by U.S. Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") during a conference call that could potentially cause further delay to the HCP process. The Fort Ord Reuse Authority ("FORA") subsequently contacted USFWS and CDFG regional executives to schedule meetings in December with USFWS and CDFG to address their comments and outstanding issues. FORA, its HCP consultant ICF Jones & Stokes ("Jones & Stokes"), and FORA member agencies and jurisdictions held working meetings on December 3, 2008 in preparation for an all-day meeting with USFWS and CDFG. During the December 17, 2008 all-day meeting, the HCP working group discussed USFWS and CDFG's comments and negotiated several outstanding issues. Major issues included: a) defining the role of a future Joint Powers Authority in the HCP, b) determining HCP costs and identifying the entity to hold the HCP endowments, c) determining borderlands management costs and responsible parties, d) developing a framework to integrate existing 2081 permits into the basewide HCP and 2081 permit, and e) determining the degree to which the HCP must be revised to accommodate USFWS requirements for a self-regulating HCP. A follow-up conference call meeting is scheduled for January 12, 2009 and an in-person meeting is scheduled for February 4, 2009.
2. On September 30, 2008, a conference call including representatives from FORA, USFWS, Denise Duffy ("DD&A") [National Environmental Policy Act ("NEPA")/California Environmental Quality Act ("CEQA") consultant], Bureau of Land Management ("BLM"), and others was held and the scheduled noted in #3 below was endorsed.
3. 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.
4. 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.
5. On May 5, 2008, DD&A held a conference call meeting of the principals to schedule final Environmental Impact Statement ("EIS")/Environmental Impact Report ("EIR") document processing.

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 Chrisman, 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 larger scope of work.

FORA staff received several responses to its RFQ and selected 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 have 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 Chrisman 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.

FORA Chair/Mayor Russell, 1st Vice Chair/Mayor Rubio, and Executive Officer Michael Houlemard met with State of California Resources Secretary Chrisman and CDFG Acting Director McCamman on March 28, 2008 to confirm commitments made on April 30, 2007 to a "final" process. Secretary Chrisman confirmed prior commitments to employ sufficient staff and resources within CDFG to meet review schedules and resolve outstanding issues. In addition, Secretary Chrisman noted that some items may require final negotiation at his or the CDFG Director level. FORA's legislative representatives also met with USFWS Assistant Director Bryan Arroyo in Washington, D.C., on April 21, 2008. Assistant Director Arroyo gave assurances that he would apply his resources to resolve funding issues between USFWS and BLM and to meet review schedules for the HCP and HCP NEPA documents.

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.

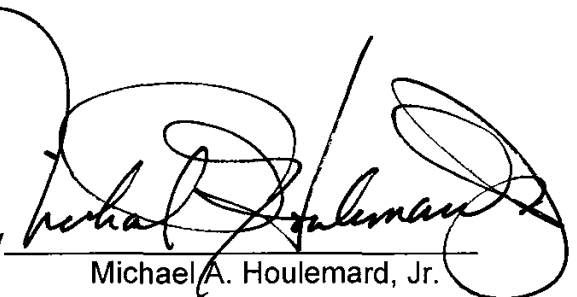
COORDINATION:

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


Jonathan Garcia

Approved by


Michael A. Houlemard, Jr.

Fort Ord Reuse Authority

Fort Ord Habitat Conservation Plan Approval Process

***FORA Board Meeting
January 9, 2009***

FORA

Background/Summary

- ❖ FORA HCP focus since 1996
- ❖ Wildlife Agencies changed approvals/staffing during past 12 years
- ❖ 2007: FORA changed consultant team to complete HCP revisions
- ❖ 2008: Wildlife Agencies' comprehensive comments on 2nd Admin. Draft HCP

FORA

2

Draft Joint Powers Authority Agreement

- ❖ Agreement forms Fort Ord Regional Habitat Cooperative
- ❖ Cooperative to consist of 12 entities:
FORA, County, Marina, Seaside, Del Rey Oaks, Monterey, State Parks, UC, CSU, MPC, MPRPD, and MCWD
- ❖ Authority to carry out HCP terms
- ❖ Staffing by FORA through 2014

Draft Implementing Agreement

- ❖ HCP Permittees agree to restrict land and commit resources to conserve/manage special-status species
- ❖ Wildlife Agencies provide basewide permits or assurances for activities
- ❖ Parties execute Implementing Agreement before Incidental Take Permits issued.

Schedule

- ❖ Meeting held December 17th, 2008 to discuss comments/schedule.
- ❖ Next meetings:
 - ❖ January 12 – Conference Call
 - ❖ February 4 – Meeting at FORA
- ❖ Public Review Draft HCP, EIS/EIR, JPA, and Implementing Agreement in 2009

Questions



FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Marina Coast Water District capacity charges

Meeting Date: January 9, 2009

Agenda Number: 6b

ACTION

RECOMMENDATION(S):

1. Approve the FORA Board's motion from its December 12, 2008 meeting (SECOND VOTE). The motion was as follows.

That the Fort Ord Reuse Authority ("FORA") Board adopt the following:

- (1) The combined Ord Community water/wastewater capacity charge to be \$7,800, as determined by Bartle Wells ("BW"), which assumes that the Water for Monterey County ("WMC") project will be approved by the California Public Utilities Commission ("CPUC"), as a potential source for augmenting Fort Ord water supply needs. Approval of the capacity charges is pending review by counsel and the Administrative Committee.
 - (2) If the WMC project is not approved by the CPUC by January 1, 2010, a potentially higher capacity charge could be adopted once an updated capacity charge fee study by BW is completed.
 - (3) Encourage MCWD to seek additional funding from state, federal and grant sources and recognize the possibility that the charges might increase if the WMC is not approved or decrease if the WMC project is approved.
 - (4) Endorse the Fort Ord developers' offer to deposit \$12,500 into an escrow account for an updated study if/when needed.
2. Adopt resolution 09-02 amending resolution 08-06 and establishing water system capacity charges ("**Attachment A**").

BACKGROUND:

From April 30, 2008 to July 16, 2008, the FORA Administrative and Water/Wastewater Oversight Committees held joint meetings to discuss 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 proposed increases to the water and sewer capacity charges from the current combined amount of \$3,800 per 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 a resolution, which excluded increases in capacity charges proposed by MCWD on Fort Ord. The FORA Administrative Committee also withheld a recommendation on the proposed increases to the capacity charges. Instead, the Administrative Committee asked to review 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 to a future FORA Board meeting. At the December 12, 2008 FORA Board meeting, the Board voted 9-1 in favor of the staff recommendation with amendments as noted above. By FORA rules, this caused the

motion to fail and to be brought back for a second vote. Resolution 09-02 is consistent with the Board's December 12, 2008 motion and requires a majority vote of the Board. The corresponding MCWD Board draft resolution, Resolution No. 2009-XX ("**Exhibit A**"), is attached for reference.

DISCUSSION:

At the July 30, 2008 FORA Administrative Committee meeting, committee members suggested that MCWD schedule a workshop on August 14 with BW to explain the basis for the proposed capacity charges.

During the August 14, 2008 workshop, MCWD and their consultants presented their proposed fee structure and Capital Improvement Program ("CIP"). After discussion, Administrative Committee members asked MCWD 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. MCWD provided that additional information 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 to resolve the future capacity charge issue by its October 10, 2008 Board meeting. The FORA Board extended this timeframe to December 12, 2008 at its October meeting.

FORA staff, MCWD staff, jurisdictions, and developers made progress toward reducing the capacity charge fee. Also, further deliberation on the Water for Monterey County Coalition process has benefited this capacity charge discussion. On December 3rd, 2008, BW provided a presentation regarding Ord Community capacity charges rates ("**Attachment B**") and the Administrative Committee made a recommendation to resolve the capacity charges issue. The Administrative Committee reviewed draft resolution 09-02 and recommends Board adoption.

FISCAL IMPACT:

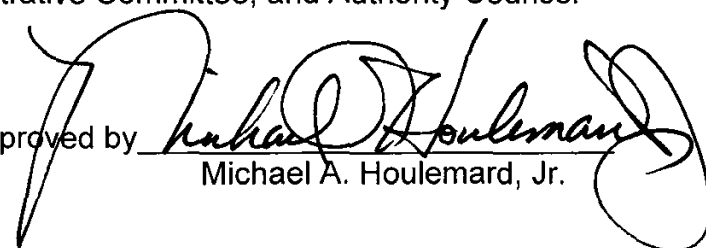
Reviewed by FORA Controller 

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. However, failure to appropriately size the capacity charge would preclude MCWD from bringing an augmented water supply project in a timely manner causing delay to several pending development projects.

COORDINATION:

MCWD, BW, Executive Committee, Administrative Committee, and Authority Counsel

Prepared by 
Jonathan Garcia

Approved by 
Michael A. Houlemard, Jr.

RESOLUTION NO. 09-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FORT ORD REUSE AUTHORITY (FORA) AMENDING RESOLUTION 08-6 AND
ESTABLISHING WATER SYSTEM CAPACITY CHARGES**

I. RECITALS

- 1.1. The Fort Ord Reuse Authority (FORA) Board of Directors adopted Resolution 08-6 on August 8, 2008. That Resolution adopted a FY 2008-2009 budget and compensation plan for water, recycled water and waste water services.
- 1.2. Resolution 08-6 deferred adoption of a capacity charge.
- 1.3. At its December 12, 2008 meeting the FORA Board of Directors considered a recommendation from the FORA Administrative Committee to approve a capacity charge based on the Water for Monterey County (WMC) alternative water augmentation project. MCWD submitted a revised estimate of the capacity charge for the WMC project. Based on further analysis by MCWD the capacity charge was recommended to be increased from \$7,052.00 to \$7,800.
- 1.4. If the Water for Monterey County (WMC) project is not approved by the California Public Utilities Commission (CPUC), a potentially higher capacity charge may be required. The need for such an increase will be determined by an updated capacity charge fee study to be prepared by the firm of Bartle and Wells (BW).
- 1.5. The Fort Ord developers are expected to collectively fund up to \$12,500 of the costs of the BW capacity charge fee study referenced in Section 1.4 above, if needed.
- 1.6. The FORA Board of Directors also considered the removal of a specific date for the California Public Utilities (CPUC) to approve the MCP and set an amount of \$12,500 to be funded by the Fort Ord developers for an update capacity charge study if the CPUC did not approve the WMC project.
- 1.7. MCWD shall actively pursue other sources of funds and adjust capacity charges as other sources of funds become available, including a rebate of a portion of capacity charges paid prior to an adjustment to the extent permitted by law.
- 1.8. On December 12, 2008, the FORA Board of Directors voted on a motion to approve the proposed \$7,800 capacity charge reflecting the items 1.4 through 1.7 above. The motion failed for lack of unanimous support. Consideration of the capacity charge was rescheduled to January 9, 2009 for a majority vote.
- 1.9. The purpose of this Resolution is to adopt and establish that capacity charge, consistent with the recommendation of the FORA Administrative Committee and the directions of the FORA Board of Directors at its meeting on December 12, 2008.

II. RESOLUTION

NOW, THEREFORE, BE IT RESOLVED:

2.1 Resolution 08-6, Paragraph #5 is amended to read as follows:

"5. The Fort Ord Reuse Authority establishes a capacity charge for the Ord Community of \$7,800.00 per Equivalent Dwelling Unit (EDU)."

2.2 This Resolution takes effect immediately.

Upon the motion of Director _____, Seconded by Director _____, the foregoing resolution was PASSED AND ADOPTED at a meeting of the Board of Directors of the Fort Ord Reuse Authority on January 9, 2009 by the following vote:

Ayes:

Noes:

Absent:

Abstained:

Joseph P. Russell, Chair

ATTEST

Michael A. Houlemard Jr. Secretary

RESOLUTION NO. 09-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FORT ORD REUSE AUTHORITY (FORA) AMENDING RESOLUTION 08-6 AND
ESTABLISHING WATER SYSTEM CAPACITY CHARGES

I. RECITALS

1.1. The Fort Ord Reuse Authority (FORA) Board of Directors adopted Resolution 08-6 on August 8, 2008. That Resolution adopted a FY 2008-2009 budget and compensation plan for water, recycled water and waste water services.

1.2. Resolution 08-6 deferred adoption of a capacity charge.

1.3. At its December 12, 2008 meeting the FORA Board of Directors considered a recommendation from the FORA Administrative Committee to approve a capacity charge based on the Water for Monterey County (WMC) alternative water augmentation project. MCWD submitted a revised estimate of the capacity charge for the WMC project. Based on further analysis by MCWD the combined capacity charge for new and increased water/wastewater service was recommended to be increased from \$7,052-00 to \$7,800 (\$5,700 for water and \$2,100 for sewer) per Equivalent Dwelling Unit (EDU). ←

1.4. If the Water for Monterey County (WMC) project is not approved by the California Public Utilities Commission (CPUC), a potentially higher capacity charge may be required. The need for such an increase will be determined by an updated capacity charge fee study to be prepared by the firm of Bartle and Wells (BW).

1.5. The Fort Ord developers are expected to collectively fund up to \$12,500 of the costs of the BW capacity charge fee study referenced in Section 1.4 above, if needed.

1.6. The FORA Board of Directors also considered the removal of a specific date for the California Public Utilities (CPUC) to approve the MCP and set an amount of \$12,500 to be funded by the Fort Ord developers for an update capacity charge study if the CPUC did not approve the WMC project.

1.7. MCWD ~~shall~~ will actively pursue other sources of funds and adjust capacity charges as other sources of funds become available, including a rebate of a portion of capacity charges paid prior to an adjustment to the extent permitted by law.

1.8. On December 12, 2008, the FORA Board of Directors voted on a motion to approve the proposed \$7,800 (\$5,700 for water and \$2,100 for sewer) per EDU combined capacity charge for new and increased water service, reflecting ~~based on the findings in~~ items 1.4 through 1.7 above. The motion failed for lack of unanimous support. Consideration of the capacity charge was rescheduled to January 9, 2009 for a majority vote. ←

1.9. The purpose of this Resolution is to adopt and establish that capacity charge, consistent with the recommendation of the FORA Administrative Committee and the directions of the FORA Board of Directors at its meeting on December 12, 2008.

II. RESOLUTION

NOW, THEREFORE, BE IT RESOLVED:

2.1 Resolution 08-6, Paragraph #5 is amended to read as follows:

"5. The Fort Ord Reuse Authority establishes a combined capacity charge for new and increased water/wastewater service for the Ord Community of \$7,800.00 (\$5,700 for water and \$2,100 for sewer) per Equivalent Dwelling Unit (EDU)."

2.2 The capital elements of the compensation plan for the area of Ord Community within FORA's jurisdiction, including capacity charges are hereby approved and adopted. The MCWD is authorized to charge and collect capacity charges for provision of water, recycled water and wastewater services within the boundaries of the Fort Ord Reuse Authority. The MCWD is further authorized to use the same charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.

~~2.3 "Capacity Charge" as used in this Resolution shall have the same meaning as provided by Chapter 6.08 of the Marina Coast Water District Code, as amended from time to time, for capacity charges for new or modified accounts for potable and recycled water service, and by Chapter 6.12 of the Marina Coast Water District Code, as amended from time to time, for sewer capacity charges. Capacity charges shall be paid upon issuance of building permits.~~

2.34 The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.

2.45 The District will comply with the requirements of Government Code section 54999.3 before imposing a capital facilities fee (as defined in Government Code section 54999.1) on any school district, county office of education, community college district, the California State University, the University of California or state agency.

2.56 The charges authorized by this Resolution shall become effective on the 61st day following adoption of this Resolution.

2.672 This Resolution takes effect immediately. MCWD is authorized to consider and adopt a resolution approving the above capacity charges less than two weeks after the adoption of this Resolution.

Upon the motion of Director _____, Seconded by Director _____, the

foregoing resolution was PASSED AND ADOPTED at a meeting of the Board of Directors of the Fort Ord Reuse Authority on January 9, 2009 by the following vote:

Ayes:

Noes:

Absent:

Abstained:

Joseph P. Russell, Chair

ATTEST

Michael A. Houlemard Jr. Secretary

RESOLUTION NO. 09-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
FORT ORD REUSE AUTHORITY AMENDING RESOLUTION NO. 08-6 AND
ESTABLISHING WATER SYSTEM CAPACITY CHARGES

I. RECITALS

- 1.1. The Fort Ord Reuse Authority ("FORA") Board of Directors adopted Resolution 08-6 on August 8, 2008. That Resolution adopted a FY 2008-2009 budget and compensation plan for water, recycled water and wastewater services.
- 1.2. Resolution 08-6 deferred adoption of a capacity charge.
- 1.3. At its December 12, 2008 meeting the FORA Board of Directors considered a recommendation from the FORA Administrative Committee to approve a capacity charge based on the Water for Monterey County ("WMC") alternative to the FORA board-adopted water augmentation project. MCWD submitted a revised estimate of the capacity charge for the WMC project. Based on further analysis by MCWD, the combined capacity charge for new and increased water/wastewater service was recommended to be increased from \$7,052 to \$7,800 (\$5,700 for water and \$2,100 for sewer) per Equivalent Dwelling Unit ("EDU").
- 1.4. If the WMC project is not approved by the California Public Utilities Commission ("CPUC"), a potentially higher capacity charge may be required. The need for such an increase will be determined by an updated capacity charge fee study to be prepared by the firm of Bartle and Wells ("BW").
- 1.5. The Fort Ord developers are expected to collectively fund up to \$12,500 of the costs of the BW capacity charge fee study referenced in Section 1.4 above, if needed.
- 1.6. The FORA Board of Directors also considered the removal of a specific date for the CPUC to approve the WMC project and set an amount of \$12,500 to be funded by the Fort Ord developers for an update capacity charge study if the CPUC did not approve the WMC project.
- 1.7. MCWD will actively pursue other sources of funds and adjust capacity charges as other sources of funds become available, including a rebate of a portion of capacity charges paid prior to an adjustment to the extent permitted by law.
- 1.8. On December 12, 2008, the FORA Board of Directors voted on a motion to approve the proposed \$7,800 (\$5,700 for water and \$2,100 for sewer) per EDU combined capacity charge for new and increased water service, based on the findings in items 1.4 through 1.7 above. The motion failed for lack of unanimous support. Consideration of the capacity charge was rescheduled to January 9, 2009 for a majority vote.
- 1.9. The purpose of this Resolution is to adopt and establish that capacity charge, consistent with the recommendation of the FORA Administrative Committee and the directions of the FORA Board of Directors at its meeting on December 12, 2008.

II. RESOLUTION

NOW, THEREFORE, BE IT RESOLVED:

2.1 Resolution 08-6, Paragraph #5 is amended to read as follows:

"5. The Fort Ord Reuse Authority establishes a combined capacity charge for new and increased water/wastewater service for the Ord Community of \$7,800 (\$5,700 for water and \$2,100 for sewer) per EDU."

2.2 The capital elements of the compensation plan for the area of Ord Community within FORA's jurisdiction, including capacity charges are hereby approved and adopted. The MCWD is authorized to charge and collect capacity charges for provision of water, and wastewater services within the boundaries of the Fort Ord Reuse Authority. The MCWD is further authorized to use the same charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.

2.3 The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.

2.4 The District will comply with the requirements of Government Code section 54999.3 before imposing a capital facilities fee (as defined in Government Code section 54999.1) on any school district, county office of education, community college district, the California State University, the University of California or state agency.

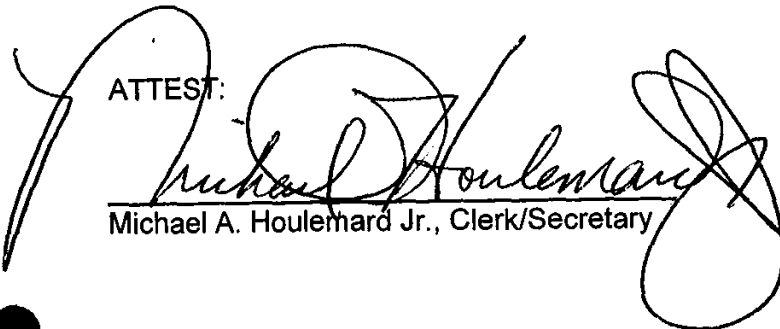
2.5 The charges authorized by this Resolution shall become effective on the 61st day following adoption of this Resolution.

2.6 This Resolution takes effect immediately. MCWD is authorized to consider and adopt a resolution approving the above capacity charges less than two weeks after the adoption of this Resolution.

Upon the motion of Director Rubio, seconded by Director Potter, the foregoing resolution was PASSED AND ADOPTED at a meeting of the Board of Directors of the Fort Ord Reuse Authority on January 9, 2009 by the following vote:

Ayes: 13 Directors Russell, McCloud, McCall, Mancini, Selfridge, Kampe, Cook, Rubio, Gray, Barnes, Pendergrass, Calcagno and Potter
Noes: -0-
Absent: -0-
Abstentions: -0-


Joseph P. Russell, Chair

ATTEST:

Michael A. Houlemard Jr., Clerk/Secretary

<p style="text-align: center;">EXHIBIT A Item 6b FORA Board Meeting, January 9, 2009</p>

Resolution No. 2009-XX
Resolution of the Board of Directors
Marina Coast Water District
Adopting the Capital Elements of the Ord Community Budget and Compensation Plan
for FY 2008-2009

January 13, 2009

RESOLVED by the Board of Directors ("Directors") of the Marina Coast Water District ("MCWD"), at a regular meeting duly called and held on January 13, 2009 at the business office of the District, 11 Reservation Road, Marina, California as follows:

WHEREAS, staff prepared and presented the draft FY 2008-2009 Budget which includes projected revenues, expenditures and capital improvement projects for five cost centers for the Marina and Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of the Fort Ord Reuse Authority ("FORA") and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA is authorized by the FORA Act, particularly Government Code 67679(a)(1), to arrange for the provision of water, recycled water and wastewater services to the Ord Community; and,

WHEREAS, the MCWD and FORA, entered into a "Water/Wastewater Facilities Agreement" ("the Agreement") on March 13, 1998, and have subsequently duly amended the Agreement; and,

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, short-term and long-term costs, including capital costs, to furnish the water and wastewater facilities; and,

WHEREAS, the Agreement, as amended, provides that FORA and the MCWD will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the Water/Wastewater Oversight Committee of FORA and the MCWD's full Board reviewed the proposed Budget and Compensation Plan; and,

WHEREAS, pursuant to the Agreement, FORA and the MCWD have adopted and implemented and acted in reliance on budgets and compensation plans for prior fiscal years; and,

WHEREAS, on August 8, 2008, the FORA Board of Directors adopted the FY 2008-2009 budget by resolution 08-6 that deferred adoption of a capacity charge; and,

WHEREAS, pursuant to the Agreement, FORA and the MCWD have cooperated in the conveyance to the MCWD of easements, facilities and ancillary rights for the water and wastewater systems on the area of the former Fort Ord within FORA's jurisdiction; and,

WHEREAS, the MCWD has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army, at rates and with charges equivalent to those charged within the area under FORA's jurisdiction; and,

WHEREAS, estimated revenues from the capacity charges will not exceed the estimated reasonable costs of providing the facilities and services for which the charges are imposed; and,

WHEREAS, the capacity charges have not been calculated nor developed on the basis of any parcel map, including any assessor's parcel map; and,

WHEREAS, a five-year water and wastewater financial plan and rate study prepared by Bartle Wells Associates in 2008 for the District recommended increases in rates, fees, charges and capacity charges for water and wastewater services to the Ord Community; and,

WHEREAS, the capacity charges are adopted under the authority of Government Code Section 67679(a)(1), Water Code Sections 30000 and following; Government Code Sections 54340 and following and Government Code Section 66013; and,

WHEREAS, after public meetings and based upon staff's recommendations, at its December 12, 2008 meeting, the FORA Board of Directors considered a recommendation from the FORA Administrative Committee to approve a capacity charge based on the Water for Monterey County (WMC) alternative water augmentation project. MCWD submitted a revised estimate of the capacity charge for the WMC project. Based on further analysis by MCWD the capacity charge was recommended to be increased from \$7,052.00 to \$7,800; and,

WHEREAS, if the Water for Monterey County (WMC) project is not approved by the California Public Utilities Commission (CPUC), a potentially higher capacity charge may be required. The need for such an increase will be determined by an updated capacity charge fee study to be prepared by the firm of Bartle and Wells (BW); and,

WHEREAS, the Fort Ord developers are expected to collectively fund up to \$12,500 of the costs of the BW capacity charge fee study referenced above, if needed; and,

WHEREAS, the FORA Board of Directors also considered the removal of a specific date for the California Public Utilities (CPUC) to approve the MCP and set an amount of \$12,500 to be funded by the Fort Ord developers for an update capacity charge study if the CPUC did not approve the WMC project; and,

WHEREAS, MCWD shall actively pursue other sources of funds and adjust capacity charges as other sources of funds become available, including a rebate of a portion of capacity charges paid prior to an adjustment to the extent permitted by law; and,

WHEREAS, on December 12, 2008, the FORA Board of Directors voted on a motion to approve the proposed \$7,800 capacity charge, reflecting the items stated above. The motion

failed for lack of unanimous support. Consideration of the capacity charge was rescheduled to January 9, 2009 for a majority vote; and,

WHEREAS, the purpose of this Resolution is to adopt and establish that capacity charge, consistent with the recommendation of the FORA Administrative Committee and the directions of the FORA Board of Directors at its meeting on December 12, 2008; and,

WHEREAS, Government Code Section 54999.3 requires that before imposing certain capital facilities fees on certain educational and state entities, any public agency providing public utility service must negotiate with the entities receiving the service; and,

WHEREAS, the MCWD is acting to provide continued water, recycled water and sewer service within existing service areas on the former Fort Ord, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Board of Directors of the Marina Coast Water District does hereby approve and adopt the capital elements of the FY 2008-2009 Budget for water, recycled water and wastewater services to the Ord Community.
2. After public meetings and based upon staff's recommendations, the capacity charge was recommended to be increased from \$7,052.00 to \$7,800.
3. If the Water for Monterey County (WMC) project is not approved by the California Public Utilities Commission (CPUC), a potentially higher capacity charge may be required. The need for such an increase will be determined by an updated capacity charge fee study to be prepared by the firm of Bartle and Wells (BW).
4. The Fort Ord developers are expected to collectively fund up to \$12,500 of the costs of the BW capacity charge fee study referenced above, if needed.
5. The FORA Board of Directors also considered the removal of a specific date for the California Public Utilities (CPUC) to approve the MCP and set an amount of \$12,500 to be funded by the Fort Ord developers for an update capacity charge study if the CPUC did not approve the WMC project.
6. MCWD shall actively pursue other sources of funds and adjust capacity charges as other sources of funds become available, including a rebate of a portion of capacity charges paid prior to an adjustment to the extent permitted by law.
7. The capital elements of the compensation plan for the area of Ord Community within FORA's jurisdiction, including capacity charges are hereby approved and adopted. The MCWD is authorized to charge and collect capacity charges for provision of water, recycled water and wastewater services within the boundaries of the Fort Ord Reuse Authority. The MCWD is further authorized to use the same charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.

- 8. "Capacity Charge" as used in this Resolution shall have the same meaning as provided by Chapter 6.08 of the Marina Coast Water District Code, as amended from time to time, for capacity charges for new or modified accounts for potable and recycled water service, and by Chapter 6.12 of the Marina Coast Water District Code, as amended from time to time, for sewer capacity charges. Capacity charges shall be paid upon issuance of building permits.
- 9. The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.
- 10. The District will comply with the requirements of Government Code section 54999.3 before imposing a capital facilities fee (as defined in Government Code section 54999.1) on any school district, county office of education, community college district, the California State University, the University of California or state agency.
- 11. The Ord Community charges authorized by this Resolution shall become effective on the 61st day following adoption of this Resolution.

PASSED AND ADOPTED on January 13, 2009, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Howard Gustafson, President

ATTEST:

Jim Heitzman, Secretary

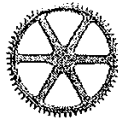
CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2009-XX adopted January 13, 2009.

Jim Heitzman, Secretary

MARINA COAST WATER DISTRICT

ORD Capacity Charges



FORA Administration Committee

December 3, 2008



BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors



MCWD Rate Study Overview

Bartle Wells Associates (BWA) prepared a Water and Wastewater Rate Study and Financing Plan for the Ord Community

- Two separate reviews performed – water and wastewater
- Extensive development planned
- Proposed financing plan driven by capital requirements
 - ❖ Ord Water CIP = \$60.7 million (\$22.7 M over the next five years)
 - ❖ Ord WW CIP = \$24.5 million (\$22.9 M over the next five years)
 - ❖ RUWAP CIP = \$92.8 million (\$49.5 M over the next five years)
- District reserves, current fees and existing capacity charges are unable to finance these anticipated capital costs

MCWD Rate Study Overview (cont.)

- Revised financial plan projects funding only \$7.1 M of Ord Water's planned \$22.7 M CIP over the next five years (31%)
 - ❖ Necessary to keep Ord's rate increase reasonable
 - ❖ Ord Water and Wastewater CIPs modified due to slowdown in new construction
- Existing ORD customer's water bill increased 10% next two years
- Capacity charges increased based on:
 - ❖ Anticipated capital costs
 - ❖ Amount of capacity expansion
 - ❖ A "buy-in" component based on existing system value and capacity

3

Rate Study History

- Developed capacity charge plan in 2005
- Combined water & sewer capacity charge about \$9,600
- Developers/LUJ urged bond sale and combination \$3,800 capacity charge and \$25/mo. capital rate surcharge, based on developer growth projections
- District sold \$42.3 million revenue bond in 2006 - \$32 million for Ord facilities. Coverage pledge of 125%
- Growth has not occurred. District funding \$1.4 million from rates, repayable from capital surcharge.
- Estimate 12 to 15 years to repay Ord share of debt service from capital surcharge.

4

Rate Study History

- District presented new capacity charge plan to FORA, and developers as early as March 2008
- Combined water & sewer capacity charge about \$17,660 - Increase mainly due to increased water augmentation costs.
- Have met with developers and LUJ's numerous times.
- District unilaterally agreed to reduce buy-in system costs reducing capacity charge to \$12,500.
- Further reduction of about \$5,450 if/when REPOG water project is successfully implemented.
- District would agree to incorporate future credits on a case-by-case basis such as REPOG project, developer contributions, tax increment or assessment financing or other future funding plans.
- District proceeding to adopt recommended capacity charges.

5

Ord Community Capacity Charges

- Capacity charge revenue pays for expansion-related CIP projects
- State law precludes using any capacity charge revenue for O&M expenses
- Future users' share of CIP costs estimated at 41% for water and 77% for wastewater
- Existing facilities, assets, and current excess capacity are available to benefit future users
- Capacity charges contain a "buy-in" component based on the system's replacement cost and total capacity to determine the new user's fair share of the existing facility
- The replacement cost for the water system is estimated at \$7.5 M and \$3.6 M for the wastewater system

6

Ord Community Capacity Charges

- Capacity charges are based on current dollars
- Based on FORA capital contribution of \$40.484 million
- Charges indexed to an appropriate cost factor so the charge is equitable in the future - 20-cities *Engineering News Record* (ENR) Construction Cost Index (CCI)
- BWA's methodology follows established industry practices and its approach underwent peer review by Brown and Caldwell

7

Ord Community Capacity Charges

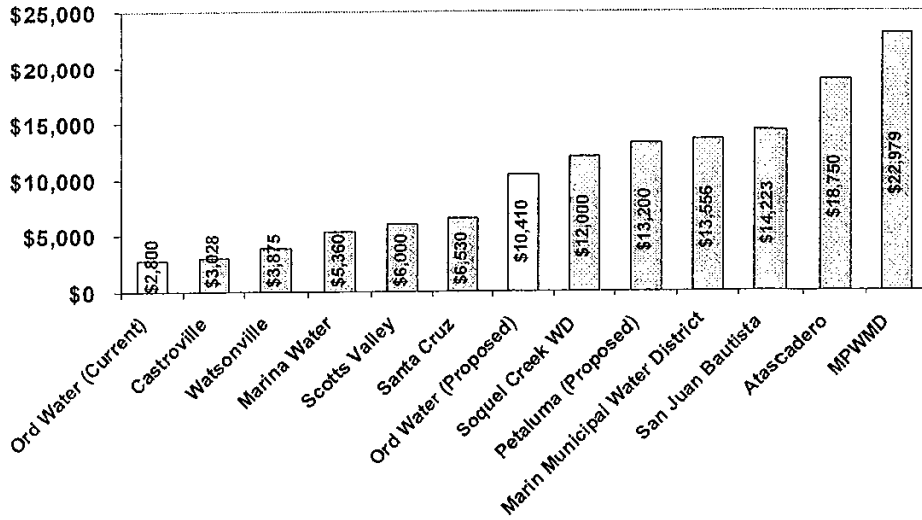
Marina Coast Water District

Capacity Charges

Project	New Water Costs	FORA Capital Contribution	Other Capital Costs	Capacity Charge	Combined Capacity Charge
Wastewater CIP	\$0	\$0	\$28,164,000	\$2,087	
Water CIP - RUWAP	92,797,000	40,484,000	69,461,000	\$10,409	\$12,496
Water CIP - REPOG	41,948,000	40,484,000	69,461,000	\$4,965	\$7,052

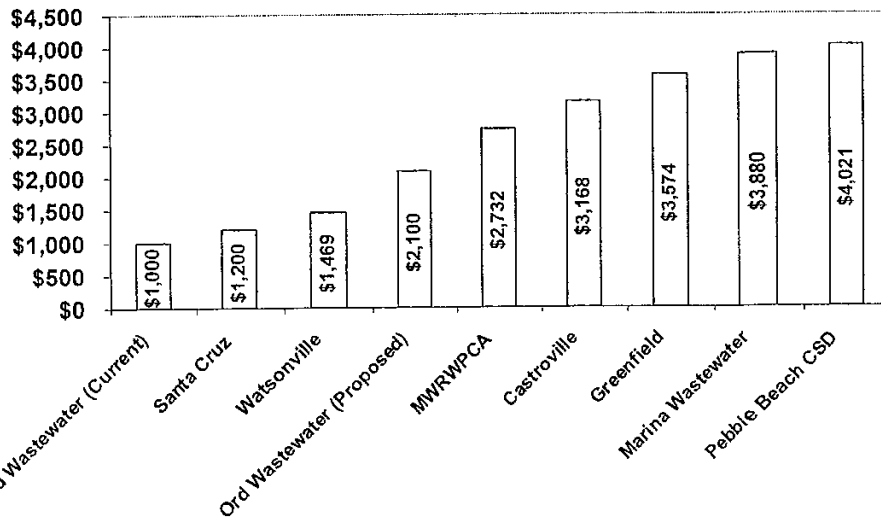
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Water Capacity Charge Comparison



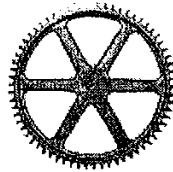
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Wastewater Capacity Charge Comparison

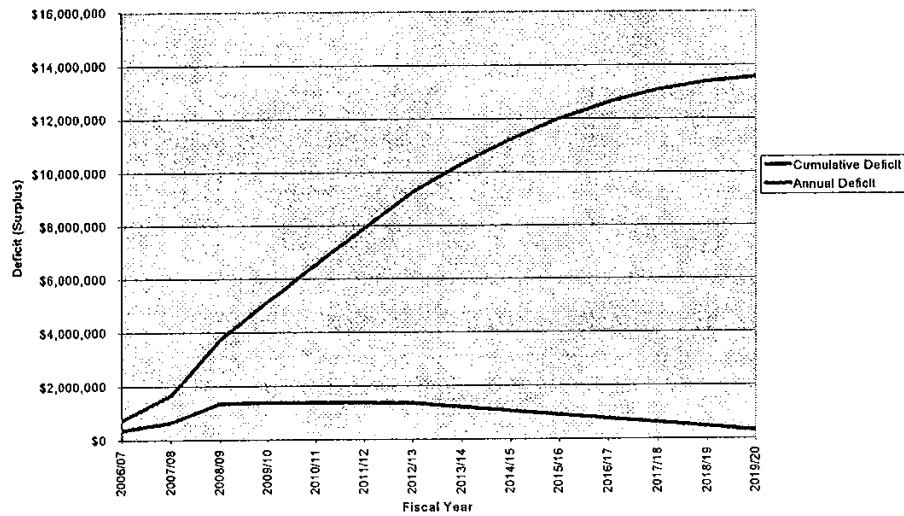


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Questions/Discussion



Capital Surcharge - \$25/mo.



Rate Study Assumptions

- New development to pay for expansion via capacity charges
- Rates pay for operating expenses and CIP projects serving existing customers
 - ❖ Average annual transfer amount from operating to capital over next five years is \$1.6 million
- Pledge to maintain minimum debt coverage ratio of 1.25
- Assumed zero growth over the five-year period
- Capital minimum fund balance = \$1 million
- Operating minimum fund balance = 60 days operating expenses

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	California State University, Monterey Bay 2007 Master Plan: Recirculated Draft Environmental Impact Report ("RDEIR") dated July 2008 – FORA's comment letters to RDEIR	
Meeting Date:	January 9, 2009	INFORMATION
Agenda Number:	6c	

RECOMMENDATION(S):

Receive an update regarding recent discussions with California State University ("CSU") and Monterey Bay campus ("CSUMB") representatives.

BACKGROUND:

Since August 2008, the Fort Ord Reuse Authority ("FORA") and its member agency representatives have held meetings with CSU representatives to discuss the CSUMB 2007 Master Plan RDEIR. FORA and its member agency representatives are attempting to develop an agreement with CSU that ensures CSU's mitigation funding obligations. CSU representatives are trying to develop an agreement that meets its California Environmental Quality Act ("CEQA") mitigation requirements to the local communities and ensures CSU CEQA litigation protection from local agencies.

DISCUSSION:

FORA drafted two letters to CSU: 1) a letter under FORA Chair/Mayor Joe Russell's signature ("**Attachment A**") regarding overarching support for CSUMB's successful development of its campus (this letter is in response to Dr. Dianne Harrison's request of the FORA Executive Committee on December 3, 2008) and 2) a technical letter under FORA staff's signature ("**Attachment B**") regarding CEQA obligations and the draft agreement stemming from the previous December 4, 2008 meeting with CSU representatives. On December 30, 2008, the FORA Executive Committee reviewed and approved sending the first letter, and the FORA Administrative Committee reviewed and approved sending the second letter.

FISCAL IMPACT:

Reviewed by FORA Controller 

If CSU is unable to meet its CEQA mitigation funding obligations, the local communities would bear the burden of securing CSU's fair share contributions through litigation or other means. If an agreement is reached among the parties, CSU's mitigation funding obligations will be assured, which will allow the CSUMB campus to grow in step with infrastructure improvements.

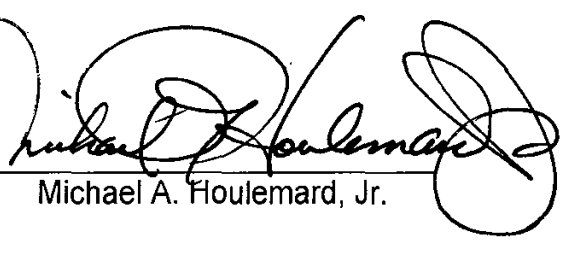
COORDINATION:

CSUMB, CSU Chancellor's Office, Executive Committee, Administrative Committee, and Authority Counsel

Prepared by


Jonathan Garcia

Approved by


Michael A. Houlemard, Jr.



FORT ORD REUSE AUTHORITY

100 12TH STREET, BUILDING 2880, MARINA, CALIFORNIA 93933

PHONE: (831) 883-3672 - FAX: (831) 883-3675

WEBSITE: www.fora.org

Attachment A
To Item 6c
FORA Board Meeting, January 9, 2009

December 31, 2008

Dr. Dianne Harrison
President
California State University Monterey Bay
100 Campus Center Drive
Seaside, CA 93955-8001

Re: California State University ("CSU") Monterey Bay ("CSUMB") Master Plan and Re-circulated Draft Environmental Impact Report ("RDEIR")

Dear Dr. Harrison:

During the December 3, 2008 Fort Ord Reuse Authority ("FORA") Executive Committee meeting you requested a letter outlining FORA's support for the CSUMB Master Plan and concerns about the accompanying RDEIR. This transmittal is in response to that request.

FORA continues to support the proposed Master Plan design and programmatic provisions that set student growth and campus development over the coming 20 years. We support your decisions to engage in the Habitat Conservation planning, water resource development and conservation methods, and infrastructure programs approved by other state, regional, and local agencies from the Monterey Bay Region. We expect that the CSUMB proposed Memorandum of Agreement (between CSU and the FORA entities) that outlines a path forward will help enhance our working relationship over the coming decades. However, we also continue to have serious concerns about how CSU will comply with the California Environmental Quality Act ("CEQA") in moving forward with its CSUMB Master Plan. That means CSUMB must; a) accurately identify the impacts caused by its Master Plan, b) initiate and continue to make impact mitigation funding requests to the California Legislature, and c) mitigate those impacts as they occur or avoid them by constraining growth until mitigation is enabled. More specifically, our concerns are as follows:

1. **Impacts.** Your Draft EIR identifies CSUMB traffic impacts to regional roads and State Highways. To fully address this issue for State Highways, we have noted that you are meeting with CALTRANS to determine how CSU will mitigate its impacts to Highway 1 intersections and other State Highway obligations. We endorse your efforts to come to closure on how the CSU share of these intersections and segments impacts will be addressed. It is

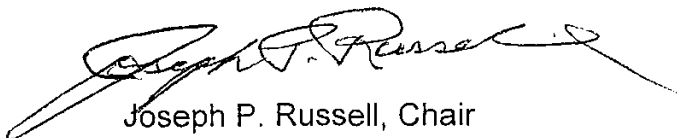
important to note that under CEQA these state facility mitigations are ultimately the responsibility of the CSU system. Under separate cover, we will forward technical comments on calculating CSUMB's fair share for certain FORA Capital Improvement Program infrastructure project mitigations.

2. **Mitigation Timing.** CEQA requires mitigation of project impacts either in advance of or concurrently with project construction. It is not appropriate for CSUMB to proceed with Master Plan projects without aligning impact mitigation for those shown in the RDEIR. FORA does not concur with CSUMB'S assertion that it may proceed with projects even if the legislature does not fund mitigation measures. It would violate CEQA if CSU proceeded with Monterey Bay campus development without concurrently mitigating its impacts. A potential solution would be to link campus growth to the provision of project mitigations.

In substance, these are FORA's primary remaining concerns about the current (Final) CSUMB RDEIR. We remain supportive of future campus development within the context of these comments and acknowledge the significant economic, educational, and cultural benefits CSUMB brings to our region. We are pleased that the legislature has chosen to fund new buildings on the campus and will support requests for both capital program enhancements at CSUMB and funding to address mitigation obligations. We will also continue to work with CSUMB leadership to finalize the aforementioned Memorandum of Agreement in the coming months.

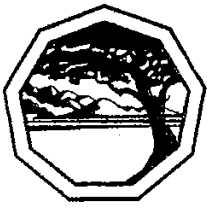
Please contact our Executive Officer Michael Houlemard or me if you have any questions in this regard.

Very truly yours,



Joseph P. Russell, Chair

C: FORA Board of Directors
Vice President James Main, CSUMB
Michael A. Houlemard, Jr., Executive Officer



FORT ORD REUSE AUTHORITY

100 12TH STREET, BUILDING 2880, MARINA, CALIFORNIA 93933

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ATTACHMENT B

Item 6c

FORA Board Meeting, January 9, 2009

December 31, 2008

James E. Main
Vice President for Administration and Finance
California State University Monterey Bay
100 Campus Center
Seaside, CA 93955

**Re: Fort Ord Reuse Authority and member agencies' comments regarding
identification of impacts and mitigations**

Dear Mr. Main:

The purpose of this letter is to submit comments from the Fort Ord Reuse Authority ("FORA") and its member agencies regarding identification of impacts and mitigations in the 2007 California State University ("CSU") Monterey Bay ("CSUMB") Master Plan Recirculated Draft Environmental Impact Report ("RDEIR") and subsequent working group discussions.

The traffic mitigations offered in CSU's RDEIR are limited to impacts that cause existing and proposed roads to fall into a deficient Level of Service. FORA and its member agencies disagree with this methodology because it is incompatible with the Community Facilities District (Mello-Roos) statute in effect on former Fort Ord, which requires fair share contributions be made by all parties benefiting from regional infrastructure projects.

CSU is obligated to pay its fair share of traffic mitigation measures for impacts to off-campus regional and local agency roads. CSU's obligation is determined by CSU's contribution to the total additional traffic volume at a facility operating at acceptable levels or based on its contribution to total volume operating below acceptable service levels. Fair share payments must be a percentage of CSU's regional obligation. To remedy this deficiency, CSU could provide increased mitigation funding for roadways missing and roadways with under-estimated costs in CSU's traffic mitigation list, such as the Eastside Parkway (FORA Capital Improvement Program ["CIP"]), General Jim Moore Boulevard (FORA CIP), Imjin Parkway and Highway One interchange (Marina CIP), Davis Road North of Market (County CIP), and Reservation Road at Intergarrison (County CIP).

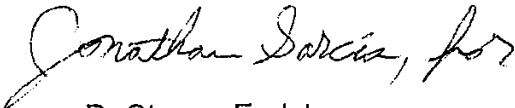
In addition to the above comments, FORA provides the following:

- FORA has identified that CSU could meet its FORA CIP obligations by providing an additional \$8,521,797 in traffic mitigations.
- CSU would need to assure contributions of at least \$733,400 to the Imjin Parkway and Highway One interchange project since it has identified an obligation of 1.9% on this facility (which has a current cost estimation of \$38,600,000).
- CSU would need to update its fair share mitigation calculation for Davis Road North of Market and correct its under-estimation of the Reservation Road at Intergarrison Road improvement to meet its obligations to the County of Monterey, which would result in increased contribution of \$4,620,000 to the County of Monterey.

We have attached a table listing the additional traffic mitigation funding needed from CSUMB on a project by project basis based on FORA third party analysis ("**Exhibit B**"). We realize the mitigation projects may not be precisely as described in the University's Master Plan EIR. However, CSU must include these projects to mitigate its identified impacts.

Please contact Richard Simonitch, from Creegan & D'Angelo Infrastructure Engineers at 831-373-1333, or me at 831-883-3672 if you have any questions.

Sincerely,



D. Steven Endsley
Director of Planning and Finance

C: FORA Board of Directors
FORA Administrative Committee
Dr. Dianne Harrison, CSUMB President

Revised Exhibit B (Local) - CSUMB Traffic Projections and Fairshare % & Costs
(2000 & 2030 ADT Projections & Cost Estimates Obtained from 2005 Reallocation Study)

Segment (FORA CIP #)	Ex. Def.	Roadway Segments	Total Costs (i & j)	CSUMB (adjusted)		FORA	
				%FS	Contribution	%FS	Contribution
Intersections (l)		I/S #2, 3, 5-15, 18-19, 22-24, 27-29 & 33-34	\$43,406,204		\$2,860,034		
S 1		Imjin Pkwy, Hwy 1 - 2nd Ave.	\$0		\$0		
S 3		Imjin Pkwy, 3rd - 4th	\$1,882,426		\$55,532		
S 4		Imjin Pkwy, 4th - 5th-California	\$1,825,382		\$39,246		
S 6		Imjin Pkwy, Imjin Road - Abrams	\$7,727,232		\$316,618		
S 7		Imjin Pkwy, Abrams - Reservation	\$5,167,100		\$113,465		
S10		2nd Ave, Intergarrison - 5th	\$56,043		\$7,117		
S11		2nd Ave, 6th - 8th	\$31,524		\$2,585		
S12		2nd Ave, 8th - 10th	\$42,033		\$5,632		
16 (F05)	N	8th St. betw. GJM & 5th Ave.					
17 (F05)	N	8th St. betw. 5th Ave. & Imjin Rd.					
18 (F05)	N	8th St. betw. Imjin Rd. & InterGarrison Rd.	\$5,148,048		\$293,744	100.0%	\$5,148,048
S 30		Blanco, Salinas River - Davis	\$13,018,000		\$52,072		
S 34 (1)	Y	Davis Rd. betw. Blanco Rd. & Market St.	\$3,151,000		\$224,900	19.1%	\$601,347
S 35 (2B)	N	Davis Rd. betw. Reservation Rd. & Blanco Rd.	\$22,555,000		\$1,237,424	45.5%	\$10,265,850
Add S 36 (F13B)	N	Eastside Road (Intergarrison-Gigling) - (g & h)					
Add S 37 (F13B)	N	Eastside Road (Gigling-Eucalyptus) - (g & h)	\$14,870,468	5.6%	\$832,746	100.0%	\$14,870,468
Add S 44 (F09B)	N	GJM betw. Normandy-McClure - (g & h) (m)	\$7,950,700	43.2%	\$3,434,702	100.0%	\$7,950,700
Add S 45 (F09B)	N	GJM betw. McClure-Coe - (g & h) (m)	\$7,950,700	31.4%	\$2,496,520	100.0%	\$7,950,700
S 46 (F09C)	Y	GJM betw. Coe Ave. & Broadway Ave. (n)	\$8,163,600		\$734,724	100.0%	\$8,163,600
Add S 49 (F07)	N	Gigling Road (e/o GJM) - (g & h)	\$6,409,276	3.4%	\$217,915	100.0%	\$6,409,276
S 50		Imjin Road, 8th - Imjin Pkwy	\$2,135,000		\$423,798		
S 54		InterGarrison betw. Abrams - Eastside	\$8,852,000		\$719,375		
Add S 55 (F06)	N	InterGarrison betw. Eastside & Res (g & h)	\$5,053,153	15.1%	\$763,026	100.0%	\$5,053,153
S 57 (4E)	N	Reservation betw. Watkins Gate & Davis Rd.	\$5,500,000		\$330,330	47.8%	\$2,628,969
Add S 58 (F012)	N	Eucalyptus Road - (g & h)	\$6,113,008	13.1%	\$800,804	100.0%	\$6,113,008
S 71		Reservation, Imjin - Blanco	\$5,184,000		\$129,600		
Add (8)	N	Crescent Avenue Extension	\$1,075,809	13.5%	\$145,691	100.0%	\$1,075,809
Add (F14)	N	S. Boundary Road (GJM to York)	\$2,542,505	1.9%	\$48,308	100.0%	\$2,542,505
Add (k)	(NA)	Hwy 1 / Imjin Interchange	\$38,600,000	1.9%	\$733,400		\$0
N/A (F02)		Abrams	\$900,990		\$0	100.0%	\$900,990
N/A (F011)		Salinas Ave (not on traffic model network)	\$3,603,961		\$0	100.0%	\$3,603,961
Totals:			\$228,915,162		\$17,019,308		\$83,278,384
Total ADD (FORA + Marina):			\$90,565,619		\$9,255,197		
S33 + S 56 (4D) Add (o) Davis, north of Market + Reservation, at Intergarr. (Monterey County):					\$4,620,000		
Total ADD (FORA + Marina + Monterey County):					\$13,875,197		

Segments in ITALICS = additional contributions by CSUMB based on FORA 3rd party analysis (please contact Notes: Richard Simonlitch, Creegan & D'Angelo Infrastructure Engineers, 831-373-1333 if you have any questions.)

- (b) Traffic Model Base Line assuming future improvements.
- (d) 48 PM peak hour trips x 11.0 = ADT
- (e) Based on worst case peak hour % fair-share (FS) - Published in Exhibit B - Oct. 10, 08 (hybrid approach)
- (f) Adjusted CSUMB based on total ADT x 0.6135 (13,155 / 8,070) for external trips (Table 11-1)
- (g) Segment on FORA CIP (Data not provided in RDEIR or subsequent material / calculations)
- (h) % FS determined using Trip Tables in RDEIR (ADT=PM x 11.0) AND PM dist. % Exh. A
- (i) Based on total project cost - Table 1 (page 10) FORA CIP
- (j) Costs for improvements not on FORA CIP taken from Exhibit B - Oct. 10, 08 (higher value),
Total costs also referenced from Table 1 (page 10) FORA CIP (used remaining obl. where appropriate)
- (k) TAMC fee projects list (preliminary draft 9/26/07) (project identified in City of Marina CIP)
- (l) Intersection CSUMB % FS costs taken from Exhibit B - Oct. 10, 08 (hybrid approach)
- (m) Total Cost = (\$24,065,000 - (n))/2, or the proration of FORA CIP cost less CSUMB's cost for S 46
- (n) Total Cost taken from Exhibit B - Oct. 10, 08 (hybrid approach)
- (o) Additional CSUMB contribution required for these County road segments (number provided by Monterey County)

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Environmental Services Cooperative Agreement (ESCA) – update

Meeting Date: January 9, 2009

Agenda Number: 6d

INFORMATION

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 3,500 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"). FORA will receive the property after U.S. EPA approval and concurrence by the Governor.

The ESCA RP has been in progress for approximately one year and 9 months. In August 2008, the Governor concurred on the transfer of the ESCA parcels under a Finding of Suitability for Transfer. Currently, FORA staff, FORA Special Counsel (Kutak Rock), and the Army are processing the ESCA property transfers. Field work is focused on Seaside parcels east of General Jim Moore Boulevard, completing remaining work on Special Case Areas ("SCAs") (after the initial Army cleanup and munitions clearance for the General Jim Moore Boulevard and Eucalyptus roadway corridor realignment project). The ESCA Change Order #2 General Jim Moore Boulevard and Eucalyptus roadway corridor clearance work, was approved by the Board in September 2007, has been turned over to the FORA Engineering Department for construction activities.

DISCUSSION:

ESCA field crews are currently working South of Gigling Road, west of Watkins Gate and north of Hay Rake Road preparing the area for munitions cleanup by trimming vegetation. ESCA field crews are removing vegetation to prepare a 17-acre area South of Inter-Garrison Road and East of 8th Avenue for Residential Quality Assurance Pilot Study work. The ESCA Team requested that the general public avoid trails in these two areas to prevent accidental contact with ESCA workers and equipment. These areas are posted with signs at trails during working hours. Maps of the work areas have been distributed to local bike shops, sent out electronically to the Fort Ord Users Group and posted on the FORA website.

Since the ESCA work began in early 2007, FORA and the LFR/Weston/Westcliffe remediation team have been coordinating with Regulators, the Army and the Jurisdictions on the necessary documentation, public outreach and site preparation to commence ESCA MEC field work.

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**, the ESCA Quarterly Grant Report.

Noteworthy items from this report are:

- FORA ESCA RP team has engaged in approximately 152 Technical and 62 Community Outreach tasks and activities.
- Change Order #2 field work for General Jim Moore Boulevard and Eucalyptus Road corridors is complete.
- EPA and DTSC approved grading of the General Jim Moore Boulevard and Eucalyptus Road on October 17, 2008.
- FORA engineering staff have selected a contractor for General Jim Moore Boulevard and Eucalyptus Road.

On December 17, 2008 FORA received the fourth and final ESCA Grant fund payment of approximately \$28 million. By making this payment on December 17th, the Army saved considerable tax dollars in accord with the ESCA contract. Per the AOC, the majority of these funds have been transferred to AIG for payment to LFR Inc. under the terms of the agreements. AIG maintains the funds in the ESCA commutation account, which is now fully capitalized. ESCA Cost Cap insurance and ESCA remediation work is funded through the commutation account. Administrative costs, regular oversight, including third-party quality assurance will be funded through this account per the AOC.

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 U.S. Army.

COORDINATION:

Administrative Committee; Executive Committee; Negotiating Team; Special and Authority Counsel; LFR; Weston Engineers; U.S. EPA; and DTSC.

Prepared by 

Stan Cook

Approved by 

Michael A. Houlemard, Jr.

QUARTERLY PROJECT REPORT

Environmental Services Cooperative Agreement

Report No: 7

Reporting Period: October 1, 2008 to December 31, 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 12th 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

 **DRAFT**

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.

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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. 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

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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.

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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) began: Program Management including mobilization and equipment procurement; initiated preparation of the Community Involvement Outreach Plan (CIOP), in consultation with the EPA, DTSC, and Army; prepared the Program Management Plan based on input from the Scoping Meeting; prepared the Summary of Existing Data Report (SEDR) based on input from the Scoping Meeting; created ESCA Independent Third-Party Quality Assurance Surveillance Program and Quality Assurance Surveillance Program Implementation Plan; hired ESCA Independent Third-Party Quality Assurance Professional; and, initiated data collection and analysis for preparation of the Remedial Investigation Work Plan Amendment for the Seaside 1 – 4 parcels.

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

October 1, 2008: Review and analyze ESCA Third Party Quality Assurance Oversight Professional invoices for July and August to determine ways to reduce future costs and find any costs that are attributable to the roadway corridor Quality Assurance work to be reimbursed for this from any roadway or Contract Change Order #2 funds.

October 1, 2008: Finalized the ESCA Quarterly Grant Report #6 ending September 30, 2008.

October 3, 2008: Received the Environmental Protection Agency's approval of the Technical Information Paper and approval from them to proceed with grading the General Jim Moore Boulevard and Eucalyptus Road corridors.

October 3, 2008: Reviewed Environmental Protection Agency's comments on the Draft Group 2 Remediation Investigation/Feasibility Study Work Plan, California State University Monterey Bay Off-Campus and County North Munitions Response Areas.

October 3, 2008: Communication with ESCA contractor to provide information on the Access Corridor system to support the passage of recreational users via the ESCA properties to the Bureau of Land Management recreation areas.

October 3, 2008: Received a copy of the preliminary draft of the Land Use Controls Implementation Plan for review and comment.

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- October 3, 2008: Meeting ESCA contractors and FORA Engineering to outline the construction support parameters inside and outside the ESCA contract and Change Order #2.
- October 6, 2008: Meeting with surveying contractor to receive an estimate of costs to survey in the Veterans Cemetery parcel with Record of Decision boundaries and Endowment parcel boundaries.
- October 6, 2008: Received a request from the Army BRAC office for a copy of the County letter rescinding their Public Benefit Conveyances.
- October 6, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities (upcoming Community Involvement Meeting, Parker Flats outreach and newsletter), coordination of upcoming meetings and events and updates on Seaside 1-4 field work and schedule updates.
- October 6, 2008: Communication with ESCA contractor coordinating Geo-Summit Meeting scheduled for 10/09/08. Received background information for the Geo-summit meeting on Department of Toxic Substances Control's proposed switch from a Geophysical Test Plot to using Geophysical Test Strips.
- October 8, 2008: Received a copy of the Army Munitions Response Remediation document schedule letter sent to Department of Toxic Substances Control.
- October 8, 2008: Meeting with ESCA contractors to prepare for ESCA Regulatory meeting.
- October 8, 2008: Monthly ESCA regulatory meeting to discuss and receive updates on the land transfer, Technical Information Paper, ESCA Third Party Quality Assurance, Residential Quality Assurance Pilot Project, Group Work Plan and Geo-Summit update.
- October 9, 2008: Participation in the Environmental Protection Agency and Department of Toxic Substances Control Geophysical Summit meeting to discuss the application of Geophysical Test Strips to the ESCA project as an additional tool for calibrating Geophysical test equipment.
- October 9, 2008: Received a request from California Fish and Game requesting access to the biological surveys that have been produced for the ESCA properties.
- October 10, 2008: Finalized the ESCA Administrative Order on Consent Monthly Report and sent to Environmental Protection Agency and Department of Toxic Substances Control.

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- October 13, 2008: Created and sent a map of the power towers along General Jim Moore Boulevard and Eucalyptus Road to FORA Engineering for use in a Right of Entry from the Army BRAC office.
- October 13, 2008: Site visit with ESCA Third Party Quality Assurance geophysicist and ESCA contractor geophysicist to perform QA in Seaside 1-4 outside the roadway corridors.
- October 14, 2008: Meeting with ESCA Third Party Quality Assurance Oversight Professional Geophysicist to discuss progress of Quality Assurance fieldwork.
- October 14, 2008: Received a copy of FORA Engineering's Right of Entry request for access to work North of Eucalyptus Road to relocate an electric power tower and forwarded a copy of same to ESCA contractors.
- October 14, 2008: Meeting with ESCA Third Party Quality Assurance Geophysicist on site with Weston Geophysicist to perform QA in Seaside 1-4 outside the Roadway corridors.
- October 14, 2008: Communication with ESCA contractor requesting information regarding the price to survey Veterans Cemetery parcel and subsections of the parcel as they survey in the limits of the Army Record of Decision.
- October 14, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities (upcoming Parker Flats outreach, newsletter, and website), coordination of upcoming meetings and events and updates on Seaside 1-4 field work and schedule updates.
- October 15, 2008: Communication with ESCA Third Party Quality Assurance Oversight Professional (geophysicist) to discuss progress of his QA fieldwork.
- October 15, 2008: Coordination with ESCA contractor/GIS Department to receive CAD files of the FOSET 5 surveys.
- October 15, 2008: Coordination with ESCA contractor/GIS Department to update the Fort Ord GIS database.
- October 16, 2008: Provided maps to FORA Authority Counsel of the ESCA parcels, background on the "Orphan Annie" parcel and the Army's error in calculating the acreage of parcel E11b.7.1.1.
- October 16, 2008: On-site meeting with ESCA Third Party Quality Assurance Oversight Professional and Weston Solutions Geophysicist to collect Digital Geophysical Mapping Quality Assurance information on Seaside 1-4.

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- October 16, 2008: Communication with the Army BRAC office with the status of the letters rescinding the Public Benefit Conveyance conveyances for applicable ESCA properties.
- October 16, 2008: Communication with Department of Toxic Substances Control requesting the status of the Department of Toxic Substances Control comfort letter for the General Jim Moore Boulevard and Eucalyptus Road grading work in Seaside 1-4.
- October 17, 2008: Received the Department of Toxic Substances Control letter approving the General Jim Moore Boulevard and Eucalyptus Road Technical Information Paper and approval to begin the grading work.
- October 21, 2008: Coordination work with FORA and Authority Counsel on the "Orphan Annie" parcel based on information sent by Army BRAC and Environmental Protection Agency on disposition of the parcel for transfer.
- October 21, 2008: Received communication from Army BRAC stating that the ESCA parcels were defined by acreage in the FOSET and the Administrative Order on Consent documents.
- October 21, 2008: Communication with Environmental Protection Agency concerning their opinion on the Orphan Annie parcel based on their review of supportive documents.
- October 21, 2008: October 14, 2008: Weekly conference call with ESCA Remediation Team on community outreach activities (upcoming Parker Flats outreach, newsletter and website), coordination of upcoming meetings and events and updates on Seaside 1-4 field work and schedule updates.
- October 22, 2008: Request estimate of cost of cleanup of "Orphan Annie" parcel from ESCA contractors.
- October 22, 2008: Sent a copy of the opinions from the Regulators on the "Orphan Annie" parcel to FORA Executive Officer and FORA Authority Counsel.
- October 23, 2008: Attended the Army Munitions Response Base Cleanup Team meeting.
- October 23, 2008: Created a Right of Entry request for ESCA work in Parker Flats.
- October 23, 2008: Communication from Army BRAC regarding questions on the transfer of California State University Monterey Bay ESCA property through FORA.

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October 23, 2008: Communication with ESCA contractors to advise that all activities in Parker Flats can only occur with a Right of Entry from the Army.

October 24, 2008: Communication with Army BRAC to request if the ESCA project could install sign posts along Inter-Garrison Road.

October 24, 2008: Prepared handout materials on "Orphan Annie" parcel, acreage discrepancy in Parcel E11b.7.1.1 and status of FOSET 5 deeds in preparation for a meeting with Army BRAC staff.

October 24, 2008: Meeting with Army BRAC regarding monitoring the Track 1 process to determine if this process will work for portions of Parker Flats.

October 24, 2008: Field trip to ESCA property along Inter-Garrison Road with ESCA contractors and AHTNA representative to determine if sign posts could be put up along Inter-Garrison Road.

October 24, 2008: Received confirmation from ESCA contractors that ATHNA's field crew has received Army MEC recognition training.

October 24, 2008: Received a memorandum from ESCA contractors regarding prioritization of weed management on ESCA properties based on the input from Army BRAC biologist and the Bureau of Land Management Weed Committee meeting.

November 3, 2008: Received a copy of the Unexploded Ordnance Technicians Quality Assurance report on Seaside 1-4 detailing Quality Assurance target locations.

November 3, 2008: Forwarded a copy of all FOSET 5 deed exhibit files to FORA legal counsel for review.

November 3, 2008: Forwarded a copy of the Unexploded Ordnance Technicians Quality Assurance report on Seaside 1-4 detailing Quality Assurance target locations to the Army BRAC office.

November 3, 2008: Forwarded the Right of Entry Request for California State University Monterey Bay property to the Army BRAC office.

November 3, 2008: Forwarded the Right of Entry Amendment to add Residential Quality Assurance Pilot Study work request for the Seaside Right of Entry to the Army BRAC office.

November 3, 2008: Forwarded a copy of the Unexploded Ordnance Technicians Quality Assurance report on Seaside 1-4 detailing Quality Assurance target locations to the Regulators for their review and approval to proceed with the Residential Quality Assurance Pilot Study in Seaside.

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- November 4, 2008: Received a copy of the California Archaeological Site Stewardship Site Monitoring Report from a member of the Bureau of Land Management volunteer botanists. The site is in or near the ESCA parcels in East Garrison. Forwarded a copy of the report to ESCA team for review.
- November 4, 2008: Provided Army BRAC with a Right of Entry Amendment to add Residential Quality Assurance Pilot Study work request for the Seaside Right of Entry.
- November 4, 2008: Army BRAC and FORA ESCA staff submitted a police report to the Presidio of Monterey Police Department on a two-seater quad-cycle (motorized) that was observed north of Gigling Road in ESCA property and in a habitat parcel, apparently "joy riding."
- November 4, 2008: Received a copy of an email from Regulators requesting the Geophysical Quality Assurance report on Seaside before approving Residential Quality Assurance Pilot Study work in the Seaside 4 SCAs.
- November 4, 2008: Forwarded communication to ESCA team in the field to advise the field crew and surveyors that a quad-cycle (motorized) was in the field and to be aware of "joy riding" in the area.
- November 5, 2008: Communication with ESCA Third Party Quality Assurance Oversight Professional to advise that the Regulators request a summary of all Seaside Quality Assurance field visits, Quality Assurance Audit Reports to be submitted with the Seaside Quality Assurance Geophysical report.
- November 5, 2008: Conference call with Regulators and ESCA team on the Seaside 1-4 Quality Assurance status and impacts prior performing Residential Quality Assurance Pilot Study work.
- November 5, 2008: Received field report from ESCA contractor on the status of the Parker Flats surveying, brush cutting and other field activities.
- November 6, 2008: Provided a GIS shape file of the future Fort Ord East Side Road Corridor through ESCA property to Regulators or their use.
- November 6, 2008: Communication with ESCA contractor requesting they provide the Army with data table containing the ESCA Military Munitions Response Program field data.
- November 7, 2008: Sent a request to the Army for a Right of Entry to perform the Residential Quality Assurance Pilot Study work in California State University Monterey Bay off-campus parcel S1.3.2.

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November 7, 2008: ESCA contractor request for a meeting to update the Quality Assurance Surveillance Plan Implementation Schedule.

November 10, 2008: Reviewed Third Party Quality Assurance Oversight Professional's past billings to ascertain the extent of the cost for the quality assurance work in the General Jim Moore Boulevard and Eucalyptus roadway corridors.

November 12, 2008: Quarterly ESCA management meeting of the entire ESCA team.

November 13, 2008: Attended the monthly Army Munitions Response – Base Cleanup Team meeting.

November 13, 2008: Monthly ESCA regulatory meeting to discuss and receive updates on the land transfer, ESCA Third Party Quality Assurance, Residential Quality Assurance Pilot Study, Group Work Plan and schedule updates.

November 14, 2008: Received the Army amendment to the Seaside 1-4 Right of Entry allowing Residential Quality Assurance work in Seaside 4.

November 17, 2008: Received a letter of permission from California State University Monterey Bay to include 20 acres of their California State University Monterey Bay Off-Site parcel S1.3.2 in the Residential Quality Assurance Pilot Study.

November 17, 2008: Provided ESCA contractor with a letter of permission from California State University Monterey Bay to include 20 acres of their California State University Monterey Bay Off-Site parcel S1.3.2 in the Residential Quality Assurance Pilot Study.

November 17, 2008: County of Monterey Parks request for construction support for replacing a culvert that has collapsed on ESCA property just north of Laguna Seca Raceway.

November 19, 2008: ESCA contractors Parker Flats field update.

November 19, 2008: Received confirmation from ESCA contractor that Rhamina Construction received Unexploded Ordnance Awareness Training and is ready to begin work in the General Jim Moore Boulevard and Eucalyptus Roadways.

November 19, 2008: Released the Draft Final Group 1 Remedial Investigation/Feasibility Study Work Plan (Parker Flats) document.

November 19, 2008: Requested a Parker Flats field work schedule for use by Third Party Quality Assurance Oversight Professional (QAOP). The QAOP will provide an update to the Quality Assurance Surveillance Plan Implementation Schedule.

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- November 20, 2008: Meeting with Rhamina Construction Company Project Manager, ESCA contractor, FORA Engineering and ESCA Program Manager to discuss Construction Support needs, and roadway work schedule.
- November 20, 2008: ESCA contractor reports a mountain bike cyclist that was stopped by the Unexploded Ordnance contractor escorts on site and asked to leave. The mountain bike cyclist acknowledged he was in the wrong area and left.
- November 20, 2008: Conference call with Regulators to review recent meeting with Rhamina Construction on the need for construction support for the work occurring in the roadway corridors.
- November 20, 2008: ESCA Program Manager site visit of the California State University Monterey Bay Residential Quality Assurance Pilot Study area with California State University Monterey Bay Planning representative and discussed site and security measures.
- November 20, 2008: Forwarded a map of the California State University Monterey Bay Residential Quality Assurance site and soil lay down area to California State University Monterey Bay staff based on the site visit for their review and approval of the northern boundary of the Residential Quality Assurance site.
- November 20, 2008: Received Bureau of Land Management comments to the Draft Group 1 Remedial Investigation/Feasibility Study Work Plan (Parker Flats) document (dated May 23, 2008) and began responses to these comments so the could be reviewed by the Regulators and the Army and incorporated in the Final Group 1 Remedial Investigation/Feasibility Study Work Plan (Parker Flats) document.
- November 25, 2008: Forwarded a copy of the schedule for Parker Flats and Residential Quality Assurance Pilot Study area to Third Party Quality Assurance Oversight Professional.
- November 25, 2008: Received a map of the California State University Monterey Bay Residential Quality Assurance Pilot Study area signed by California State University Monterey Bay defining the agreed upon area of the Residential Quality Assurance Pilot, the haul route and the topsoil lay-down area.
- November 25, 2008: Received a Right of Entry from the Army BRAC office for work in the California State University Monterey Bay S1.3.2 parcel for the Residential Quality Assurance Pilot Study.
- November 25, 2008: Forwarded a copy of the Draft Land Use Covenant Implementation Plan for the portion of Parker Flats with the Army Record of Decision to the Regulators.

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- November 25, 2008: Provided edits to the Parker Flats Land Use Covenant Implementation Plan to ESCA contractors.
- November 26, 2008: Received a copy of the draft Seaside Third Party Quality Assurance Geophysical report today for the ESCA Program Manager to review and comment.
- November 26, 2008: Received comments from Army BRAC biologist and staff regarding the response to Bureau of Land Management's comments on the Draft Group 1 Remedial Investigation/Feasibility Study Work Plan (Parker Flats) document.
- November 26, 2008: Forwarded a copy of the Final Summary of Existing Data Report to the Regulators.
- November 26, 2008: Received a field report from ESCA contractor.
- December 1, 2008: Reviewed and provided ESCA Quality Assurance Oversight Professional with comments on the Third-party Seaside Quality Assurance Geophysical report.
- December 1, 2008: Reviewed a letter from Bureau of Land Management commenting on the Draft Group 1 Remedial Investigation/Feasibility Study Work Plan.
- December 1, 2008: Reviewed a proposal from Bureau of Land Management to provide select weed abatement services on ESCA property.
- December 1, 2008: Received the Army's approval of the Residential Quality Assurance (RQA) Pilot Study areas and the reduction of the RQA Pilot Study area below 100 acres.
- December 1, 2008: Received Environmental Protection Agency's and Department of Toxic Substances Control's approval of the Draft Final Group 1 Remedial Investigation/Feasibility Study Work Plan as modified by the Bureau of Land Management comments; and concurrence with the Army's Right of Entry for the Group 1 area.
- December 1, 2008: Forwarded a letter to Department of Toxic Substances Control and Environmental Protection Agency from Bureau of Land Management with their request that additional select dirt roads through the ESCA properties be designated as access corridors.
- December 1, 2008: Reviewed the Parker Flats and Residential Quality Assurance Pilot Study schedule to calendar visit(s) for Unexploded Ordnance Technicians and Geophysicist to cover activities outlined in the schedule. Also discussed the

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modification the Quality Assurance Oversight Professional will provide for the Quality Assurance Surveillance Plan Implementation Schedule.

December 2, 2008: Received a request from Environmental Protection Agency for more information on the trails that were in the request from Bureau of Land Management regarding additional select dirt roads through the ESCA properties be designated as access corridors for their consideration.

December 2, 2008: Meeting between the ESCA Program Manager and the ESCA contractor for a field update to walk portions of Parker Flats, and Seaside to check on the appropriate size of trees to be removed for Unexploded Ordnance cleanup, Digital Geophysical Mapping and analog detection. The ESCA Program Manager and ESCA contractor also walked the California State University Monterey Bay Residential Quality Assurance Pilot Site for visual impacts and to review the procedure for vegetation removal.

December 2, 2008: Bi-weekly ESCA Team conference call to discuss land transfer, FORA Quality Assurance, Residential Quality Assurance Pilot Study, Group Work Plan, brush cutting and vegetation removal, and schedule updates.

December 3, 2008: Sent Army BRAC biologist habitat checklist for his review and approval.

December 3, 2008: Provided information to ESCA contractor of Waste Management contact to ensure that the proper tax status and generator information is supplied for manifesting of Hazardous Waste from ESCA building removal.

December 3, 2008: Provided information to ESCA contractor for Facilities Services and Operations Manager at California State University Monterey Bay to arrange for pick up of telephone poles/car barriers for installation along the ESCA site perimeter.

December 3, 2008: Reviewed a copy of the Habitat Check List for the California State University Monterey Bay Pilot Study site for review.

December 3, 2008: Reviewed the weekly field report from ESCA contractor.

December 4, 2008: Received approval of the Habitat Checklist submitted to Army BRAC biologist for the California State University Monterey Bay Residential Quality Assurance Pilot Study site.

December 5, 2008: Reviewed a copy of the draft "white paper" on the Residential Quality Assurance Pilot Study modification from ESCA contractor.

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- December 5, 2008: Received communication from ESCA contractor outlining remediation activities for the coming week. Copy of upcoming remediation activities was forwarded to the Army and the Regulators.
- December 5, 2008: Ordered 100 more flex-poles for use in marking the ESCA access corridors.
- December 8, 2008: Coordination and review of FOSET 5 deeds for signature and approval by the Army.
- December 8, 2008: Meeting with Army BRAC to review proposed draft "white paper" on the Residential Quality Assurance Pilot Study modification.
- December 9, 2008: Reviewed the Final Seaside Quality Assurance Report from Quality Assurance Oversight Professional and forwarded copies to the Regulators and to the ESCA remediation team.
- December 9, 2008: Communication with Army advising they will be mobilizing for a prescribed burn south of the Parker Flats area where the ESCA Team is cutting brush.
- December 9, 2008: Communication with ESCA remediation team and the Army burn team to coordinate and adjust field work activities to avoid impact with Army buildup for or burn activities.
- December 9, 2008: Reviewed input from ESCA team for AOC monthly report.
- December 10, 2008: Hand-delivered a Right of Entry amendment for intrusive activities in Parker Flats to Army BRAC.
- December 10, 2008: Sent a copy of the November 2008 AOC monthly report to the Regulators.
- December 10, 2008: Reviewed a copy of the revised draft of the Residential Quality Assurance Pilot Study modification white paper.
- December 10, 2008: Meeting with representative of the County of Monterey and provided an update on the FOSET 5 ESCA property transfer.
- December 11, 2008: Reviewed and revised the Parker Flats Right of Entry amendment for intrusive work and resubmitted to the Army.
- December 11, 2008: Reviewed Army comments on the Draft Residential Quality Assurance Pilot Study Soil Management Field Implementation Plan.

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December 12, 2008: Sent Army BRAC copy of revisions to the responses to Bureau of Land Management comments on the Parker Flats Group 1 Remedial Investigation/Feasibility Study Work Plan for their review prior to completing the final document.

December 12, 2008: Pre-Regulatory meeting briefing in with ESCA team and FORA Executive Officer.

December 15, 2008: Monthly ESCA regulatory meeting in Emeryville, CA. to discuss and receive updates on the land transfer, FORA Quality Assurance, Residential Quality Assurance Pilot Study, Group Work Plan and schedule updates.

December 15, 2008: Attended the monthly Army Munitions Response – Base Cleanup Team meeting.

December 16, 2008: Received a signed copy of the Right of Entry amendment from the Army for intrusive activities in Parker Flats.

December 16, 2008: Bi-weekly FORA/LFR/Weston ESCA team conference call to discuss land transfer, FORA Quality Assurance, Residential Quality Assurance Pilot Study, Group Work Plan, brush cutting and vegetation removal, and schedule updates.

December 16, 2008: Requested a written plan for review from ESCA contractor on site security protocol for Parker Flats for MEC/intrusive activities.

December 16, 2008: Sent ESCA contractor comments from my review of the Group 2 Remedial Investigation/Feasibility Study Work Plan Response to Comments.

December 16, 2008: Reported the discovery of what appears to be an old marijuana farm on ESCA property to Presidio of Monterey Police for investigation.

December 17, 2008: Received check list of FOSET 5 documents from Authority counsel for use in preparing the FOSET 5 deed packages for signing.

December 17, 2008: Received a copy of the Del Rey Oaks Record of Decision for our files.

December 17, 2008: Received initial (verbal) approval from the Regulators for intrusive activities in Seaside 4 Special Case Areas to prepare for the initial Residential Quality Assurance base-line Digital Geophysical Mapping scan.

December 17, 2008: Reviewed Parker Flats Site Security document and provided comments to the document to ESCA contractor.

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December 17, 2008: Provided ESCA contractor with transmittal letters for the Final Group 1 Remedial Investigation/Feasibility Study Work Plan for the Regulators, Army and community members.

December 17, 2008: Received a request from the Defense Language Institute Intensive Language Program to continue using the Military Operations Urban Terrain facility for testing their language students. Their activities do not use any ammunition or pyrotechnics.

December 17, 2008: Received a request from the NASA/Ames Military Remote Vehicle Development Program for permission to continue using the Military Operations Urban Terrain facility to test their vehicles navigating equipment in an urban environment. Their activities do not use any ammunition or pyrotechnics.

December 19, 2008: Received notice that the final Army payment of ESCA grant funds was forwarded to AIG.

December 29, 2008: Sent out amendments to the various Implementation Agreements to Del Rey Oaks, Monterey, County of Monterey and Marina to memorialize rescinding of their Public Benefit Conveyance parcels so they can transfer to them through FORA as Economic Development Conveyance parcels.

December 29, 2008: Communication with FORA Engineering requesting CAD drawings of the General Jim Moore Boulevard and Eucalyptus Road grading plans to overlay the Technical Information Paper comfort letter roadway area.

December 29, 2008: Site visit meeting to ESCA properties with Department of Toxic Substances Control (DTSC) representative to see new Digital Geophysical Mapping (DGM) sled configuration. DTSC representative approved of the data collected and approved moving DGM into the Residential Quality Assurance area.

December 29, 2008: Communication with Environmental Protection Agency to advise ESCA team are plotting the limits of the Technical Information Paper comfort letter roadway area on top of the roadway grading plans to see what areas may have not been surveyed.

December 30, 2008: Created maps for the amendments to the various Implementation Agreements with Del Rey Oaks, County of Monterey, Cities of Monterey and Marina.

December 30, 2008: Provided copies of amendments to the jurisdiction representatives of the various Implementation Agreements with Del Rey Oaks, County of Monterey, Cities of Monterey and Marina to memorialize rescinding of their Public Benefit Conveyance parcels so they can transfer to them through FORA as Economic Development Conveyance parcels.

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December 30, 2008: Received a request from Department of Toxic Substances Control for an anticipated schedule of the upcoming Residential Quality Assurance Pilot Digital Geophysical Mapping work.

December 30, 2008: Communication and request of ESCA contractor to share records showing the days that Quality Assurance Oversight Professional were for the purpose of reconciliation of the latest invoices.

December 30, 2008: Communication and request of ESCA contractor to provide the Regulators with an anticipated schedule for the upcoming Residential Quality Assurance Pilot Digital Geophysical Mapping work.

December 30, 2008: Reviewed draft maps showing the location of the roadway grading and the area approved for road work by the Technical Information Paper from ESCA contractor.

December 30, 2008: Communication and coordination of meeting with ESCA contractor to review the Technical Information Paper area/grading overlay map.

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:

1. Continue program management including office mobilization, equipment procurement, cost, scope, and schedule tracking and control;
2. Receive ESCA properties from U.S. Army.
3. Commence Residential Quality Assurance Pilot Study activities at California State University Monterey Bay and Seaside 1-4.
4. Commence Munitions and Explosives of Concern Remediation in habitat areas of Parker Flats.
5. Work on Land Use Control Implementation Plan for portion of Parker Flats with existing Army Record of Decision.

Technical or Regulatory issues that may impact project schedule

N/A

Status of comments submitted by Army on documents submitted by FORA

N/A

Status coordination of MEC documents with DDESB

N/A

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Corrective Measures Implementation Reports

N/A

Corrective Measures Effectiveness Report

N/A

Needed Notifications in accordance with the ESCA

N/A

Changes to the Administrative Order on Consent

N/A

Summary of public participation – This Quarter- Next Quarter

Public Participation during this Quarter was extensive including continued preparation of the Community Involvement and Outreach Plan and other documents to support outreach. Held a Community Involvement Workshop regarding the Parker Flats remediation work; participated with the Army at their Community Information Workshop; and regular monthly meetings with Emergency Services providers, Users Working Group and Veterans Citizens Advisory Committee.

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

October 1, 2008: Meeting with the Army at the Army BRAC office in preparation for the upcoming Army Community Information Workshop.

October 2, 2008: Created a photo mock-up of the kiosk and information sign placements with barricades and gates at the critical entrance points to the ESCA Access corridors to describe what might be implemented with the jurisdiction's approval to manage parking of the ESCA parcels.

October 3, 2008: Meeting with FORA Engineering to review photo mock-up portfolio of the kiosk and information sign placements with barricades and gates at the critical entrance points to the ESCA Access corridors in preparation for installation.

October 3, 2008: Reviewed the Army's notification for next week's Community Involvement Workshop meeting.

October 3, 2008: Teleconference with California State University Monterey Bay to request placing stumps at trail heads that exit Inter-Garrison Road (future California State University Monterey Bay property) to prevent illegal access and dumping.

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- October 6, 2008: Reviewed draft ESCA website content and provided comments and revisions.
- October 7, 2008: Meeting at Laguna Seca Pre/Post – event meeting.
- October 7, 2008: Invasive Weed Meeting at the Bureau of Land Management to share ESCA plant monitoring and weed sighting information with the other property owners on the former Fort Ord.
- October 8, 2008: Review Community Involvement Workshop PowerPoint presentation with FORA ESCA public outreach consultant to make final revisions prior to CIW dry-run.
- October 8, 2008: Meeting with the Army to participate in presentation rehearsal in preparation for the upcoming Army Community Information Workshop.
- October 8, 2008: Presented an ESCA PowerPoint presentation on ESCA progress at the Army's Community Involvement Workshop at the Marina Library.
- October 8, 2008: Communication and coordination with the ESCA Team, FORA's Public Relations representative and the Monterey County Herald to insert 2,500 copies of the latest ESCA Newsletter for distribution to Marina and Seaside.
- October 9, 2008: Technical Review Committee PowerPoint presentation (note: same as the Community Involvement Workshop presentation to general public on 10/8/08).
- October 9, 2008: Communication with County of Monterey staff spearheading the Veterans Cemetery on ESCA property to confirm that removing the Covenants Restricting Use of Property from the portions of the Veterans Cemetery site that have the Army Record of Decision complete by September 2009 will not adversely affect the Veterans Cemetery fund raising efforts.
- October 9, 2008: Attended the Monterey Peninsula College Police Academy Ground Breaking Ceremony which will later include the ESCA properties in Parker Flats and at the Military Operations Urban Terrain (MOUT) facility. Discussed MPC and FORA efforts to locate historic construction documents for the MOUT site and the FORA/MPC efforts to create a lease agreement to allow use of the MOUT facility after fieldwork is complete and before the ESCA site closure paperwork is finalized.
- October 9, 2008: Meeting with California State University Public Relations staff to devise a program for outreach to California State University Monterey Bay students, staff and faculty to provide them with the ESCA Access Corridor information so they can safely traverse the ESCA properties for recreational purposes to Bureau of Land Management property.

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- October 9, 2008: Installation of ESCA access corridor information kiosks at access/safety corridor entry points.
- October 10, 2008: FORA Board ESCA Remediation Program progress update.
- October 13, 2008: Created a draft agenda for the future ESCA property owners to discuss the ESCA property trail system network, access and a permanent Fort Ord trail system.
- October 14, 2008: Coordination with FORA Engineering to relocate ESCA Access Corridor information Board erroneously placed at corner of Parker Flats and Parker Flats Cut-off and relocate it to 8th and Gigling Road.
- October 15, 2008: Sent out a media release to the local newspapers (The Californian, Monterey County Herald and The Coast Weekly) reporting on the completion of Seaside 1-4 Munitions and Explosives of Concern cleanup work and the transition to working in Parker Flats.
- October 16, 2008: Monthly Emergency Service Providers meeting. Provided updates on the ESCA property transfer, Seaside fieldwork 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 California State University Monterey Bay/County North.
- October 17, 2008: Request from the County inquiring whether the Horse Park has requested a lease from FORA of the Horse Park site where the Army has processed a Record of Decision.
- October 17, 2008: Reviewed the Army's summary notes of the past Community Involvement Workshop meeting and provided the response to public comments on the FORA ESCA update presentation.
- October 17, 2008: Sent a letter to the Marina Equestrian Association advising that FORA does not have the authority to grant equestrian access easements through ESCA property (or other property) and provided them with the contacts for Marina, the County and California State University Monterey Bay that can get them directed to those that do have that authority.
- October 21, 2008: Attended the final post-event meeting at Laguna Seca to discuss activities relating to access through ESCA parcels on Barloy Canyon and, for parking on ESCA parcels that are the existing Laguna Seca parking lots.
- October 22, 2008: Received signage and flex poles from sign vendor (Carsonite).

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October 22, 2008: Meeting with ESCA contractor to review the kiosk and sign placement for the Access Corridor, the Access Corridor concept and installation of signage.

October 22, 2008: Spoke with Federal Bureau of Investigations agent about using the MOUT facility for training exercises.

October 23, 2008: Received a copy of the current regulations adopted by Bureau of Land Management that assist them in managing their property and trail system to support reuse and environmental remediation. Copy of regulations forwarded by ESCA staff to Emergency Service providers.

November 1, 2008: Provided a synopsis of the October 29th ESCA Community Workshop to Regulators after receiving a copy of a letter from the Fort Ord Environmental Justice Network outlining concerns at the meeting.

November 4, 2008: Meeting with Sea Otter Classic representative to review the procedure for the County of Monterey (Laguna Seca) or the Sea Otter Classic to request use of the Laguna Seca parking lots and Fort Ord roads that are ESCA properties for their events next year.

November 5, 2008: Prepared summary of the October 29th Informal Parker Flats Workshop meeting questions and answers.

November 5, 2008: Provided update on the progress of the ESCA Remediation Program activities to the FORA Administrative Committee.

November 6, 2008: Meeting with community member to discuss portions of their upcoming bike races and rider training on Fort Ord and the use of the access corridors through the ESCA properties.

November 6, 2008: Conference call with Bureau of Land Management to discuss their ability to provide the ESCA team with habitat and weed management on ESCA properties after the land transfers to FORA.

November 7, 2008: Received a draft letter from the Army containing consolidated responses from the Army, and the Regulators to the Fort Ord Citizens Advisory Group.

November 10, 2008: Worked with the Fort Ord Users Group members and others to provide accurate information on the ESCA field work and associated trail closures in Parker Flats following an article in the Monterey Herald that contained inaccurate information.

November 11, 2008: ESCA staff conducted public outreach at the California State University Monterey Bay Veterans Day Bicycle Awareness Day.

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November 12, 2008: Meeting with future Fort Ord ESCA property landowners to discuss their habitat responsibilities, development plans and the need to integrate both with a future base-wide trail network as outlined in the Fort Ord Base Reuse Plan. The meeting was preparation for a meeting planned for January 2009 between the land owners and the Fort Ord Users Group to share their thoughts and needs for a base-wide trail system.

November 12, 2008: Monthly ESCA Emergency Service Providers meeting. ESCA staff provided updates on the ESCA property transfer, review of proposed signage for access corridors, and a report on upcoming documents and field work at Parker Flats and California State University Monterey Bay/County North.

November 13, 2008: Monthly Veterans Cemetery Citizens Advisory Committee Meeting. ESCA staff provided updates on the ESCA Property transfer and a report on upcoming documents and field work at Parker Flats.

November 14, 2008: Communication with FORA Public Relations representative to address inaccuracies in an article published in the Monterey Herald newspaper and Letters to the Editor from citizens angered by misinformation they received from the article on Parker Flats and trail closures.

November 17, 2008: Communication with Transportation Association of Monterey County Bike Committee members, Monterey County Off-Road Cycling Association, Velo Club of Monterey, and California State University Monterey Bay staff to asking them to assist the ESCA Team in asking the public to cease vandalism of the ESCA survey stakes.

November 19, 2008: Communication to the President of the Monterey Off-Road Cycling Association requesting a night ride schedule for Fort Ord and their assistance in getting the word out that portions of Parker Flats is closed for ESCA vegetation removal in preparation for MEC cleanup work.

November 20, 2008: FORA Executive Officer sent a letter to the Editor of the Monterey County Herald on the ESCA trail closures in an attempt to correct misinformation from previous Herald articles.

November 25, 2008: Monthly ESCA Users Group meeting. FORA staff provided updates on status of the property transfer, trail access, closures and outreach to the community, planning for upcoming meeting with landowners and users in January 2009.

November 26, 2008: Forwarded hard copies of the Final Summary of Existing Data Report to the Regulators and to select Community Organizations.

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- December 1, 2008: Forwarded hard copies of the cover letter and Final Summary of Existing Data Report to select community organizations.
- December 3, 2008: Met with County and Seaside representatives to update them on the potential for relocating the residential cleanup of the northern portion of the Seaside portion of the Veterans Cemetery to the south.
- December 4, 2008: Updated FORA ESCA Hotline, website and flyer information to distribute to the Users Group.
- December 4, 2008: Hand-delivered flyers to a variety of Seaside bicycle shops with a map showing the location of the ESCA work areas on Fort Ord and a description of the ESCA project.
- December 5, 2008: Hand-delivery of maps showing the locations where the ESCA vegetation removal is occurring to two bicycle shops in Monterey. Bicycle shop owners offered to place the maps in a high visibility location in the store for their customers.
- December 9, 2008: Communication with Association of Monterey Bay Area Government representative interested in publishing an article about ESCA and current remediation activities.
- December 11, 2008: Attend the Veteran's Cemetery Advisory Committee annual meeting and provided a progress report on ESCA remediation activities. The Veteran's Cemetery is located on the ESCA property and has a signed Record of Decision. Currently the ESCA Team is completing a survey of the Veteran's Cemetery site with legal description and Record of Survey and writing a Land Use Intentional Control Plan.
- December 12, 2008: Request from a member of the public on the status of Department of Toxic Substances Control's comments on the Final ESCA Community Involvement and Outreach Plan document.
- December 16, 2008: Monthly ESCA Users Group meeting. FORA staff provided updates on status of the property transfer, trail access, closures and outreach to the community, planning for upcoming meeting with landowners and users in January 2009.
- December 18, 2008: Reviewed a copy of the draft Community Outreach and Involvement Plan and provided revisions to the response to comments.
- December 19, 2008: Received communication from the Fort Ord Environmental Cleanup/Administrative Record of notice of web posting of the Army's comments on the Draft Remedial Design/Remedial Action, Land Use Controls

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Implementation, and Operation and Maintenance Plan, Parker Flats Munitions Response Area Phase I.

December 29, 2008: Communication with a member of the public about the brush cutting and vegetation clearing that is being done for the California State University Monterey Bay ESCA Residential Quality Assurance Pilot Program.

December 29, 2008: Communication with a member of the public (Seaside resident) about the stock piles of dirt along General Jim Moore Boulevard and answered general questions about where to find information (such as the FORA ESCA website, ESCA hotline and public meetings).

December 30, 2008: Communication with member of the public about the land transfer status for the ESCA properties and the potential to impact their cycling event.

Below is a listing of the total number of ESCA Hotline telephone calls received at (831) 883-3506 and ESCA-dedicated email for the fourth quarter of 2008. Members of the community called/emailed with questions regarding potential trail closures and access to Bureau of Land Management lands via ESCA properties, questions about brush cutting and vegetation removal in the Parker Flats area, requests to be placed on the ESCA email distribution list and inquiries regarding affordable housing on the former Fort Ord.

<u>ESCA Hotline</u>	<u>ESCA e-mail</u>
October 2008: 23	121
November 2008: 2	12
<u>December 2008: 4</u>	<u>33</u>
TOTAL: 29	166

Project Updates to Coordinated Resource Management Planning meeting

FORA's critical dates, Coordinated Resource Management Planning meeting updates completed within this Quarter are:

November 18, 2008: LFR Biologist, Phil Lebednik, attended the CRMP meeting and represented the ESCA Team.

FORT ORD REUSE AUTHORITY BOARD REPORT

Subject:	Authorize use of Fort Ord Reuse Authority's funds for Del Rey Oaks' portion of Pollution Legal Liability loan payment	
Meeting Date:	January 9, 2009	ACTION
Agenda Number:	7a	

RECOMMENDATIONS:

- a) Authorize the use of \$251,023 of Fort Ord Reuse Authority's (FORA) funds to pay Del Rey Oaks' (DRO) portion of the Pollution Legal Liability (PLL) insurance; and
- b) Authorize the Executive Officer to adjust the beneficiary listing.

BACKGROUND:

In 2004, the FORA Board of Directors authorized binding a PLL policy and concurrently approved borrowing \$6,000,000 from Rabobank in order to pay for the premium of the policy. In conjunction with the loan and binding of the policy, FORA entered into agreements with jurisdictions participating in the PLL coverage for shared annual repayment of the PLL premium financing over a seven-year period. These agreements were individually tailored to meet each jurisdiction's amount of desired coverage and amounts/methods of participation/loan payment. The participating jurisdictions pay their costs from municipal resources or they secure payments from one or more developer entities. In the case of DRO, their developer, Federal Development, LLC ("Federal"), is responsible for this cost and the agreement between FORA and DRO contains a provision that if the City is unable to obtain funds from the developer, FORA and the City will mutually explore and negotiate other options for the payment of the premium.

DISCUSSION:

In August 2008, the FORA Board approved a payment plan enabling Federal to make prescribed monthly payments until the project receives entitlement from DRO. Federal made the first monthly payment in September. Since that time, after being contacted several times by FORA staff regarding these outstanding progress payments, Federal indicated that they will process the insurance payment upon receiving an extension of their Agreement to Negotiate Exclusively (ANE) from DRO. Federal received the ANE extension at the beginning of December, but has not responded to FORA's attempts to collect payment. DRO has not offered any suggestion how to pay for its portion of the annual insurance cost.

In order not to default on the bank loan, FORA must pay the premium on January 15, 2009. We have informed Federal that we would reallocate the coverage elsewhere, and Marsh Insurance (FORA broker) will secure DRO's portion of the PLL insurance to FORA.

On December 30, 2008, Federal notified FORA that they intend to meet their obligation and would deliver payment before the January 9 Board meeting date. If FORA receives said payment, this item will be pulled from the Agenda.

FISCAL IMPACT:

FORA collected payments from all other jurisdictions and had sufficient resources to make monthly interest payments on the loan, but will have to access its line of credit to make the DRO's payment.

COORDINATION:

Executive Committee, Del Rey Oaks, Federal Development LLC.

Prepared by


Ivana Bednarik

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee report

Meeting Date: January 9, 2009

Agenda Number: 8a

INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The Administrative Committee met on December 3, and December 30, 2008. The approved minutes of the former meeting are attached for your review. The December 30 minutes have not yet been prepared. The December 17th meeting was canceled.

FISCAL IMPACT:

None

COORDINATION:

Administrative Committee

Prepared by Linda L. Stiehl
Linda L. Stiehl

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

FORT ORD REUSE AUTHORITY

100 12th Street, Building 2880

Marina, CA 93933

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

MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING Wednesday, December 3, 2008

APPROVED

1. Call to Order

Co-Chair/ Executive Officer Michael Houlemard 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 Del Rey Oaks
- *Diana Ingersoll – City of Seaside
- *Les Turnbeaugh – City of Monterey
- *Tony Altfeld – City of Marina

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

- Nick Nichols – County of Monterey
- Bob Schaffer – Marina Community Partners
- Thomas Livelli – Clark Realty Capital
- Scott Hilk – Marina Community Partners
- Bob Holden – MRWPCA
- Steve Endsley – FORA
- *Graham Bice – UC MBEST
- Chuck Lande – Cypress Marina Heights
- Jim Arnold – FORA
- (*)Rich Guillen – City of Carmel
- Jim Feeney – FORA
- *Mike Gallant – Monterey-Salinas Transit
- Ted Lim – Clark Realty Capital
- Doug Yount – City of Marina
- Tom Gaffney – Bartle Wells Associates
- *Kathleen Ventimiglia – CSUMB
- Jonathan Garcia – FORA
- *Gail Youngblood – Army BRAC
- *Jim Heitzman – Marina Coast Water District
- *Vicki Nakamura – Monterey Peninsula College

* 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, Pacific Grove, and Sand City.

2. Pledge of Allegiance

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

3. Acknowledgements, announcements and correspondence

Jonathan Garcia (FORA) called attention to the memo reminding the parties that the Land Use Covenants annual reporting requirements were due at FORA on the December 1st and asked that each party complete their form and give it to him as soon as possible. Mr. Houlemard said that FORA

would pay the fees to the Department of Toxic Substances Control (“DTSC”) this year and next and also submit the reports to that agency. If all reports are filed on time, DTSC could schedule just one annual visit and the cost savings would be shared by all, but the reports must be in their hands for their review by the end of the month. Mr. Houlemard also reported that the results of the recent elections were certified yesterday.

4. **Public comment period - none**
5. **Approval of November 19, 2008 meeting minutes**

Motion to approve the November 19, 2008 meeting minutes was made by Les Turnbeaugh, seconded by Jim Cook, and carried.

6. **Review of the draft December 12, 2008 FORA Board meeting agenda**

When the agenda was found missing in the packet, Co-Chair Houlemard jumped to the draft Imjin Office Park sale and joint building board report and provided a history of the developments leading to the current events. Noting that the original offer to the Carpenters’ Union had remained open to potential developers, he reported that Marina Coast Water District had indicated an interest in constructing FORA’s building under the same terms and working with AMBAG to occupy the other half of the building. Doug Yount asked when construction would begin, and Mr. Heitzman replied as soon as Marina approves the permits.

When copies of the draft board agenda appeared, Co-Chair Houlemard reviewed each of the items. He announced that a Habitat Conservation Plan meeting would immediately follow the Administrative Committee meeting this morning. He said some strategic thinking and planning would be a priority, in view of recent discussions with the regulators.

7. **Old Business**

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

(1) Status report and schedule: Director of Planning and Finance Steve Endsley outlined the schedule for the HCP meeting mentioned in the last paragraph and commented that the timeline appears to be slipping. He reported that the Board had given staff its “marching orders” to adhere to the originally agreed-upon schedule and send a letter to the regulators communicating FORA’s position. The current plan is to have meetings on December 7 and 8, with a carryover to the 9th, to discuss every concern raised recently by the regulators and resolve the concerns. He said the right people to make policy decisions would be attending. Mr. Endsley said a conference call with FORA’s environmental consultants was scheduled for tomorrow, and they would be “held to the fire” in their responses to the regulators. Acknowledging the possibility that the regulators might not show up for these meetings, he said FORA would move forward in the areas where it has control. Executive Officer Houlemard remarked that 99% of what FORA is required to do was written 14 years ago. He said the HCP is a self-actualizing permit, which would carry the parties into the future, so it requires details. He listed the primary remaining issues as: (1) who/what is responsible after FORA sunsets; (2) what is the total cost and who/what entity would hold the endowment; (3) assurance that the jurisdictional interests are protected, such as in the buffer

zones; and (4) making sure that the work already done has been captured in the text. He remarked that the document is about the jurisdictions, not FORA.

(2) Multi-Modal Transit Corridor (“MMTC”) realignment – approve Memorandum of Agreement (“MOA”): Executive Officer Houlemard said that CSUMB’s position on receiving fair market value for its right-of-way in the MMTC, which they say is based on state law, has elicited a similar position from the County. He added that the County might not require fair market value if its right-of-way is granted to Monterey-Salinas Transit (“MST”). Mike Gallant (MST) remarked that the triangle interchange at Intergarrison Road is seen as a liability, because it changes the dynamics and alignment and will require signal operations resulting in unexpected costs. He said MST is looking for a reasonable solution to this matter. Director of Planning and Finance Steve Endsley called attention to the broadly worded language added to §1.3 of the MOA and reminded all that the FORA would not be managing or building this project, since it will be constructed after FORA sunsets. Mr. Houlemard reminded all that if this MOA is not approved now, HCP approval would be delayed. Discussion about the alignment followed. **A motion to recommend endorsement of the MMTC MOA to the Board and for approval by all parties to the MOA, recognizing that the alignment on the map will need to be engineered in the future, was made by Les Turnbeaugh and seconded by Graham Bice.** Jim Cook recommended notations on the maps in the exhibits reflecting that the alignment would need to be worked out by all the parties before construction begins. **The motion carried.** Mike Gallant, the representative from MST, a non-voting member, indicated his agency’s disagreement with the vote.

Item 7b – Marina Coast Water District (“MCWD”) capacity charges – presentation by Bartle Wells:

(1) Presentation by Bartle Wells Associates (“BWA”): Tom Gaffney from BWA gave the presentation, which was supplemented by a PowerPoint. He first provided an overview and history of the MCWD Rate Study. After presenting facts and figures supporting the Ord Community capacity charges, he summarized them as follows: Wastewater CIP capacity charge - \$2,087; Water CIP with the RUWAP - \$10,409; Water CIP with the REPOG - \$4,965; a combined water/wastewater capacity charge with the RUWAP: \$12,496; and a combined water/wastewater capacity charge with the REPOG: \$7,052. He followed with comparison charges from water and wastewater providers in the surrounding area. A discussion of the \$25/month capital surcharge over time, showing the cumulative and annual deficit, followed, and he closed with Rate Study listing the rate study assumptions.

(2) Approval of capacity charges: Tony Altfeld asked what would happen if the lower fee (\$7,052) were adopted now, or the high fee were adopted now (\$12,496), and whether credits could be issued. **A motion to recommend to the Board that the combined charges with the Water for Monterey County project (“WMC”), formerly known as the REPOG (\$7,052), be endorsed until December 31, 2008 or such time in the interim that the fate of the WMC is decided, was made by Mr. Altfeld and seconded by Dick Goblirsch.** Mr. Goblirsch asked what would happen if no fee is endorsed, and the response was that MCWD would probably adopt the \$12,496 fee. Tom Gaffney suggested adopting the higher fee (\$12,496) and recommending conditions under which the lower fee could later be adopted. Chuck Lande, the Cypress Marina Heights developer, remarked that his project had already invested \$50 million in infrastructure and urged the committee to find a fair balance when deciding on the figures. Discussion of the pros

and cons of adopting both figures followed, which included comments about when the first permits would likely be pulled (October 2009, perhaps). Assistant Executive Officer Jim Feeney questioned whether MCWD could be kept whole if the lower fee were adopted. A request for a short recess followed, because of the time, and Chair Houlemard quickly covered Items 8a, 8b and 7c.

8. New Business

Item 8a – Approval of 2009 Administrative Committee meeting dates. Chair Houlemard pointed out that the next meeting would be on Tuesday, December 30, not Wednesday, December 31, as previously approved. There were no objections to this change.

Item 8b – Memorandum of Understanding (“MOU”) between Monterey County and Fort Ord Reuse Authority regarding Sand Gilia in the landfill site: Chair Houlemard summarized the reasons for this MOU, remarking that it had been fully negotiated. There were no objections to recommending endorsement to the Board.

7. Old Business (continued)

Item 7c – California State University, Monterey Bay 2007 Master Plan: Recirculated Draft Environmental Impact Report (RDEIR) dated July 2008: Chair Houlemard reported there had been no action since the last meeting, but discussions at the CSUMB executive level and the CSU Trustees had occurred. He said anyone wanting a copy of the memo prepared by Jonathan Garcia should contact him. The next meeting with CSUMB and CSU will be December 4th.

When discussion reverted to the capacity charges, Chair Houlemard announced a five-minute recess.

Item 7b – Marina Coast Water District capacity charges (continued)

(2) Approval of capacity charges (continued): Tony Altfeld recommended adopting the lower fee and doing another rate study to determine any adjustments, if or when the REPOG is approved. He also announced that Marina’s developers have agreed to fund the cost of this rate study up to \$50,000. Graham Bice recommended a cut-off date for the REPOG fate. Discussion followed his comment. Chuck Lande remarked that his lenders must assume the worst scenario and supported the lower fee with another rate study to determine the actual costs. A discussion about what the rate study would focus on followed. Diana Ingersoll recommended adopting the lower rate and adjusting it to the higher rate if the REPOG is not approved. She asked if this strategy permitted MCWD to remain whole in the interim. Mr. Feeney commented that the two boards need to act on the capacity charges and there is a process in the Water/Wastewater Facilities Agreement dated 3/13/98 to negotiate any differences.

When asked if Mr. Altfeld would accept an amendment to modify his original motion to accept the higher rate, he declined. His follow-up motion failed to garner a second. Another alternative, which contained many conditions, was put into a motion by Les Turnbeaugh and seconded by Diana Ingersoll, and it also failed to gain a majority by a vote of two in favor and four against. Chuck Lande urged the committee to move forward with options that would stimulate the local economic machine. Scott Hilik, The Dunes on Monterey Bay developer, noted that that the

current fee is \$3,800, so the \$7,052 fee represents a huge increase to the developers and said he has serious concerns if the higher fee is adopted. **A motion was made by Jim Cook and seconded by Tony Altfeld to recommend the current charge (\$3,800) and adjust the charge after the CA Public Utilities Commission rules on the WMC. A motion to adopt the higher figure was made by Rich Guillen but failed to evoke a second.** Diana Ingersoll urged a compromise recommendation, and Chair Houlemard commented that “we all fall, unless we’re all together.” Mr. Cook withdrew his motion. **A recommendation to revisit Mr. Altfeld’s original motion, along with some of the suggestions made during the intervening discussion, was suggested, and Mr. Altfeld and Mr. Goblirsch had no objections to the changes. The final motion was a recommendation that the combined charges with the WMC (\$7,052) be endorsed until December 31, 2008 or such time during the interim that the fate of the WMC is decided, along with an amendment that the Ord Community developers fund a second rate study not to exceed \$50,000, when the fate of the WMC is known, was put on the table. This motion carried with one negative vote from Rich Guillen.**

9. **Adjournment:** Co-Chair Houlemard adjourned the meeting at 10:52 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Executive Officer's travel report	
Meeting Date: January 9, 2009 Agenda Number: 8b	INFORMATION

RECOMMENDATION:

Receive a report from the Executive Officer regarding his travel, which was approved by the Executive Committee on December 30, 2008.

BACKGROUND/DISCUSSION:

~ **Presidential inauguration and meetings with Congressman Sam Farr, Kutak Rock counsel and federal officials in Washington, DC (January 18-22, 2009):** Executive Officer Houlemard will meet with Congressman Farr and other federal officials to discuss the availability of economic recovery funds and other matters that could benefit FORA. He will also meet with FORA's special counsel to discuss the recovery funding, FORA's early transfers and the Residential Quality Assurance program in Parker Flats. Mr. Houlemard requested FORA reimbursement for his lodging, which the Executive Committee approved. He will cover all other expenses with his personal funds.

FISCAL IMPACT:

Reviewed by FORA Controller 

Funds requested are covered by the approved FORA budget.

COORDINATION:

Executive Committee

Prepared by Linda L. Stiehl
Linda L. Stiehl

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

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Imjin Office Park: Term Sheet Update	
Meeting Date: January 9, 2009	INFORMATION
Agenda Number: 8c	

RECOMMENDATION(S):

Receive a report regarding the updated term sheet between the Fort Ord Reuse Authority ("FORA") and Marina Coast Water District ("MCWD") ("**Attachment A**").

BACKGROUND:

On January 11, 2008, the FORA Board directed staff to identify a developer to buy-out FORA's interest in the IOP project through a Request for Proposals ("RFP") process. MCWD responded to FORA's RFP, expressing interest in constructing FORA's IOP building and leasing 8,809 square feet of office space to FORA at a reduced rate in exchange for the property. On December 12, 2008, the FORA Board authorized the Executive Officer to execute an agreement with MCWD regarding the sale of FORA property and joint building consistent with the term sheet. The FORA Board also requested staff to provide an updated term sheet as an information item upon completion of the FORA property appraisal.

DISCUSSION:

The Association of Monterey Bay Area Governments ("AMBAG") also owns property on the Imjin Office Park site and found itself in need of securing a developer to purchase its interest in the project. MCWD also proposed, in similar terms to that of its FORA offer, to acquire AMBAG's property in exchange for leasing the remaining 6,192 square feet of the FORA office building to AMBAG. FORA and AMBAG would become co-tenants of the site and MCWD would develop the former AMBAG site at some point in the future. MCWD obtained appraisals for the AMBAG and FORA parcels to establish land value to be credited as rent. The appraisal determined a fair market value of \$18 per square foot of land or \$988,000 for the FORA property.

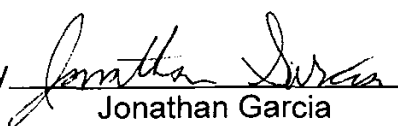
FISCAL IMPACT:

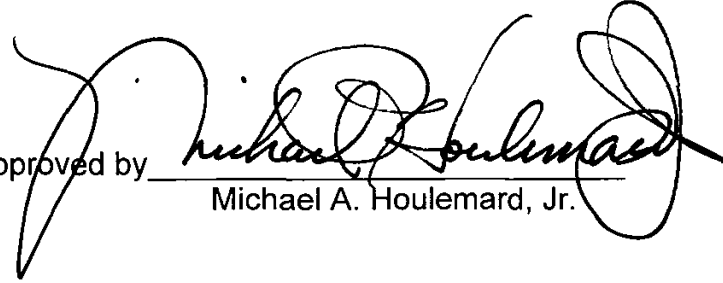
Reviewed by FORA Controller 

The FORA-MCWD agreement will provide an exchange of fair market land value for rental value at the Imjin Office Park site, as determined by third-party consultants. The agreement will provide a new office facility during FORA's remaining years and clear the way for Dunes on Monterey Bay development by the City of Marina.

COORDINATION:

MCWD, Authority Counsel, Executive Committee, and Administrative Committee

Prepared by 
Jonathan Garcia

Approved by 
Michael A. Houlemard, Jr.

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DRAFT

**TERM SHEET
CONCERNING FORT ORD REUSE AUTHORITY AND ASSOCIATION OF
MONTEREY BAY AREA GOVERNMENTS' IMJIN OFFICE PARK BUILDING LOTS
AND PLANS**

12-31-2008

This Term Sheet summarizes the principal terms for transfer of Fort Ord Reuse Authority ("FORA") property and Association of Monterey Bay Area Governments ("AMBAG") property at the Northeast corner of Imjin Parkway and Second Avenue in Marina, California, to Marina Coast Water District ("MCWD").

Terms	
FORA's consideration given to Marina Coast Water District:	<ol style="list-style-type: none"> 1. Completed building and site plans for one 15,001-square foot building. 2. a 1.26-acre parcel on the Northeast corner of Imjin Parkway and Second Avenue in Marina, CA, identified as Assessor's Parcel Number 031-251-038000.
AMBAG's consideration given to Marina Coast Water District:	<ol style="list-style-type: none"> 1. Completed building and site plans for one 8,981-square foot building. 2. a 1.07-acre parcel on the Northeast corner of Imjin Parkway and Second Avenue in Marina, CA, identified as Assessor's Parcel Number 031-251-040000.
MCWD's consideration given to FORA:	<ol style="list-style-type: none"> 1. MCWD agreement to assume FORA's ongoing soft and hard cost contracts (Paul Davis Partnership [architect] site and building design contracts, Enovity, Inc. [LEED commissioning agent] contract, and FORA-Carpenters reimbursement agreement for phase I site improvements). 2. MCWD agreement to build the 15,001-square foot building on the 1.26-acre Imjin Office Park project site. 3. MCWD agreement with FORA to determine the value of FORA's 1.26-acre property through a mutually agreed upon third party appraisal or economic valuation, consistent with state law and existing agreements. The 11/25/2008 appraisal determined a fair market value of \$988,000 for FORA's property. 4. MCWD agreement to charge FORA rent for 8,809 square feet of space in the 15,001-square foot building through a mutually agreed upon third party determination of value. 5. MCWD agreement to lease 8,809 square feet in the 15,001-square foot building to FORA or FORA's successor in interest until: a) \$988,000 is completely credited as rent payments or b) June 30, 2014, whichever time-frame is longer. If \$988,000 is fully

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	<p>credited as rent payments prior to June 30, 2014, MCWD will continue leasing the space to FORA and collect the same rental value in payments from FORA until June 30, 2014. If \$988,000 is not fully credited as rent payments prior to June 30, 2014, MCWD will continue to rent to FORA's successor until \$988,000 is fully credited.</p>
<p>MCWD's consideration given to AMBAG:</p>	<ol style="list-style-type: none">1. MCWD agreement to assume AMBAG's ongoing soft and hard cost contracts (Paul Davis Partnership [architect] site and building design contracts, Enovity, Inc. [LEED commissioning agent] contract, and AMBAG-Ausonio's phase I site improvement agreement).2. MCWD agreement to build the 15,001-square foot building on the Imjin Office Park project site.3. MCWD agreement with AMBAG to determine the value of AMBAG's 1.07-acre property either through a mutually agreed upon third party appraisal or economic valuation, consistent with state law and existing agreements. The 11/25/2008 appraisal determined a fair market value of \$588,000 for AMBAG's property.4. MCWD agreement to charge AMBAG rent for 6,192 square feet of space in the 15,001-square foot building through a mutually agreed upon third party determination of value until a) \$588,000 is completely credited or b) ten years, whichever condition being longer.
<p>Termination:</p>	<p>10-years or until all terms of the above referenced agreements are satisfied.</p>
<p>Extension:</p>	<p>The above-referenced FORA-MCWD agreements and AMBAG-MCWD agreements may be extended upon written agreement between FORA and MCWD or AMBAG and MCWD.</p>
<p>Caveat:</p>	<p>These agreements will be subject to counsel review.</p>

FORT ORD REUSE AUTHORITY BOARD REPORT

ELECTION OF OFFICERS FOR 2009

Subject: Election of officers for 2009	
Meeting Date: January 9, 2009 Agenda Number: 9	ACTION

RECOMMENDATION:

1. Elect three FORA officers to serve a term of one year (February 2009 – January 2010):
 - ❖ Chair
 - ❖ First Vice-Chair
 - ❖ Second Vice-Chair
2. Confirm the recommendation by the Nominating Committee of two other representatives from the Board, both to serve on the Executive Committee:
 - ❖ A past Chair of the Board
 - ❖ One other member of the Board to serve as a representative-at-large

BACKGROUND/DISCUSSION:

The FORA Master Resolution states that the Authority's three officers shall be elected by the Board at the end of its first regular meeting in January of each year. Those serving on the 2009 Nominating Committee were Mayors David Pendergrass (Chair), Joe Russell and Ralph Rubio; and Supervisors Ila Mettee-McCutchon and Dave Potter. The Committee met on December 3rd and recommended the following slate:

Chair:	Mayor Ralph Rubio, City of Seaside
1 st Vice Chair:	Supervisor Dave Potter, County of Monterey
2 nd Vice Chair:	Council Member Dave McCall, City of Marina
Past Chair:	Mayor Joe Russell, City of Del Rey Oaks
Representative-at-Large:	Mayor David Pendergrass, City of Sand City

VOTING: A summary nomination covering all offices may be offered by any board member before voting for the individual offices is commenced. In the absence of a summary nomination, the Chair will accept nominations for each office, starting with the Chair, and conduct an election as noted in **Attachment A**. A simple majority of the total number of votes cast determines the election.

The Authority officers serve for a term of one year. They may be reelected for no more than one consecutive additional term in the same office. The board policy is that the officers shall rotate on a regular basis among the members of the Board. Succession is from 2nd Vice Chair to 1st Vice Chair to Chair. The Board may appoint other officers as deemed necessary. The three officers, a past chair and a representative-at-large comprise the Executive Committee at this time.

FISCAL IMPACT: None

COORDINATION: Nominating Committee and Executive Committee

Prepared by Linda L. Stiehl Approved by _____
Linda L. Stiehl

Michael A. Houlemard, Jr.
Michael A. Houlemard, Jr.

VOTING PROCEDURES

Election of Officers

January 9, 2009 FORA Board Meeting

1. The Chair (or Acting Chair) opens the election of officers by accepting nominations for each board position in turn. The order of the election shall be the Chair first and then the First Vice-Chair followed by the Second Vice-Chair. Each position, if voted individually, is voted on before the next position is voted on. The two representatives to the Executive Committee (a past chair of the board and a representative-at-large) may be elected, appointed, or simply confirmed by acclamation by the Board.
2. The Board may also elect the three officers by a summary nomination, wherein a motion to elect all three is made, seconded and carries.
3. If only one nomination is received for a position, a voice vote to elect by acclamation may be accepted by the Chair.
3. If more than one nomination for any position is received, the procedure shall be as follows:
 - Nominees for each position are given the opportunity to make a short statement.
 - Ballots are distributed, voted and then collected by the Executive Assistant.
 - Ballots are tallied by the Executive Officer and the Authority Counsel.
 - Voting results are announced by the Executive Officer before election of the other officers takes place.



CENTRAL COAST VETERANS CEMETERY FOUNDATION

*Making the
Central Coast
Veterans Cemetery
a Reality*

Our Mission

To honor those who have served the cause of Freedom by providing the funds for the perpetual upkeep, maintenance and enhancements for the Central Coast Veterans Cemetery

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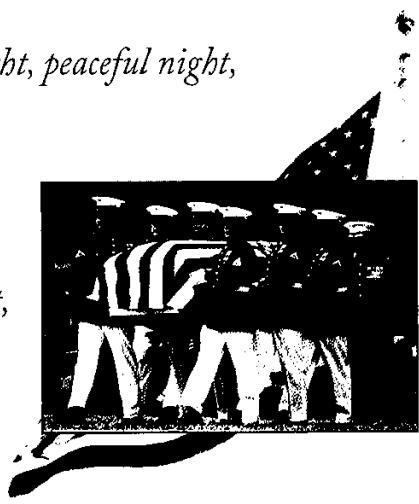


BOARD OF DIRECTORS

- JANET M. PARKS
Board Chair
(831) 375-7581
- CHARLIE ESKRIDGE
(831) 384-0131
- JAMES BOGAN
(831) 393-0937
- ROBERT HARREL
(831) 424-6689
- HOWARD GUSTAFSON

CCVCF is 501c3 non-profit Corporation

*Then good night, peaceful night,
Till the light
of the dawn
shineth bright,
God is near,
do not fear --
Friend, good night.*



Taps - 3rd Verse

Donations

I want to honor Veterans and contribute to establishment of the Central Coast Veterans Cemetery

Last Name	First Name	Middle Initial
Street Address		
City	State	Zip Code
Phone	Email	

Wall of Honor Tiles

- _____ \$ 5,000
 - _____ \$ 1,000
 - _____ \$ 500
 - _____ \$ 250
- Other \$ _____

Individual Donation

All contributions are important in the fund raising effort and are welcomed and appreciated.

CCVCF is a 501c3 non-profit corporation

The Central Coast Veterans Cemetery Foundation Support and Contribution Program



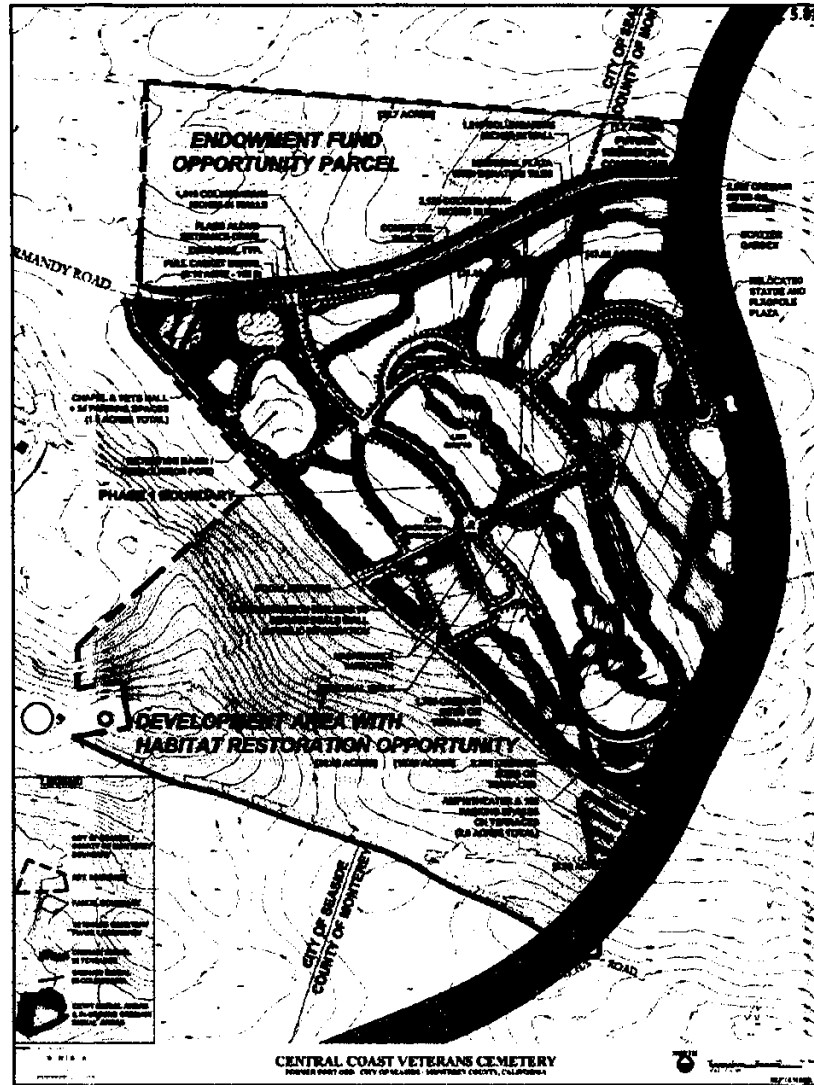
Situated on Fort Ord, the projected cemetery site encompasses gently rolling hills with the natural beauty of Monterey Bay. As a lasting tribute to those who served in the armed forces, the new cemetery will remind future generations that we honor our veterans who were instrumental in preserving our nation's freedom.

When completed, the cemetery will be convenient for the large number of veterans and their families located within a 100-mile radius of Monterey Bay.

Veterans groups, other organizations and individuals are generously supporting the cemetery

The Foundation will also need volunteer support for administrative, grant writing, fundraising and many other activities. Volunteer participation is critical to the success of the cemetery.

We look forward to serving and hearing from you!



Contributions may be mailed to:
Central Coast Veterans Cemetery Foundation
P.O.Box 849 Marina, CA 93933

Please make checks payable to Central Coast Veterans Cemetery Foundation

Memorial Tile Project

A Wall of Honor located in Memorial Plaza within the Veterans Cemetery complex will provide a lasting opportunity to honor those who have served our country and helped preserve our nation's freedom.

The following four contribution levels are offered for placement of Wall of Honor tiles engraved with the name(s) of those being honored by the contributors.



Platinum \$5,000

Gold \$1,000

Silver \$500

Bronze \$250

Special recognition is also available for Corporate Donors and Benefactors at contribution levels above \$10,000.

For more information about these opportunities, or to obtain information about the Foundation's Gifting Program, please contact us.

Individual Contributions

Individual contributions are important in the fund raising effort and are welcomed and appreciated.