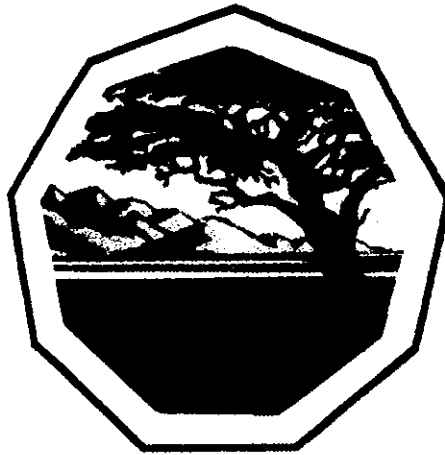


Fort Ord
Reuse Authority



Board Packet
For
Board Meeting
May 8, 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, May 8, 2009

3:30 p.m. Closed Session and 4:00 Open Session

FORA Conference Facility/Bridge Center

201 13th Street, Building 2925, Marina (on the former Fort Ord)

AGENDA

1. **CALL TO ORDER AND ROLL CALL OF VOTING MEMBERS – 3:30 P.M.**
2. **CLOSED SESSION**
 - a. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. Code §54957)**
Position: Executive Officer
 - b. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code §54956.8)**
Property: Preston Park Complex on former Fort Ord
Agency negotiators: Michael A. Houlemard, Jr., and Jerry Bowden
Negotiating parties: Fort Ord Reuse Authority and the City of Marina
Under negotiation: price, terms and conditions of sale and loan
 - c. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code §54956.8)**
Property: Association of Monterey Bay Area Governments (AMBAG) parcel in the Imjin Office Park
Agency negotiators: Michael A. Houlemard, Jr., and Jerry Bowden
Negotiating parties: Fort Ord Reuse Authority
Under negotiation: Disposition of parcel and purchase contract
3. **ROLL CALL OF ALL MEMBERS - 4:00 P.M.**
4. **REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL**
5. **PLEDGE OF ALLEGIANCE**
6. **ACKNOWLEDGEMENTS**
7. **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.
8. **CONSENT AGENDA** **ACTION**
 - a. April 3, 2009 board meeting minutes

- b. Authorization to submit a grant application and accept a grant award upon request and offer by the Economic Development Administration

9. OLD BUSINESS

- a. Habitat Conservation Plan approval process INFORMATION

10. NEW BUSINESS

- a. Ord Community water/wastewater systems proposed budgets and rates for FY 2009-2010 ACTION
- b. FORA FY 09-10 Preliminary Budget (Action in June) INFORMATION
- c. FORA's 2009 state priority legislation INFORMATION

11. EXECUTIVE OFFICER'S REPORT

- a. Administrative Committee report INFORMATION
- b. Finance Committee report INFORMATION
- c. Executive Officer's travel report INFORMATION
- d. Annual Legislative Session at June 12th board meeting INFORMATION
- e. Status update of outstanding receivables INFORMATION

12. ANNOUNCEMENTS AND CORRESPONDENCE

13. 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.)

**MINUTES
OF THE
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
May 8, 2009**

APPROVED

1. CALL TO ORDER AND ROLL CALL AT 3:30 P.M.

Chair Rubio called the meeting to order at 3:36 p.m. and requested a roll call.

Voting members:

Chair/Mayor Rubio (City of Seaside)	Councilmember Selfridge (City of Monterey)
Mayor McCloud (City of Carmel)	Mayor Russell (City of Del Rey Oaks)
Councilmember Gray (City of Marina)	Councilmember Mancini (City of Seaside)
Councilmember Kampe (City of Pacific Grove)	Mayor Pendergrass (City of Sand City)
Supervisor Potter (County of Monterey)	Councilmember McCall (City of Marina)
Supervisor Parker (County of Monterey)	Jim Cook (alternate for Supervisor Calcagno)

Absent was Councilmember Barnes (City of Salinas).

2. CLOSED SESSION

There were three items in the Closed Session: (2a) Public Employee Performance Evaluation (Executive Officer's position); (2b) Conference with Real Property Negotiators (The property was the Preston Park Complex on former Fort Ord. The agency negotiators were Executive Officer Houlemard and Authority Counsel Bowden. The price, terms and conditions of sale and loan were under negotiation.); and (2c) Conference with Real Property Negotiators (The property was AMBAG's parcel in the Imjin Office Park. The agency negotiators were Executive Officer Houlemard and Authority Counsel Bowden. The disposition of the parcel and purchase contract were under negotiation.)

4. REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL

Authority Counsel Bowden reported that the Board gave direction to proceed with the Executive Officer's annual self-evaluation (Item 2a) and gave direction to the negotiators on how to proceed with the negotiations in Items 2b and 2c.

3. ROLL CALL OF ALL MEMBERS AT 4:00 P.M.

No roll call was taken at this time, since a quorum of the voting members was present. For the records, the following ex-officio members were present:

Congressman Sam Farr (17 th Congr. District)	Graham Bice (UC MBEST)
James Main (CSUMB)	Dan Albert, Jr. (MPUSD)
Vicki Nakamura (Monterey Peninsula College)	COL Darcy Brewer (U.S. Army)
Kenneth K. Nishi (Marina Coast Water District)	Gail Youngblood (BRAC Office)

Arriving after the roll call was Debbie Hale (TAMC). Absent were representatives from the 15th State Senate District, the 27th State Assembly District, and Monterey-Salinas Transit.

Chair Rubio called the regular meeting to order.

5. PLEDGE OF ALLEGIANCE

Chair Rubio asked COL Brewer, who agreed, to lead the Pledge of Allegiance.

6. ACKNOWLEDGEMENTS - none

7. PUBLIC COMMENT PERIOD - none

8. CONSENT AGENDA

There were two items on the Consent Agenda: Item 8a (April 3, 2009 board meeting minutes) and Item 8b (Authorization to submit a grant application and accept a grant award upon request and offer by the Economic Development Administration). There were no board or public comments. **Motion to approve Items 8a and 8b was made by Councilmember Mancini, seconded by Councilmember McCall, and carried.**

9. OLD BUSINESS

Item 9a - Habitat Conservation Plan ("HCP") approval process: Executive Officer Houlemard reported on the meeting with the regulators, FORA's consultants and the HCP Working Group members on May 7th, noting three important issues: (1) coordination with the state and federal regulators that have HCP approval authority; (2) completion of the HCP and getting it out for public consumption; and (3) ways to generate revenues to fund the endowment, along with the distribution of responsibilities to the jurisdictions.

Re Item (1): Mr. Houlemard said that substantial progress, with both the regulators and local jurisdictions, had been since late last year. He said the costs would probably be more than the \$6-7 million estimated in the late 1990's. He remarked that the description of the cost items needs to be very clear. The current cost estimates are significantly higher than the \$6-7 million figure of the late '90's. He said that CSUMB and UCSC had taken on some of the obligations, which had reduced costs, and FORA staff has been examining each cost item to find ways for additional reductions.

Re Item (2): Mr. Houlemard reported that the CA Department of Fish & Game ("DFG") had asked for additional assurances that habitat parcels would be maintained into perpetuity, including those already transferred; an example is the Bureau of Land Management. The DFG representatives proposed a basewide habitat land conservation easement approach, because they said the current deed restrictions were not strong enough and could be removed. Mr. Houlemard said that the Executive Committee had authorized a delegation from FORA to travel to Sacramento to discuss these new proposals in meetings with the California Resources Agency Secretary Mike Chrisman and FORA's legislators.

Re Item (3): Mr. Houlemard said the endowment fund must generate at least enough annual revenue to cover costs. He reported that at present, he's aware of two banks that have assurance policies (aka guaranteed investment contracts) backed by federal regulatory agencies, which were paying twice the interest rate that the California certified endowment fund holders were paying (2%). He said the proposal yesterday was that the Joint Powers Authority Cooperative hold the endowment funds locally.

Board comments included the following: Congressman Farr urged FORA to establish a policy of public access to the publicly owned lands, along with appropriate controls that would safeguard the habitat. Bill Kampe asked for examples of some return to the public, and Mr. Houlemard cited the UC Natural Reserve on former Fort Ord, where controls were set up to protect endangered species and public access was allowed. He added that the joint commitment was made by the FORA Board back in the 1990's. He said that the problem had arisen when the wildlife agencies prioritized habitat maintenance. There were no public comments.

10. NEW BUSINESS

Item 10a – Ord Community water/wastewater systems proposed budgets and rates for FY 2009-2010: Marina Coast Water District ("MCWD") Finance Director Suresh Prasad's presentation focused on a PowerPoint, which included a summary background of the approval process, the rate study and budget assumptions, the five-year Capital Improvement Project, the Ord Community service area rates for water and wastewater followed by comparisons with other local jurisdiction rates, and summaries of the revenues and expenses determining the proposed water and sewer rate increases. Mr. Prasad emphasized that no increases to the capital charges or the monthly capital surcharge for the two cost centers are being proposed. Councilmember Mancini asked if the water rate survey figures included the adjudication fee issues, and Mr. Prasad said he would take note of that. COL Brewer asked about the impact of the rates on the Army's 284 new housing units currently under construction in the Stilwell Kidney, and Executive Officer Houlemard said the Kidney units would be treated differently according to an prior agreement and suggested that the charts in the PowerPoint include this information. Councilmember McCall asked why the rate increases this year, and Mr. Prasad replied that supporting the debt accrued from the upfront infrastructure construction while the customer base is still low means setting higher rates at this time. Mr. Houlemard commented that the Water/Wastewater Oversight Committee had recommended adoption of the budgets and rates for FY 2009-2010. Mr. McCall asked if discounts would be given when more customers pay into the system, and Mr. Prasad said MCWD is tracking the numbers and the rates would stabilize when there are more people paying into the system. **Motion to approve Resolution Nos. 09-04 and 09-05, adopting a compensation plan and setting rates, fees and charges for basewide water, recycled water and sewer services on the former Fort Ord, was made by Supervisor Potter, seconded by Councilmember Kampe, and carried.**

Item 10b – FORA FY 09-10 Preliminary Budget (Action in June): Executive Officer Houlemard reported that the Finance Committee would be meeting on May 11th for another review of this budget. This budget will be presented to the Board for action in June.

Item 10c – FORA's 2009 state priority legislation: Executive Officer Houlemard said this item was brought to the Board as an interim information item and reported that the Legislative Committee would be meeting on May 29th to make a formal recommendation to the June Board.

11. EXECUTIVE OFFICER'S REPORT

There were five items in this report: Item 11a (Administrative Committee report), Item 11b (Finance Committee report), Item 11c (Executive Officer's travel report), Item 11d (Annual Legislative Session at June 12th board meeting) and Item 11e (Status update of outstanding receivables). Re Item 11c: Executive Officer Houlemard said he had traveled to Washington, DC, twice during the past two months to pursue items on FORA's Legislative Agenda and various financial opportunities, in particular, funding for recycled water and transportation improvements. He reported speaking at a House appropriations subcommittee hearing on BRAC progress, a committee on which Congressman Farr sits. He said Mr. Farr had been successful in inserting \$300 million in the DOD appropriations bill for completing its military cleanup projects; a sizable amount could well be allocated to former Fort Ord. (Mayor McCloud left the meeting during the latter discussion.) Re Item 11e: Mr. Houlemard reported that he is hopeful that # 2 and #3 (the Del Rey Oaks and AMBAG issues) will be resolved soon. He said staff is holding firm on the East Garrison Partners' ("EGP's") financial commitments in #1 (EGP/Monterey County) but is working with the County to resolve the issues.

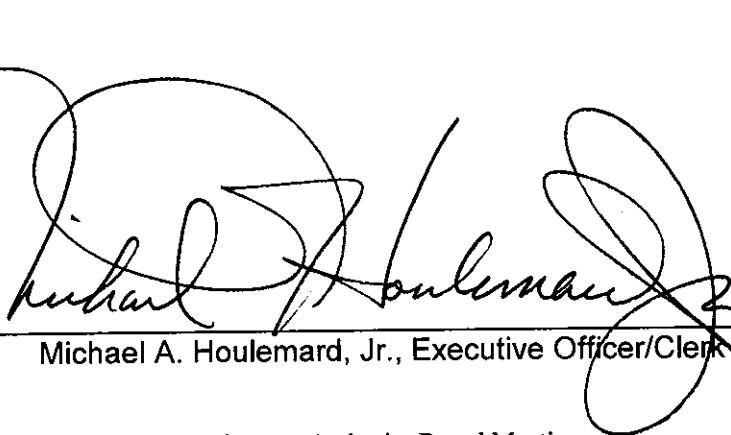
12. ANNOUNCEMENTS AND CORRESPONDENCE - none

13. 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

CONSENT AGENDA

Subject:	Authorization to submit a grant application and accept a grant award upon request and offer by the Economic Development Administration	
Meeting Date:	May 8, 2009	ACTION
Agenda Number:	8b	

RECOMMENDATION:


- Authorize Fort Ord Reuse Authority ("FORA") staff to submit a grant application upon request by the Economic Development Administration ("EDA") for construction grant funds, and
- Authorize FORA staff to accept a grant award upon an offer from the EDA to fund the construction of General Jim Moore Boulevard roadway improvements.

BACKGROUND/DISCUSSION:

In March 2009, FORA staff submitted a pre-application in the amount of \$13.6M to the EDA. The available grant funds are limited, by federal stimulus package guidelines, to projects already designed, environmentally assessed and ready for construction. The project that meets these requirements is General Jim Moore Boulevard.

Should an invitation be made by the EDA, staff will submit a formal application for the \$13.6M construction grant. Additionally, staff is requesting Board authorization to accept the grant award, should it be offered by the EDA. Due to the time sensitivity of the federal stimulus funds, this request to the Board comes in advance of a formal invitation to submit an application and/or subsequent grant award from the EDA.

FISCAL IMPACT:

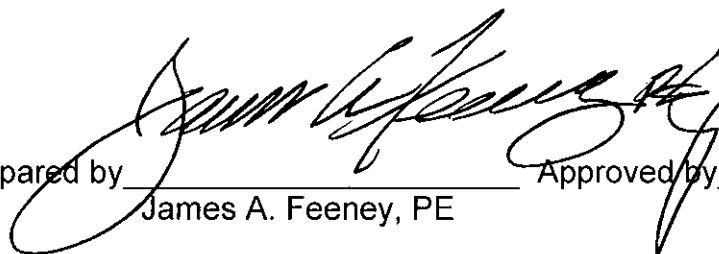
Reviewed by Controller: 

The grant award requires a local matching share requirement of 50% which amounts to \$6.8M. Staff is in discussions with the City of Marina and Rabobank to secure a loan against FORA's share of the Preston Park value. A portion of that loan would provide the 50% local match. Should the FORA Board authorize acceptance of the federal grant, FORA would obligate those funds as the match requirement.

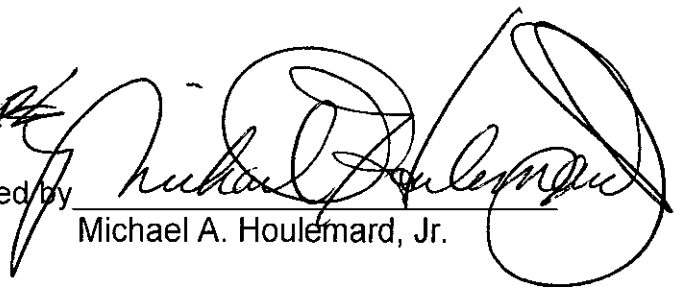
COORDINATION:

EDA, Administrative Committee and Executive Committee

Prepared by


James A. Feeney, PE

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Habitat Conservation Plan approval process

Meeting Date: May 8, 2009

Agenda Number: 9a

INFORMATION

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

Recent Developments:

On November 14, 2008, staff advised the Fort Ord Reuse Authority ("FORA") Board regarding comments made by U.S. Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") that caused concern about further delay to the HCP process. FORA staff contacted USFWS and CDFG regional executives to address outstanding issues and secured agreement to reinvigorate the process to close on remaining issues. FORA, its HCP consultant ICF Jones & Stokes ("Jones & Stokes"), and FORA member agencies and jurisdictions held working meetings on December 3, 2008 and on December 17, 2008. The HCP working group reviewed several outstanding issues, including:

- a) Defining the role of a future Joint Powers Authority,
- b) Determining HCP costs and identifying an entity to hold 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 HCP revisions to accommodate USFWS requirements for a "self-regulating" HCP.

A follow-up conference call was held on January 12, 2009 and an in-person meeting on February 4, 2009. Conference calls were also held with Bureau of Land Management ("BLM"), USFWS, and CDFG on January 15, 2009 and with Monterey County on January 21, 2009. Jones and Stokes indicated that there could be a "submittable" document ready to turn over to USFWS and CDFG solicitors by mid-March 2009 as the February meeting was successful and narrowed remaining issues significantly. Since that time, USFWS and CDFG did not meet deadlines for submittal of feedback causing Jones & Stokes to revise their timetable for submittal. A revised draft timeline was presented to the Board on April 3, 2009.

In addition, FORA staff and counsel completed drafts of a Joint Powers Agreement, Implementing Agreement, and jurisdictional implementing ordinances/policies that would serve as the governing agreements for the overall HCP. These documents have been circulated to all parties with numerous comments received to date that have strengthened the documents. Staff welcomes further input as these important ancillary documents are readied for review by USFWS and CDFG solicitors. FORA held a

special Administrative Committee meeting on March 11, 2009 to provide an HCP update and facilitate review of these ancillary documents. The Administrative Committee met on April 29, 2009 and discussed outstanding issues related to HCP funding, borderland management costs, Implementing Agreement language, and stay-ahead provision analysis. The next HCP working group meeting with USFWS and CDFG is scheduled for May 7, 2009. Staff will provide an oral update to the Board at its May 8, 2009 meeting.

Previous developments:


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], BLM, and others was held and the schedule noted in #3 below was endorsed.

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.

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.

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.

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. The Board increased the contract for Jones & Stokes by \$81,023 at its March 13, 2009 meeting, using previously approved budget authority.

COORDINATION:

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

Prepared by 
Steve Endsley

Approved


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Ord Community water/wastewater systems proposed budgets and rates for FY 2009-2010	
Meeting Date:	May 8, 2009	ACTION
Agenda Number:	10a	

RECOMMENDATION:

1. Receive a presentation by Marina Coast Water District ("MCWD") on the proposed operating and capital budgets and corresponding customer rates for the water, recycled water and wastewater collection systems for fiscal year 2009/10, and
2. Approve Resolutions #09-04 and #09-05 adopting a compensation plan and setting rates, fees and charges for basewide water, recycled water and sewer services on the former Fort Ord.

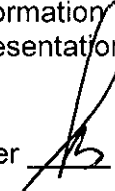
BACKGROUND/DISCUSSION:

Following the May 1997 Fort Ord Reuse Authority ("FORA") Board approval of MCWD as the operator and future owner of both the water and wastewater collection systems on the former Fort Ord, MCWD began operation of the systems (July 1997). Between July 1997 and October 2001, MCWD operated the systems under a funding agreement (Cooperative Agreement) with the U.S. Army. Since November 2001, MCWD has owned the systems following the Economic Development Conveyance (U.S. Army to FORA to MCWD) of the related real and personal property associated with the network, and has been billing customers on the former Fort Ord in accordance with the rates approved annually by the FORA Board.

The Water and Wastewater Oversight Committee ("WWOC"), advisory to the Board on budgets and rates, met in March and April 2009 to receive presentations, review and recommend on MCWD's proposed budgets and rates for FY 2009/10. At their meeting on April 8, 2009 the WWOC unanimously recommended the attached budgets and rates to the FORA Board for its review and approval.

FORA staff and the WWOC recommend that the FORA Board receive the presentation by MCWD staff and approve the adopting Resolutions. The adopting Resolutions contain the budgets and rates information (**Attachment A**) and are provided to Board members in preparation for the presentation by MCWD and requested Board action.

FISCAL IMPACT:

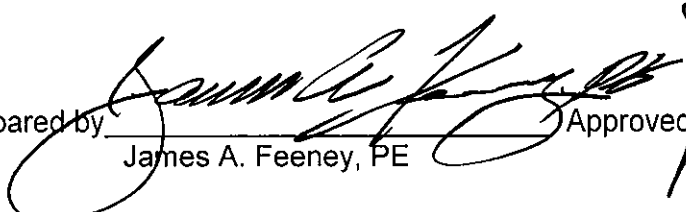
Reviewed by Controller 

It is anticipated that the budgets and the accompanying customer rate structures will be in effect July 2009, should the FORA Board act to approve the Resolutions.

COORDINATION:

WWOC, Administrative Committee, Executive Committee, MCWD

Prepared by


James A. Feeney, PE

Approved by


Michael A. Houliemard, Jr.

Resolution No. 09-04
Resolution of the Board of Directors
Fort Ord Reuse Authority
Adopting the Budget and the Ord Community Compensation Plan for FY 2009-2010
not including Capacity Charges and Capital Surcharges

DRAFT

May 8, 2009

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on May 8, 2009 at the business office of FORA 100 12th St., Bldg. 2880, Marina California as follows:

WHEREAS, Marina Coast Water District (“District”) Staff prepared and presented the draft FY 2009-2010 Budget (Attachment A) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of 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 and wastewater services to the Ord Community; and

WHEREAS, the District 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 District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for 2009-2010 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable MCWD to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA apply only to the area within FORA’s jurisdictional boundaries; and,

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

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

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

WHEREAS, 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; and,

WHEREAS, FORA and MCWD have agreed that water conservation is a high priority, and have implemented a water conservation program in the Ord Community service area that includes public education, various incentives to use low-flow fixtures, and water-conserving landscaping. The rates, fees and charges adopted by this Resolution 09-04 are intended to support the water conservation program and encourage water conservation, pursuant to sections 375 and 375.5 of the California Water Code. This conservation program and these rates, fees and charges are in the public interest, serve a public purpose, and will promote the health, welfare, and safety of Ord Community, and will enhance the economy and quality of life of the Monterey Bay community; and,

WHEREAS, monthly service fees or charges are imposed as a condition of service to customers, and monthly water quantity and sewer rates are imposed on the basis of the amount of water used or consumed by the customer, and any customer may avoid payment of the quantity rates and the service fees or charges by disconnecting from the facilities. The rates, fees and charges are not imposed upon real property or upon persons as an incident of real property ownership; and,

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

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

WHEREAS, the rates, fees and charges will not be effective until adopted by resolution of the District after compliance with Section 54354.5 of the Government Code; and,

WHEREAS, after a public meeting based upon staff's recommendations, the Board has determined that the Budget and Compensation Plan, including the rates, fees and charges therein, should be adopted as set forth on Attachment A to this Resolution; 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, Capacity Charges and Capital Surcharges for the FY 2009-2010 are the subject of and will be adopted by separate Resolutions; and,

WHEREAS, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in approving rates, fees and charges for the area of Ord Community within the jurisdiction of the

U.S. Army, the District is acting to provide continued water, recycled water and sewer service within existing service areas on the Ord Community, 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 Fort Ord Reuse Authority does hereby approve and adopt FY 2009-2010 Budget and Compensation Plan, not including Capacity Charges and Capital Surcharges for water, recycled water and wastewater services to the Ord Community.
2. The District is authorized to charge and collect rates for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the rates, fees and charges set forth in Attachment A, not including Capacity Charges and Capital Surcharges. The District is further authorized to use the same rates, fees and charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The rates, fees and charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed.
4. The District will comply with Government Code Section 54354.5 in adopting the rates, fees and charges set forth in Attachment A.

PASSED AND ADOPTED on May 8, 2009, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____
Noes: Directors _____
Absent: Directors _____
Abstained: Directors _____

Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 09-04 adopted May 8, 2009.

Michael A. Houlemard, Jr., Secretary

*copy of final
adopted resolution*

Resolution No. 09-04
Resolution of the Board of Directors
Fort Ord Reuse Authority
Adopting the Budget and the Ord Community Compensation Plan for FY 2009-2010
not including Capacity Charges and Capital Surcharges

May 8, 2009

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on May 8, 2009 at the FORA Conference Facility/Bridge Center, 201 13th Street, Building 2925, Marina, California as follows:

WHEREAS, Marina Coast Water District (“District”) Staff prepared and presented the draft FY 2009-2010 Budget (Attachment A) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of 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 and wastewater services to the Ord Community; and

WHEREAS, the District 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 District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for 2009-2010 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable MCWD to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA apply only to the area within FORA’s jurisdictional boundaries; and,

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

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

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

WHEREAS, 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; and,

WHEREAS, FORA and MCWD have agreed that water conservation is a high priority, and have implemented a water conservation program in the Ord Community service area that includes public education, various incentives to use low-flow fixtures, and water-conserving landscaping. The rates, fees and charges adopted by this Resolution 09-04 are intended to support the water conservation program and encourage water conservation, pursuant to sections 375 and 375.5 of the California Water Code. This conservation program and these rates, fees and charges are in the public interest, serve a public purpose, and will promote the health, welfare, and safety of Ord Community, and will enhance the economy and quality of life of the Monterey Bay community; and,

WHEREAS, monthly service fees or charges are imposed as a condition of service to customers, and monthly water quantity and sewer rates are imposed on the basis of the amount of water used or consumed by the customer, and any customer may avoid payment of the quantity rates and the service fees or charges by disconnecting from the facilities. The rates, fees and charges are not imposed upon real property or upon persons as an incident of real property ownership; and,

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

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

WHEREAS, the rates, fees and charges will not be effective until adopted by resolution of the District after compliance with Section 54354.5 of the Government Code; and,

WHEREAS, after a public meeting based upon staff's recommendations, the Board has determined that the Budget and Compensation Plan, including the rates, fees and charges therein, should be adopted as set forth on Attachment A to this Resolution; 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, Capacity Charges and Capital Surcharges for the FY 2009-2010 are the subject of and will be adopted by separate Resolutions; and,

WHEREAS, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in approving rates, fees and charges for the area of Ord Community within the jurisdiction of the

U.S. Army, the District is acting to provide continued water, recycled water and sewer service within existing service areas on the Ord Community, 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 Fort Ord Reuse Authority approves and adopts FY 2009-2010 Budget and Compensation Plan, not including Capacity Charges and Capital Surcharges for water, recycled water and wastewater services to the Ord Community.
2. The District is authorized to charge and collect rates for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the rates, fees and charges set forth in Attachment A, not including Capacity Charges and Capital Surcharges. The District is further authorized to use the same rates, fees and charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The rates, fees and charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed.
4. The District will comply with Government Code Section 54354.5 in adopting the rates, fees and charges set forth in Attachment A.

PASSED AND ADOPTED on May 8, 2009, by the Board of Directors of the Fort Ord Reuse Authority by the following vote:

Ayes: 12 Directors Rubio, McCloud, Gray, Kampe, Potter, Parker, Selfridge, Russell, Mancini, Pendergrass, McCall, and Cook (alternate for Supervisor Calcagno)

Noes: -0-

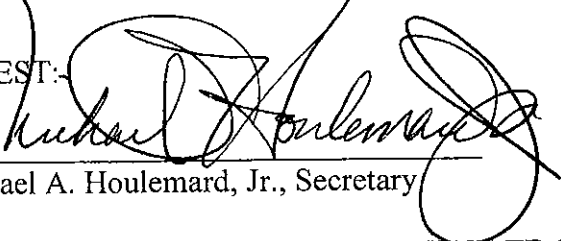
Absentions: -0-

Absent: -1- Director Barnes



Ralph Rubio, Chair

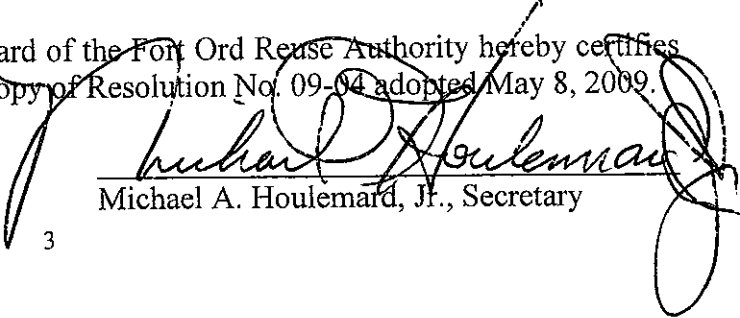
ATTEST:



Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 09-04 adopted May 8, 2009.



Michael A. Houlemard, Jr., Secretary

Ord Community Water/Wastewater Systems

Compensation Plan

for FY 2009-2010

presented to

Fort Ord Reuse Authority

Board of Directors

May 8, 2009

by

Marina Coast Water District



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Draft FY 2009-2010 Ord Community Service Area Budget Summary

Introduction. The purpose of this summary is to provide an overview of the FY 2009-2010 Budget document and the key assumptions used in developing this Budget document.

In, accordance with Article 7 of the Water Wastewater Facilities Agreement between Marina Coast Water District (MCWD) and Fort Ord Reuse Authority (FORA), the District maintains separate cost centers to ensure that revenues and expenses are appropriately segregated and maintained for the Marina systems, the Ord Community systems, and the accruing costs for the Regional Water Augmentation Project. On October 25, 2006, the MCWD Board adopted Ordinance No. 43 which also requires the cost centers to remain separated after the expiration of the Agreement between MCWD and FORA.

District costs that are not dedicated to a specific cost center are shared among the four primary cost centers – Marina Water, Marina Wastewater Collection, Ord Community Water and Ord Community Wastewater Collection. General overhead costs are also allocated in this manner which, in turn, creates efficiencies and cost savings for administrative functions for the two service areas that would otherwise not be realized. The District uses the operating expenses ratio to allocate the shared expenses. The allocation rate for the proposed fiscal year has changed based on previous year (FY 2007-2008) audited expenditure figures.

The FORA Board adopts the Ord Community budgets by resolution before MCWD Board adopts the entire budget, also by resolution.

A five-year financial plan and rate study was completed in 2008 and recommendations from the rate study are incorporated in this budget document.

Cost Centers:

- Marina Water
- Marina Wastewater Collection (Sewer)
- Ord Community Water
- Ord Community Wastewater Collection (Sewer)
- New Water Project

Assumptions:

- Revenues:
 - Ord Community Water \$4.898 million (proposed rate increase of 10%)
 - Ord Community Wastewater Collection \$1.604 million (proposed rate increase of 7.8%)
- New financing (use of 2006 Series Bond proceeds & other funding sources):
 - 2006 series bond proceeds & other sources to fund \$9.496 million for Ord Community Water, \$0.115 million for Ord Community Wastewater, and \$35.207 million for New Water Project
- Expenses:
 - Ord Community Water \$4.170 million
 - Ord Community Wastewater Collection \$1.075 million
 - New Water Project \$0.425 million

- Debt Service on existing loans (principal/interest):
 - Ord Community Water \$0.794 million
 - Ord Community Wastewater Collection \$0.413 million
 - New Water Project \$0.260 million
- Capital Replacement Reserve Fund:
 - Ord Community Water \$0.200 million
 - Ord Community Sewer \$0.100 million

Ord Community Water Rates (monthly):

	FY 2008-2009	FY 2009-2010
Meter Service Charge	\$13.75	\$15.13
First Tier (0-8 hcf)	1.87	2.06
Second Tier (8-16 hcf)	2.63	2.89
Third Tier (16+ hcf)	3.39	3.73
Flat Rate Billing	67.76	74.58
Average Monthly bill (13 units)	\$41.86	\$46.06

Ord Community Wastewater Collection Rates (monthly):

	FY 2008-2009	FY 2009-2010
Monthly Flat Fee Bill	\$20.97	\$22.60

Capacity Charge:

- Ord Community Water Capacity Charge \$5,700* per equivalent dwelling unit
 - Ord Community Wastewater Collection Capacity Charge \$2,100 per equivalent dwelling unit
- * Ord Community water capacity charge includes future contributions from FORA towards RUWAP Project

Monthly Capital Surcharge*:

- Ord Community Water Monthly Capital Surcharge for NEW Customers (\$20.00 per EDU)
 - Ord Community Wastewater Monthly Capital Surcharge for NEW Customers (\$5.00 per EDU)
- * Monthly Capital Surcharge applies to all new customers effective July 2005.

Capital Improvement Programs:

- Ord Community Water \$9.605 million
- Ord Community Wastewater Collection \$0.132 million
- New Water Project \$34.798 million

District Overhead:

- Support for a staff of 39 positions:
 - Administration – 13
 - Operations & Maintenance – 15
 - Laboratory – 2
 - Conservation – 2
 - Engineering – 7

**ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2009 - 2010
Effective July 1, 2009**

Water Consumption Charge

0 - 8 hcf	First Tier	2.06	per hcf
8 - 16 hcf	Second Tier	2.89	per hcf
16+ hcf	Third Tier	3.73	per hcf
	Monthly Capital Surcharge (New EDU)	20.00	per EDU
	Flat Rate	74.58	per unit

Monthly Minimum Water Charges

<u>Size</u>	<u>Fee</u>
5/8" or 3/4"	\$15.13 per month
1"	\$37.81 per month
1 1/2"	\$75.60 per month
2"	\$120.96 per month
3"	\$226.80 per month
4"	\$378.00 per month
6"	\$755.99 per month
8"	\$1,511.99 per month

Monthly Minimum Sewer Charges

Monthly Wastewater Charge	\$22.60	per EDU
Monthly Capital Surcharge (New EDU)	\$5.00	per EDU

Temporary Water Service

Meter Deposit Fee	\$650.00
Hydrant Meter Fee (Set/Remove Fee)	\$140.00 one time fee
Hydrant Meter Fee (Relocate Fee)	\$140.00 per occurrence
Minimum Monthly Service Charge	\$72.73 per month
Estimated Water Consumption Deposit	\$1,100.00 minimum

Repair, Replacement and Maintenance of Private Fire Hydrants (Monthly Charge)

Single/Double Outlet, All Sizes	\$13.50 per month
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Capacity Charges

Water	\$5,700.00 per edu
Sewer	\$2,100.00 per edu

**MARINA & ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2009 - 2010
Effective July 1, 2009**

Labor Charges

District Engineer	\$105.00 per hour
Capital Projects Manager	\$85.00 per hour
Operations Engineer	\$80.00 per hour
Projects Engineer	\$68.00 per hour
Associate Engineer	\$63.00 per hour
Engineering Administrative Assistant	\$44.00 per hour
Operations & Maintenance Superintendent	\$78.00 per hour
Operations & Maintenance System Operator 3	\$60.00 per hour
Operations & Maintenance System Operator 2	\$55.00 per hour
Operations & Maintenance System Operator 1	\$50.00 per hour

Equipment Charges

Work Truck	\$20.00 per hour
Backhoe Tractor	\$30.00 per hour
Vactor Truck	\$30.00 per hour
Dump Truck	\$30.00 per hour
Ground Penetrating Radar Unit	\$10.00 per hour

Miscellaneous Charges

Photocopy Charges	\$0.10 per copy
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Water Meter Installation Fee

(includes box and meter)

Size	Fee
5/8" or 3/4"	\$350.00
1"	\$400.00
1 1/2"	\$450.00
2"	\$700.00
3" or Larger	

Actual direct and indirect cost to district.

Advance payment to be based on estimated cost.

Other Fees and Charges

Preliminary Project Review Fee (large projects)	\$500.00
Plan Review Fees:	
Existing Residential Modifications	\$200.00 per unit plus additional fees
Existing Commercial Modifications	\$400.00 per unit plus additional fees
Plan Review	\$500.00 per unit plus additional fees
Water/Sewer Permit Fee	\$30.00 each
Small Project Inspection Fee (single lot)	\$400.00 per unit
Large Project Inspection Fee (large projects)	\$500.00 per unit plus 3% of water & sewer construction cost
Building Modification/Addition Fee	\$200.00 per unit
Deposit for a Meter Relocation	\$200.00 deposit, plus actual costs
Mark and Locate Fee (USA Markings)	\$100.00 first mark and locate at no-charge, each additional for \$100
Backflow/Cross Connection Control Fee	\$45.00 per device
Additional Backflow/Cross Connection Device	\$30.00 per device
Deposit for New Account	\$35.00 per edu
Meter Test Fee	\$15.00 for 3/4" meter, actual cost for 1" and larger
Returned Check Fee	\$15.00 per returned item
Basic Penalty	10% of the delinquent amount
Additional Penalty	1.50% per month of the delinquent amount

Ord Community Water System

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
PROPOSED BUDGETS**

EXHIBIT W-1

	Adopted Budget Ord Community Water Expenses FY 2008-2009	Proposed Budget Ord Community Water Expenses FY 2009-2010
Administration/Management		
Personnel	\$656,490	\$722,600
Expenses	\$608,060	\$664,500
Insurance	\$47,650	\$57,700
Legal	\$42,640	\$47,500
Interest Expense	\$394,240	\$484,000
subtotal	\$1,749,080	\$1,976,300
Operations & Maintenance		
Personnel	\$667,560	\$753,637
Maintenance Expenses	\$152,100	\$155,025
Power Costs	\$428,500	\$443,200
Annual Maintenance	\$50,000	\$50,000
subtotal	\$1,298,160	\$1,401,862
Laboratory		
Personnel	\$140,850	\$147,314
Equipment/Expenses	\$33,415	\$37,300
Lab Contract Services	\$10,000	\$14,400
subtotal	\$184,265	\$199,014
Conservation		
Personnel	\$107,270	\$122,709
Expenses	\$62,018	\$61,605
subtotal	\$169,288	\$184,314
Engineering		
Personnel	\$413,990	\$352,639
Expenses	\$6,960	\$8,360
Outside Consultants	\$50,600	\$48,000
subtotal	\$471,550	\$408,999
Total Operating Expenses	\$3,872,343	\$4,170,489

B	G	L	M	W	X	Y	Z	AA	AB
3 MARINA COAST WATER DISTRICT									
4 5-YEAR CAPITAL IMPROVEMENT BUDGET									
5	CIP #	Project Description	JAN 2009 Cost	FY 09/10 Proposed	FY 10/11 Proposed	FY 11/12 Proposed	FY 12/13 Proposed	FY 13/14 Proposed	OUT YEARS
6	Ord Community Water 03-00-160-000		Original Cost						
53		Ord Community Water 03-00-160-000							
55		FY 2008/2009 (Active Projects)							
57	OW-0124	Gen Jim Moore Blvd (Del Rey Oaks) (Construct)	2,611,000	2,935,000					
58	OW-0119	Replace D & E Reservoir (Construction/Demolition) [CIP No. 4.D4, 3.07]	actual 8,300,000	3,600,000					
59	OW-0122	Replace D & E Reservoir Off-Site Piping	140,000	168,584					
60	OW-0128	Lightfighter "B" Zone Pipeline Extension (Design)	75,000	86,900	90,376				
61	OW-0170	Well 34 (deep aquifer at Well 32 site) (Design)	1,650,000	260,000					
62	WD-0115	SCADA System Improvements - Phase I	250,000	152,635					
63	NA	Basewide Environmental Insurance [50% OW, 50% OS]	20,658	10,764	11,195				
64		FY 2009/2010 (Planned Year)							
66	OW-0170	Well 34 (deep aquifer at Well 32 site) (Construct)	1,650,000	1,287,000					
67	WD-0106	Comp Yard (Demolition/Construct)	450,000	234,000					
68		2010 - Urban Water Mgmt. Update	300,000	168,480					
69	OW-116	Eastern Distribution System (Prop 50 funded; OW-116; OW-170; Walkin Gate Well) (Design)	6,712,610	500,000	500,000				
70	OW-116	Eastern Distribution System (Prop 50 funded; OW-116; OW-170; Walkin Gate Well) (Construct)	6,712,610	7,787,619	2,980,589	3,588,881			
71	OW-0117	18" UCMBEST Mitigation Monitoring Program	109,000	33,000	18,000				
72	GW-xxx	Integrated Regional Water Management Plan - Update	100,000	56,160					
74	OW-0167	2nd Ave extension to Gigling Rd	170,850	197,800	213,940				
75	OW-0128	Lightfighter "B" Zone Pipeline Extension (Construct)	231,000	267,400	289,220				
76	GW-0112	"A1/A2" Zone Tank & B/C Booster Sta @ CSUMB (Design)	1,610,000	1,863,400	1,068,345				
77	GW-0112	"A1/A2" Zone Tank & B/C Booster Sta @ CSUMB (Construct)	5,074,000	5,872,600	3,567,173				
78		Surplus Area 2 Pipelines	773,000	894,700	967,708				
79		Gigling Transmission from D Booster to JM Blvd	93,960	118,700	133,521				
80		South Boundary Road Pipeline (DRO In-Tract) (20% allocation for up-sizing, if needed)	1,317,000	1,524,300	342,926				
81	OW-0127	Fire Flow Improvements - Commercial Flow on CSU (Design)	73,200	92,500	104,050				
82	OW-0127	Fire Flow Improvements - Commercial Flow on CSU (Construct)	414,800	523,800	612,772				
83		7th Avenue and Gigling Rd (Design)	25,650	32,400	36,446				
84		7th Avenue and Gigling Rd (Construct)	145,350	183,600	214,786				
85		2nd Ave connection, Reindollar to Imjin (2008)	1,000,000	1,000,000	1,169,859				
86	WD-0115	SCADA System Improvements - Phase II	248,000	248,000	112,659				
87	WD-0115	SCADA System Improvements - Phase III	100,000	100,000	45,427				
88	WD-0115	SCADA System Improvements (construction)	337,500	337,500	159,449				
89	WD-0110	Asset Management Program - Phase II	255,000	255,000					
90	WD-0110	Asset Management Program - Phase III	250,000	250,000	115,839				
91	OW-0118	"B4" Zone Tank @ East Garrison (and demo travel Camp Tank) (Design)	1,898,050	2,196,800	118,111				
92	OW-0118	"B4" Zone Tank @ East Garrison (and demo travel Camp Tank) (Construct)	1,898,050	2,196,800	370,665				
93		Demolish Bayview Reservoir [2010]	150,000	189,400	218,453				
94		1,700 feet Inter-Garrison Road Pipeline Replacement (in lieu of ASP booster & until B tanks inst)	600,000	125,000	221,571				
95	OW-0169	Inter-garrison Road PRV	122,000	141,300	165,301				
96	OW-0166	CSU Fireflow Improvements	96,000	111,200	130,088				
97		Fire Flow Improvements -- Residential Fire Flow @ 3RD Ave (Vets Housing)	27,500	34,800	40,711				
98		Fire Flow Improvements -- Commercial Fire Flow to Stockade	461,000	582,100	680,975				
99		Fire Flow Improvements -- Residential Fire Flow between UV and Seaside Gateway	142,500	180,000	210,575				
100	OW-0164	Reservation Rd to Imjin Main Improvements (Design) (2,800 lf of 12")	56,850	65,800					
101	OW-0164	Reservation Rd to Imjin Main Improvements (Construct) (2,800 lf of 12")	322,150	372,900	80,056				
102	GW-0123	"B2" Zone Tank @ CSUMB (Design)	403,000	466,500					
103	GW-0123	"B2" Zone Tank @ CSUMB (Construct)	1,610,000	1,863,400	294,699				
104	OW-0131	Abrams Road Pipeline (Design) in CSU East Housing Area	114,570	144,700	1,958,811				
105	OW-0131	Abrams Road Pipeline (Construct) in CSU East Housing Area	114,570	144,700	176,050				
106	GW-0112	"A2" Zone Tank @ CSUMB (Design)	1,610,000	1,863,400	340,067				
107	GW-0112	"A2" Zone Tank @ CSUMB (Construct)	1,610,000	1,863,400					
108	OW-0165	Rehabilitate/Replace Well 29 & TCE Treatment (Design)	1,158,000	1,462,100	2,004,126				
109	OW-0165	Rehabilitate/Replace Well 29 & TCE Treatment (Construct)	1,158,000	1,462,100	286,830				
110		Sand Tank Demolition (Design)	288,000	333,400	60,845				

B	G	L	M	W	X	Y	Z	AA	AB
		Original Cost	JAN 2009 Cost	FY 09/10 Proposed	FY 10/11 Proposed	FY 11/12 Proposed	FY 12/13 Proposed	FY 13/14 Proposed	OUT YEARS
3	IMARINA COAST WATER DISTRICT								EXHIBIT W2
4	5-YEAR CAPITAL IMPROVEMENT BUDGET								
5									
6	CIP #								
	Project Description								
111	Sand Tank Demolition (Construct)	288,000	333,400						358,579
112	Reservoir A3 (1.6 MG) (Design)	2,301,000	2,663,200					262,455	
113	Reservoir A3 (1.6 MG) (Construct)	2,301,000	2,663,200					419,745	
114	Eastside Road (D-Zone pipeline) (Design - cost carried from 5-5.04)	345,000	345,000						2,910,234
115	Eastside Road (D-Zone pipeline) (construct-cost carried from 5-5.04)	2,300,000	2,300,000					521,716	
116	Reservoir "D2" (Design) [2010]	2,375,000	2,748,800						2,956,393
117	Reservoir "D2" (Construct) [2010]	2,375,000	2,748,800					271,338	
118	Rehabilitate Well 31 (Design)	1,177,500	1,486,800						1,598,065
119	Rehabilitate Well 31 (Construct)	1,177,500	1,486,800					2,540,887	
120	Eucalyptus Rd Pipeline	1,735,000	2,008,100						1,518,762
121	"C2" to "B4" Pipeline and PRV Station	1,037,000	1,200,300						275,333
122	Reservoir B4/B5 to East Garrison Pipeline	188,000	217,600					147,860	
123	Injin Road, Reservation to Injin Pkwy, realignment in 2013 (Design)	700,000	810,200						871,387
124	Injin Road, Reservation to Injin Pkwy, realignment in 2013 (Construct)	700,000	810,200					240,897	
125	Booster Station @ UCMBEST Add'l Pump Cap. (Design)	171,000	198,000						1,419,055
126	Booster Station @ UCMBEST Add'l Pump Cap. (Construct) [2015]	969,000	1,121,500						434,257
127	UCMBEST Pipeline	296,500	343,200						21,979
128	Injin Road @ Airport Area (Design) [2015]	100,000	115,800						124,545
129	Injin Road @ Airport Area (Construct) [2015]	100,000	115,800						1,165,738
130	Golf Boulevard Transmission Line	2,301,000	2,663,200						3,369,798
131	"B5" Zone Tank @ East Garrison [2011]	473,000	473,000						598,496
132	Bianco/Injin Connector - road project pending change	194,490	245,600						46,614
133	Reservoir B Supply Line (Design) [2015]	194,490	245,600						264,148
134	Reservoir B Supply Line (Construct) [2015]	26,081,350	30,186,100						38,195,046
135	Eastern Well Field - ROLLUP thru well 39 (Includes Well 33 Phases 2 and 3) (Need to split out)	20,238,000	23,423,000						29,637,567
136	Eastern Well Field - ROLLUP thru well 43 (Need to split out)	200,000	200,000						224,973
137	2011 - Ord Water Master Plan								
138									
140									
141									
253	New Water Projects 05-00-160-000								
255	FY 2008/2009 (Active Projects)								
257	Recycled Design, Gen Jim Moore Blvd, Coe to South Boundary	25,500	29,600	30,764					
258	RUWAP Project Management [90% split]	750,000	750,000	832,000					
259	RUWAP Desalination - Detailed Design (Armstrong Ranch alt) [90% split]	6,940,000	7,450,000	2,643,416	2,052,352				
260	FY 2009/2010 (Planned Year)								
262	Technical Proving and Outreach	0	300,000	312,000					
263	Armstrong Ranch Annexation (Program Mgmt, Prim Des, Env. Doc) [90% split]	92,000	92,000	86,112					
264	Recycled Pipeline, G.J.M.B. Coe to South Boundary (Construct) (in road shoulder)	1,550,000	1,794,000	1,865,760					
265	Recycled Trunk Main and Booster, MRWPCA to Normandy	200,000	200,000	200,000					
266	Recycled Trunk Main and Booster, MRWPCA to Normandy	21,325,000	22,896,300	23,812,152					
267	Blackhorse Reservoir	5,387,500	5,784,500	6,015,880					
268									
270	Regional Desalination - Construction (Armstrong Ranch alt) [90% split]	34,220,000	36,734,600	37,189,286					
271	Construction - Recycled Water	37,000,000	42,823,000		48,170,051				
272	Recycled Laterals-Ord	6,192,000	6,648,300		7,478,433				
273	Recycled Main thru Marina Heights (upsized)	2,397,600	2,574,300		2,895,737				
274	Recycled Lateral thru University Villages (upsized)	1,440,000	1,546,200		1,806,835				
275	Marina Airport / Injin Road Recycled Water Pipeline (design)	2,150,000	2,308,500		405,093				
276	Marina Airport / Injin Road Recycled Water Pipeline (construct)	2,150,000	2,308,500					2,387,347	
277	Recycled Water - Phase 2 Preliminary Design	100,000	100,000						126,532
278									
280	RUWAP TOTAL			35,798,104	39,241,638	56,544,222	2,213,928	4,746,670	94,086,217

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
REVENUE PROJECTIONS**

EXHIBIT W-3

		Adopted FY 2008-2009	Proposed FY 2009-2010
	Number of water services		
	# Flat Rate Customers	2,354	2,354
	# Metered Customers	1,927	2,015
	Total Customers	4,281	4,369
	Annual Water Usage (In AF)		
	Metered use	1,250	1,310
	Unmetered use / Losses	1,350	1,350
	Total Water Usage	2,600	2,660
	Monthly Service Charges		
	Flat Rate Billing (includes capital component charge)	\$67.76	\$74.58
	Metered Service Charge - 3/4" Meter	\$13.75	\$15.13
	Monthly Quantity Rates		
	Tier 1 (0-8 hcf)	\$1.87	\$2.06
	Tier 2 (8 - 16 hcf)	\$2.63	\$2.89
	Tier 3 (16+ hcf)	\$3.39	\$3.73
	Monthly Capital Surcharge (per EDU)	\$20.00	\$20.00
	Annual Revenue Calculations		
	Flat Rate Accounts	1,950,000	1,990,000
	Metered Accounts	2,090,000	2,420,000
	Capacity Fee (\$2,800 per EDU)	15,000	40,000
	Capital Surcharge Revenue		7,200
	Other Fees & Charges	33,800	56,300
A	Total Operating Revenue	\$4,088,800	\$4,513,500
B	Financing	5,337,132	9,495,999
D	Non-operating Revenue (Interest Income)	750,000	432,000
E	TOTAL REVENUE (A through D)	\$10,175,932	\$14,441,499
F	Operating Expenditures	3,532,343	3,828,489
G2	CIP Projects	5,337,132	9,495,999
G3	General Capital Outlay	39,320	108,800
I	Costs for Bond Issuance	0	0
J1	Debt Service	298,640	309,933
K	Capital Replacement Reserve Fund	200,000	200,000
L	Payments to Land Use Jurisdictions/FORA		
	Reimb. to Land Use Agencies (5% of OR)	110,000	110,000
	FORA Admin/Liaison Fees	25,000	25,000
	Reimbursements to FORA (5% of OR)	170,000	170,000
	Mmbrshp on FORA Bd. of Directors (1% of OR)	35,000	37,000
M	TOTAL EXPENDITURES (F through L)	\$9,747,435	\$14,285,221
	NET REVENUE (E-M)	\$428,497	\$156,278

EXHIBIT W-4

MONTHLY WATER RATES FOR REGION SURROUNDING THE ORD COMMUNITY

Revised April 1, 2009

TYPE OF FEE	CAL-AM ¹	California Water Service Company	MCWD City of Marina ²	City of Seaside	City of Del Rey Oaks (Cal-Am)	FY 09/10 MCWD Ord Community ³	Median Rates
Quantity Rate per 100 cu.ft.							
1st tier	\$1.7190	\$1.5819	\$1.93	\$3.35	\$1.7190	\$2.06	\$1.82
2nd tier	\$3.4381	\$1.6651	\$2.35	\$7.25	\$3.4381	\$2.89	\$3.16
3rd tier	\$5.1572	\$1.8650	\$4.29	\$11.75	\$5.1572	\$3.73	\$4.72
4th tier	\$6.8762			\$16.75	\$6.8762		\$6.88
5th tier	\$13.7524			\$23.00	\$13.7524		\$13.75
6th tier				\$30.00			\$30.00
Breakpoint for 1st tier	350	600	800	400	350	800	500
Breakpoint for 2nd tier	700	1,200	1,600	1,000	700	1,600	1,100
Breakpoint for 3rd tier	1,050	1800+	1600+	2,000	1,050	1600+	1,600
Breakpoint for 4th tier	1,400			3,000	1,400		
Breakpoint for 5th tier	2,800 +			4,000	2,800 +		
Breakpoint for 6th tier				4,000 +			
Meter Service Charge per month							
3/4-inch	\$10.86	\$20.25	\$15.87	\$15.78	\$10.86	\$15.13	\$15.46
Service Charge (hcf)	0.9846	0.152			0.9846		\$0.98
Service Charge (monthly)	-				-		
Surcharges	6.75				6.75		\$6.75
For illustrative purposes only, monthly rates based on 13 hcf/month, or 0.358 acre feet/year	\$83.70	\$43.58	\$43.06	\$107.93	\$83.70	\$46.06	\$60.74

1. Zone 1 \$0.2693 per ccf; Zone 2 \$0.4682
2. Proposed rates as of July 1, 2009.
3. Proposed rates as of July 1, 2009.

2008 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-5

Entity	2007 Consumption	2008 Consumption	Fort Ord Reuse Plan Allocation (AFY)	% of
OMC				
Nonresidential	46	39		
Residential	153	130		
Residential (e)	410	410		
Irrigation	32	39		
Subtotal	641	618	1,577.0 (1) (4)	39%
Construction Water - Army	0	4		
CSUMB				
Main Campus	78	53		
CSUMB Housing (metered)	17	16		
CSUMB Housing (e)	380	380		
CSUMB Irrigation	35	35		
CSUMB Irrigation (e)	95	95		
Subtotal	605	579	1,035.0	56%
UC MBEST	3	2	230.0 (2)	
County	197	37	710.0 (7)	
County/State Parks	0	0	45.0	
City/Del Rey Oaks	0	0	242.5 (6)(7)	
City/Monterey	0	0	65.0	
City/Marina (Sphere)	0	0	10.0	
Subtotal	200	39	1,302.5	3%
Seaside				
Golf Course	21	1		
MPUSD	89	127		
Brostrom	64	66	85.0 (4)	
Thorson	63	64	120.0 (3)	
Seaside Highlands	199	205		
Monterey Bay Land, LLC	0	0	114.0 (5)	
Other	8	5	693.0 (7)	
Subtotal	444	468	1,012.0 (4)	46%
Construction Water - Seaside	7	20		
Marina				
Preston/Abrams	171	186		
Airport	5	5		
Other	172	118		
Subtotal	348	309	1,325.0 (7)	23%
Construction Water - Marina	86	14		
Total	2,331	2,051	6,251.5	33%
Assumed Line Loss	610 (8)	218 (8)	348.5 (7)	
Total Extracted	2941	2269		
Reserve	3659	4331	0 (7)	
Total	6600	6600	6,600	

Notes:

(e) indicates water use is estimated; meters are not installed.

Footnotes:

(1) The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that considers future conservation on the POM Annex. The OMC's current reservation of 1577 afy reflects the decrease of 38 afy and 114 afy (see footnote [4]) from the original 1729 afy. The FORA Board has not yet revised the allocation numbers to reflect this change.

(3) The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

(4) Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom, and by 114 afy under final terms of the land exchange agreement among the City of Seaside, Monterey Bay Land, LLC and the US Army.

(5) 114 afy of Monterey Bay Land, LLC controlled potable water includes the proviso that the City of Seaside shall use no less than 39 afy of such water for affordable or workforce housing.

(6) The FORA Board approved an additional 17.5 afy for Del Rey Oaks on 05/13/2005.

(7) In January 2007, the FORA Board changed the 150 afy interim use loans to Marina, Seaside, Del Rey Oaks and Monterey County in October 1998 to add to their permanent allocations.

(8) Line loss figures include water transferred from Ord to Marina system through the inter-tie. The transferred numbers are tracked in the SCADA system and will be repaid back to Ord from Marina over time.

Ord Community Wastewater System

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WASTEWATER SYSTEM OPERATIONS
PROPOSED BUDGETS**

	Adopted Budget Ord Community Wastewater Expenses FY 2008-2009	Proposed Budget Ord Community Wastewater Expenses FY 2009-2010
Administration/Management		
Personnel	\$185,528	\$211,800
Expenses	\$94,710	\$102,800
Insurance	\$13,480	\$16,200
Legal	\$12,050	\$13,300
Interest Expense	\$269,720	\$242,000
subtotal	\$575,488	\$586,100
Operations & Maintenance		
Personnel	\$186,220	\$213,640
Maintenance Expenses	\$84,340	\$39,445
Power Costs	\$53,150	\$62,250
Annual Maintenance	\$30,000	\$30,000
subtotal	\$353,710	\$345,335
Engineering Department		
Personnel	\$117,000	\$123,421
Expenses	\$1,980	\$2,906
Outside Consultants	\$14,300	\$16,800
subtotal	\$133,280	\$143,127
TOTAL	\$1,062,478	\$1,074,562

B	G	L	M	W	X	Y	Z	AA	AB	WORKING DRAFT	
										FY 12/13	FY 13/14
MARINA COAST WATER DISTRICT										EXHIBIT WW2	
5-YEAR CAPITAL IMPROVEMENT BUDGET										WORKING DRAFT	
CIP #	Project Description	Original Cost	JAN 2009 Cost	FY 09/10 Proposed	FY 10/11 Proposed	FY 11/12 Proposed	FY 12/13 Proposed	FY 13/14 Proposed	OUT YEARS		
192	Ord Community Sewer [04-00-000-000]										
194	FY 2008/2009 (Active Projects)										
196	Misc. Lift Station Improvements (planning)	1,454,350	1,570,400		1,698,545						
197	Misc. Lift Station Improvements (Construct)	704,350	760,600		855,572						
198	East Garrison LS Imps (Construct) [19, 24]	800,000	863,900		934,394						
199	WD-0115 SCADA System Improvements Phase I	250,000	250,000	39,000							
200	NA Baeswide Environmental Insurance [50% OW, 50% OS]	20,658	20,700	10,764	11,195	11,642	12,108				
201											
202	FY 2009/2010 (Planned Year)										
204	Clerk LS Improvement (Construct)	350,000	350,000	378,560							
205	Corp Yard (Demolition/Construct)	450,000	450,000	65,520							
206											
208	OS-0154 Del Rey Oaks - Collection System (Planning)	50,000	50,000		54,060						
209	OS-0147 Ord Village Sewer Pipeline & Lift Station Impr Project (Planning/Design)	45,000	48,600		52,566	101,125					
211	OS-0147 Ord Village Sewer Pipeline & Lift Station Impr Project (Construct)	471,750	509,400				595,926				
212	OS-0152 Booker, Hatten, Neeson LS Improvements Project (Design)	400,000	432,000			72,891					
213	OS-0152 Booker, Hatten, Neeson LS Improvements Project (Construct)	400,000	432,000				429,572				
214	Odor Control Project (Design/Construct)	100,000	100,000			76,491					
215	DRO LS, Gravity Sewer Main and GJMB Improvements Phase II (Design)	7,636,400	9,076,200			1,531,424					
216	DRO LS, Gravity Sewer Main and GJMB Improvements Phase II (Construct)	7,636,400	9,076,200			267,943					
217	Giggling LS and FM Improvements (Design)	220,560	238,200				1,578,841				
218	Giggling LS and FM Improvements (Construct)	1,249,840	1,349,600				82,592				
219	CSUMB Developments (Design) [9, 14, 18]	65,295	70,600					486,174			
220	CSUMB Developments (Construct) [9, 14, 18]	370,005	399,600								
221	WD-0115 SCADA System Improvements - Phase II	248,000	248,000		40,236						
222	WD-0115 SCADA System Improvements - Phase III	100,000	100,000		16,224						
223	WD-0115 SCADA System Improvements (construction)	337,500	337,500			54,756					
224	WD-0110 Asset Management Program - Phase II	255,000	255,000		41,371						
225	WD-0110 Asset Management Program - Phase III	250,000	250,000			42,182					
226	Imjin LS & Force Main Improvements - Phase I (Design)	262,500	297,300			334,422					
227	Imjin LS & Force Main Improvements - Phase I (Construct)	1,487,500	1,684,200				1,970,276				
228	OS-0148 Marina Heights Sewer Pipeline Improvements Project (design) [6,21]	583,000	628,500				110,464				
229	OS-0148 Marina Heights Sewer Pipeline Improvements Project (construct) [6,21]	583,000	628,500					651,001			
230	OS-0149 University Villages Sewer Pipeline Replacement Projects (design) [7,11,12,15]	329,400	355,700				62,418				
231	OS-0149 University Villages Sewer Pipeline Replacement Projects (construct) [7,11,12,15]	329,400	355,700					367,849			
232	Fitch Park Sewer Improvements	88,400	95,500					116,190			
233	Seaside Resort, East & Affordable Housing Sewer Imps. Project (Design) [1,2,3]	232,500	251,100					293,751			
234	Seaside Resort, East & Affordable Housing Sewer Imps. Project (Construct) [1,2,3]	232,500	251,100					305,502			
235	OS-0151 Cypress Knolls Sewer Pipeline Improvements Project (Design)	10,440	11,300					13,748			
236	OS-0151 Cypress Knolls Sewer Pipeline Improvements Project (Construct)	59,160	63,900						80,854		
237	Parker Flats Collection System (Design)	100,000	100,000					18,250			
238	Parker Flats Collection System (Construct)	100,000	100,000						107,552		
239	Imjin LS & Force Main Improvements - Phase II (Design)	500,000	566,200					103,330			
240	Imjin LS & Force Main Improvements - Phase II (Construct)	500,000	566,200						608,960		
241	1st Ave Sewer Pipeline Replacement Project [2020]	285,200	308,000						389,718		
242	Gen'l Jim Moore Sewer Pipeline Replacement Project [2020]	34,900	37,600						47,576		
243	Gen'l Jim Moore Sewer Pipeline Replacement Project III [2020]	131,000	141,500						179,043		
244	MRWPCA Buy-In	8,300,000	8,300,000						10,502,148		
245	DRO LS, Force Main and GJMB Improvements Phase I (Design)	1,347,600	1,601,700						292,307		
246	DRO LS, Force Main and GJMB Improvements Phase I (Construct)	1,347,600	1,601,700						1,722,662		
247	2011 Ord Wastewater Master Plan	225,000	225,000			253,094					
248											
249	TOTAL - Ord Community Sewer			115,264	3,227,170	3,601,542	14,161,138			2,354,351	13,636,613

EXHIBIT WW-4

MONTHLY WASTEWATER COLLECTION RATES FOR REGION SURROUNDING THE ORD COMMUNITY

Revised March 12, 2009

SERVICE DESCRIPTION	City of Pacific Grove ¹	City of Monterey ²	City of Salinas ³	SCSD City of Seaside ⁴	SCSD City of Del Rey Oaks ⁵	MCWD City of Marina ⁶	FY 08/09 MCWD Ord Community ⁷
Residential - per Living Unit	\$21.50	\$5.02	\$3.76	\$6.79	\$6.79	\$7.70	\$22.60
Business - 15 employees	\$30.20	\$7.05	\$5.29	\$9.54	\$9.54	\$11.55	\$33.90
Church - over 100 members	\$30.20	\$7.05	\$5.29	\$9.54	\$9.54	\$7.70	\$22.60
Laundromat - each washing machine	\$12.30	\$2.87	\$2.15	\$3.89	\$3.89	\$4.62	\$13.56
General Hospital - each bed	\$34.00	\$7.94	\$5.95	\$10.74	\$10.74	\$6.16	\$18.08
Motel/hotel - each room	\$9.30	\$2.17	\$1.63	\$2.94	\$2.94	\$1.93	\$5.65
Restaurant - each seat	\$4.30	\$1.00	\$0.75	\$1.36	\$1.36	\$0.54	\$1.58
High School/University - each student/faculty	\$0.40	\$0.09	\$0.07	\$0.13	\$0.13	\$0.54	\$1.58
Supermarket - 30 Employees	\$152.70	\$35.66	\$26.72	\$48.25	\$48.25	\$23.10	\$67.80

¹Rate is 200% of MRWPCA rate

²Rate is 46.7% of MRWPCA rate

³Rate is 35% of MRWPCA rate

⁴Rate is 63.2% of MRWPCA rate

⁵Rate is 63.2% of MRWPCA rate

⁶Rate is \$7.70 per Equivalent Dwelling Unit (71.6% of MRWPCA rate - Residential Rate) is proposed for FY 2009/2010

⁷Rate is \$22.60 per Equivalent Dwelling Unit (210.2% of MRWPCA rate - Residential Rate) is proposed for FY 2009/2010

As District customer base grows in the next few years, the monthly wastewater collection rate could possibly be reduced.

Resolution No. 09-05
Resolution of the Board of Directors
Fort Ord Reuse Authority
Adopting the Capacity Charge and Capital Surcharge element of the Budget and the Ord
Community Compensation Plan for FY 2009-2010

DRAFT

May 8, 2009

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on May 8, 2009 at the business office of FORA 100 12th St., Bldg. 2880, Marina California as follows:

WHEREAS, Marina Coast Water District (“District”) Staff prepared and presented the draft FY 2009-2010 Budget which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of 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 and wastewater services to the Ord Community; and

WHEREAS, the District 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 District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for 2009-2010 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable the District to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA apply only to the area within FORA’s jurisdictional boundaries; and,

WHEREAS, a financing study prepared by Citigroup Global Markets Inc. in 2005 for the District recommended the adoption of capacity charges and a capital surcharge as an element of financing capital facilities for water and wastewater services to the Ord Community; and,

WHEREAS, the Water/Wastewater Oversight Committee of FORA and the District full Board have reviewed the proposed Budget and Compensation Plan; and,

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

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

WHEREAS, the District 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; and,

WHEREAS, capacity charges and surcharges are imposed as a condition of service to customers. The charges are not imposed upon real property or upon persons as an incident of real property ownership; and,

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

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

WHEREAS, the capacity charges will not be effective until adopted by resolution of the District after compliance with Section 54354.5 of the Government Code; and

WHEREAS, after a public meeting and based upon staff's recommendations, the Board has determined that the capital elements of the Budget and Compensation Plan, including the capacity charges and surcharges therein, should be adopted as set forth on Attachment A to this Resolution; 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, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in approving rates, fees and charges for the area of Ord Community within the jurisdiction of the U.S. Army, the District is acting to provide continued water and sewer service within existing service areas on the Ord Community, 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 Fort Ord Reuse Authority does hereby approve and adopt the capital elements of the FY 2009-2010 Budget for water, recycled water and wastewater services to the Ord Community.

2. The capital elements of the compensation plan for the area of Ord Community within FORA's jurisdiction, including capacity charges and capital surcharges, set forth on Attachment A to this Resolution are hereby approved and adopted. The District is authorized to charge and collect capacity charges and capital surcharges for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the schedule set forth in Attachment A. The District 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.
3. The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.
4. The District will comply with Government Code Section 54354.5 in adopting the capacity charges and capital surcharges set forth in Attachment A.
5. 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.

PASSED AND ADOPTED on May 8, 2009, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 09-05 adopted May 8, 2009.

Michael A. Houlemard, Jr., Secretary

*copy of final
adopted resolution*

Resolution No. 09-05
Resolution of the Board of Directors
Fort Ord Reuse Authority
Adopting the Capacity Charge and Capital Surcharge element of the Budget and the Ord
Community Compensation Plan for FY 2009-2010

May 8, 2009

RESOLVED by the Board of Directors (“Directors”) of the Fort Ord Reuse Authority (“FORA”), at a regular meeting duly called and held on May 8, 2009 at the FORA Conference Facility/Bridge Center, 201 13th Street, Building 2925, Marina, California as follows:

WHEREAS, Marina Coast Water District (“District”) Staff prepared and presented the draft FY 2009-2010 Budget which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of 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 and wastewater services to the Ord Community; and

WHEREAS, the District 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 District will each adopt the annual Budget and Compensation Plan by resolution; and,

WHEREAS, the proposed Budget and Compensation Plan for 2009-2010 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable the District to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA apply only to the area within FORA’s jurisdictional boundaries; and,

WHEREAS, a financing study prepared by Citigroup Global Markets Inc. in 2005 for the District recommended the adoption of capacity charges and a capital surcharge as an element of financing capital facilities for water and wastewater services to the Ord Community; and,

WHEREAS, the Water/Wastewater Oversight Committee of FORA and the District full Board have reviewed the proposed Budget and Compensation Plan; and,

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

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

WHEREAS, the District 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; and,

WHEREAS, capacity charges and surcharges are imposed as a condition of service to customers. The charges are not imposed upon real property or upon persons as an incident of real property ownership; and,

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

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

WHEREAS, the capacity charges will not be effective until adopted by resolution of the District after compliance with Section 54354.5 of the Government Code; and

WHEREAS, after a public meeting and based upon staff's recommendations, the Board has determined that the capital elements of the Budget and Compensation Plan, including the capacity charges and surcharges therein, should be adopted as set forth on Attachment A to this Resolution; 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, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in approving rates, fees and charges for the area of Ord Community within the jurisdiction of the U.S. Army, the District is acting to provide continued water and sewer service within existing service areas on the Ord Community, 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.

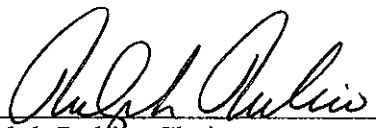
NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS,

1. The Board of Directors of the Fort Ord Reuse Authority approves and adopts the capital elements of the FY 2009-2010 Budget for water, recycled water and wastewater services to the Ord Community.

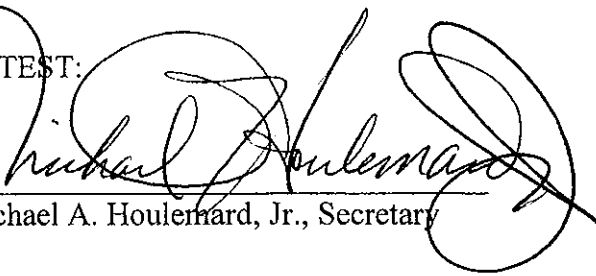
2. The FORA Board adopts the capital elements of the compensation plan for the area of Ord Community within FORA's jurisdiction, including capacity charges and capital surcharges, set forth on Attachment A to this Resolution. The District is authorized to charge and collect capacity charges and capital surcharges for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the schedule set forth in Attachment A. The District 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.
3. The charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the charges are imposed.
4. The District must comply with Government Code Section 54354.5 in adopting the capacity charges and capital surcharges set forth in Attachment A.
5. The District must 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.

PASSED AND ADOPTED on May 8, 2009, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes:	12	Directors Rubio, McCloud, Gray, Kampe, Potter, Parker, Selfridge, Russell, Mancini, Pendergrass, McCall, and Cook (alternate for Supervisor Calcagno)
Noes:	-0-	
Absentions:	-0-	
Absent:	-1-	Director Barnes



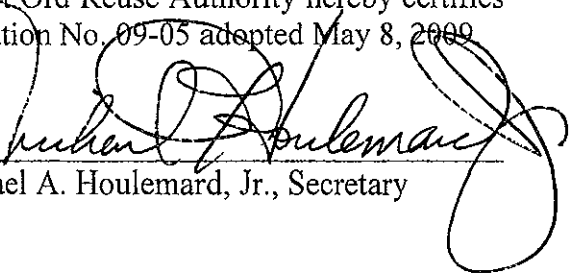
 Ralph Rubio, Chair

ATTEST:


 Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 09-05 adopted May 8, 2009.



 Michael A. Houlemard, Jr., Secretary

Ord Community Water/Wastewater Systems

Compensation Plan

for FY 2009-2010

presented to

Fort Ord Reuse Authority

Board of Directors

May 8, 2009

by

Marina Coast Water District



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Draft FY 2009-2010 Ord Community Service Area Budget Summary

Introduction. The purpose of this summary is to provide an overview of the FY 2009-2010 Budget document and the key assumptions used in developing this Budget document.

In, accordance with Article 7 of the Water Wastewater Facilities Agreement between Marina Coast Water District (MCWD) and Fort Ord Reuse Authority (FORA), the District maintains separate cost centers to ensure that revenues and expenses are appropriately segregated and maintained for the Marina systems, the Ord Community systems, and the accruing costs for the Regional Water Augmentation Project. On October 25, 2006, the MCWD Board adopted Ordinance No. 43 which also requires the cost centers to remain separated after the expiration of the Agreement between MCWD and FORA.

District costs that are not dedicated to a specific cost center are shared among the four primary cost centers – Marina Water, Marina Wastewater Collection, Ord Community Water and Ord Community Wastewater Collection. General overhead costs are also allocated in this manner which, in turn, creates efficiencies and cost savings for administrative functions for the two service areas that would otherwise not be realized. The District uses the operating expenses ratio to allocate the shared expenses. The allocation rate for the proposed fiscal year has changed based on previous year (FY 2007-2008) audited expenditure figures.

The FORA Board adopts the Ord Community budgets by resolution before MCWD Board adopts the entire budget, also by resolution.

A five-year financial plan and rate study was completed in 2008 and recommendations from the rate study are incorporated in this budget document.

Cost Centers:

- Marina Water
- Marina Wastewater Collection (Sewer)
- Ord Community Water
- Ord Community Wastewater Collection (Sewer)
- New Water Project

Assumptions:

- Revenues:
 - Ord Community Water \$4.898 million (proposed rate increase of 10%)
 - Ord Community Wastewater Collection \$1.604 million (proposed rate increase of 7.8%)
- New financing (use of 2006 Series Bond proceeds & other funding sources):
 - 2006 series bond proceeds & other sources to fund \$9.496 million for Ord Community Water, \$0.115 million for Ord Community Wastewater, and \$35.207 million for New Water Project
- Expenses:
 - Ord Community Water \$4.170 million
 - Ord Community Wastewater Collection \$1.075 million
 - New Water Project \$0.425 million

- Debt Service on existing loans (principal/interest):
 - Ord Community Water \$0.794 million
 - Ord Community Wastewater Collection \$0.413 million
 - New Water Project \$0.260 million
- Capital Replacement Reserve Fund:
 - Ord Community Water \$0.200 million
 - Ord Community Sewer \$0.100 million

Ord Community Water Rates (monthly):

	FY 2008-2009	FY 2009-2010
Meter Service Charge	\$13.75	\$15.13
First Tier (0-8 hcf)	1.87	2.06
Second Tier (8-16 hcf)	2.63	2.89
Third Tier (16+ hcf)	3.39	3.73
Flat Rate Billing	67.76	74.58
Average Monthly bill (13 units)	\$41.86	\$46.06

Ord Community Wastewater Collection Rates (monthly):

	FY 2008-2009	FY 2009-2010
Monthly Flat Fee Bill	\$20.97	\$22.60

Capacity Charge:

- Ord Community Water Capacity Charge \$5,700* per equivalent dwelling unit
 - Ord Community Wastewater Collection Capacity Charge \$2,100 per equivalent dwelling unit
- * Ord Community water capacity charge includes future contributions from FORA towards RUWAP Project

Monthly Capital Surcharge*:

- Ord Community Water Monthly Capital Surcharge for NEW Customers (\$20.00 per EDU)
 - Ord Community Wastewater Monthly Capital Surcharge for NEW Customers (\$5.00 per EDU)
- * Monthly Capital Surcharge applies to all new customers effective July 2005.

Capital Improvement Programs:

- Ord Community Water \$9.605 million
- Ord Community Wastewater Collection \$0.132 million
- New Water Project \$34.798 million

District Overhead:

- Support for a staff of 39 positions:
 - Administration – 13
 - Operations & Maintenance – 15
 - Laboratory – 2
 - Conservation – 2
 - Engineering – 7

**ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2009 - 2010
Effective July 1, 2009**

Water Consumption Charge

0 - 8 hcf	First Tier	2.06 per hcf
8 - 16 hcf	Second Tier	2.89 per hcf
16+ hcf	Third Tier	3.73 per hcf
	Monthly Capital Surcharge (New EDU)	20.00 per EDU
	Flat Rate	74.58 per unit

Monthly Minimum Water Charges

<u>Size</u>	<u>Fee</u>
5/8" or 3/4"	\$15.13 per month
1"	\$37.81 per month
1 1/2"	\$75.60 per month
2"	\$120.96 per month
3"	\$226.80 per month
4"	\$378.00 per month
6"	\$755.99 per month
8"	\$1,511.99 per month

Monthly Minimum Sewer Charges

Monthly Wastewater Charge	\$22.60 per EDU
Monthly Capital Surcharge (New EDU)	\$5.00 per EDU

Temporary Water Service

Meter Deposit Fee	\$650.00
Hydrant Meter Fee (Set/Remove Fee)	\$140.00 one time fee
Hydrant Meter Fee (Relocate Fee)	\$140.00 per occurrence
Minimum Monthly Service Charge	\$72.73 per month
Estimated Water Consumption Deposit	\$1,100.00 minimum

Repair, Replacement and Maintenance of Private Fire Hydrants (Monthly Charge)

Single/Double Outlet, All Sizes	\$13.50 per month
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Capacity Charges

Water	\$5,700.00 per edu
Sewer	\$2,100.00 per edu

**MARINA & ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2009 - 2010
Effective July 1, 2009**

Labor Charges

District Engineer	\$105.00 per hour
Capital Projects Manager	\$85.00 per hour
Operations Engineer	\$80.00 per hour
Projects Engineer	\$68.00 per hour
Associate Engineer	\$63.00 per hour
Engineering Administrative Assistant	\$44.00 per hour
Operations & Maintenance Superintendent	\$78.00 per hour
Operations & Maintenance System Operator 3	\$60.00 per hour
Operations & Maintenance System Operator 2	\$55.00 per hour
Operations & Maintenance System Operator 1	\$50.00 per hour

Equipment Charges

Work Truck	\$20.00 per hour
Backhoe Tractor	\$30.00 per hour
Vactor Truck	\$30.00 per hour
Dump Truck	\$30.00 per hour
Ground Penetrating Radar Unit	\$10.00 per hour

Miscellaneous Charges

Photocopy Charges	\$0.10 per copy
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Water Meter Installation Fee

(includes box and meter)

Size	Fee
5/8" or 3/4"	\$350.00
1"	\$400.00
1 1/2"	\$450.00
2"	\$700.00
3" or Larger	

Actual direct and indirect cost to district.

Advance payment to be based on estimated cost.

Other Fees and Charges

Preliminary Project Review Fee (large projects)	\$500.00
Plan Review Fees:	
Existing Residential Modifications	\$200.00 per unit plus additional fees
Existing Commercial Modifications	\$400.00 per unit plus additional fees
Plan Review	\$500.00 per unit plus additional fees
Water/Sewer Permit Fee	\$30.00 each
Small Project Inspection Fee (single lot)	\$400.00 per unit
Large Project Inspection Fee (large projects)	\$500.00 per unit plus 3% of water & sewer construction cost
Building Modification/Addition Fee	\$200.00 per unit
Deposit for a Meter Relocation	\$200.00 deposit, plus actual costs
Mark and Locate Fee (USA Markings)	\$100.00 first mark and locate at no-charge, each additional for \$100
Backflow/Cross Connection Control Fee	\$45.00 per device
Additional Backflow/Cross Connection Device	\$30.00 per device
Deposit for New Account	\$35.00 per edu
Meter Test Fee	\$15.00 for 3/4" meter, actual cost for 1" and larger
Returned Check Fee	\$15.00 per returned item
Basic Penalty	10% of the delinquent amount
Additional Penalty	1.50% per month of the delinquent amount

**Ord Community
Water System**

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
PROPOSED BUDGETS**

EXHIBIT W-1

	Adopted Budget Ord Community Water Expenses FY 2008-2009	Proposed Budget Ord Community Water Expenses FY 2009-2010
Administration/Management		
Personnel	\$656,490	\$722,600
Expenses	\$608,060	\$664,500
Insurance	\$47,650	\$57,700
Legal	\$42,640	\$47,500
Interest Expense	\$394,240	\$484,000
subtotal	\$1,749,080	\$1,976,300
Operations & Maintenance		
Personnel	\$667,560	\$753,637
Maintenance Expenses	\$152,100	\$155,025
Power Costs	\$428,500	\$443,200
Annual Maintenance	\$50,000	\$50,000
subtotal	\$1,298,160	\$1,401,862
Laboratory		
Personnel	\$140,850	\$147,314
Equipment/Expenses	\$33,415	\$37,300
Lab Contract Services	\$10,000	\$14,400
subtotal	\$184,265	\$199,014
Conservation		
Personnel	\$107,270	\$122,709
Expenses	\$62,018	\$61,605
subtotal	\$169,288	\$184,314
Engineering		
Personnel	\$413,990	\$352,639
Expenses	\$6,960	\$8,360
Outside Consultants	\$50,600	\$48,000
subtotal	\$471,550	\$408,999
Total Operating Expenses	\$3,872,343	\$4,170,489

B	G	L	M	W	X	Y	Z	AA	AB	EXHIBIT W2	
										FY 13/14	FY 13/14
3 MARINA COAST WATER DISTRICT											
4 5-YEAR CAPITAL IMPROVEMENT BUDGET											
5											
6	CIP #	Project Description	JAN 2009 Cost	FY 09/10 Proposed	FY 10/11 Proposed	FY 11/12 Proposed	FY 12/13 Proposed	FY 13/14 Proposed			
53		Ord Community Water 03-00-160-000									
55		FY 2008/2009 (Active Projects)	Original Cost								
57	OW-0124	Gen Jim Moore Blvd (Del Rey Oaks) (Construct)	2,611,000	2,935,000							
58	OW-0119	Replace D & E Reservoir (Construction/Demolition) [CIP No. 4.04, 3.07]	actual 8,300,000	3,600,000							
59	OW-0122	Replace D & E Reservoir Off-Site Piping	140,000	168,584							
60	OW-0128	Lightfighter "B" Zone Pipeline Extension (Design)	75,000	86,900							
61	OW-0170	Well 34 (deep aquifer at Well 32 site) (Design)	1,650,000	260,000							
62	WD-0115	SCADA System Improvements - Phase I	250,000	152,635							
63	NA	Basewide Environmental Insurance [50% OW, 50% OS]	20,658	10,764	11,195						
64		FY 2009/2010 (Planned Year)									
66	OW-0170	Well 34 (deep aquifer at Well 32 site) (Construct)	1,650,000	1,287,000							
67	WD-0106	Corp Yard (Demolition/Construct)	450,000	234,000							
68		2010 -- Urban Water Mgmt. Update	300,000	168,480							
69	OW-116	Eastern Distribution System (Prop 50 funded; OW-116; Watkin Gate Well) (Design)	6,712,610	500,000	500,000						
70	OW-116	Eastern Distribution System (Prop 50 funded; OW-116; Watkin Gate Well) (Construct)	6,712,610	2,980,589	2,980,589	3,568,881					
71	OW-0117	"18" UCMBEST Mitigation Monitoring Program	109,000	33,000	18,000						
72	GW-xxx	Integrated Regional Water Management Plan - Update	100,000	56,160							
74	OW-0167	2nd Ave extension to Gigling Rd	170,850	197,800	213,940						
75	OW-0128	Lightfighter "B" Zone Pipeline Extension (Construct)	231,000	267,400							
76	GW-0112	"A1/A2" Zone Tank & B/C Booster Sta @ CSUMB (Design)	1,610,000	1,863,400	1,088,345						
77	GW-0112	"A1/A2" Zone Tank & B/C Booster Sta @ CSUMB (Construct)	5,074,000	5,872,600	3,567,173						
78		Surplus Area 2 Pipelines	773,000	894,700	967,708						
79		Gigling Transmission from D Booster to Jim Blvd	93,960	118,700	133,521						
80		South Boundary Road Pipeline (ORO In-Tract) (20% allocation for up-sizing, if needed)	1,317,000	1,524,300	342,926						
81	OW-0127	Fire Flow Improvements - Commercial Flow on CSUJ (Design)	73,200	92,500	104,050						
82	OW-0127	Fire Flow Improvements - Commercial Flow on CSUJ (Construct)	414,800	523,800		612,772					
83		7th Avenue and Gigling Rd (Design)	25,650	32,400	36,446						
84		7th Avenue and Gigling Rd (Construct)	145,350	183,600		214,786					
85		2nd Ave connection, Reindollar to Imjin (2008)	1,000,000	1,000,000		1,169,859					
86	WD-0115	SCADA System Improvements - Phase II	248,000	246,000	112,659						
87	WD-0115	SCADA System Improvements - Phase III	100,000	100,000	45,427						
88	WD-0115	SCADA System Improvements (construction)	337,500	337,500	159,449						
89	WD-0110	Asset Management Program - Phase II	255,000	255,000	115,839						
90	WD-0110	Asset Management Program - Phase III	250,000	250,000	118,111						
91	OW-0118	"B4" Zone Tank @ East Garrison (and demo travel Camp Tank) (Design)	1,898,050	2,196,800	370,665						
92	OW-0118	"B4" Zone Tank @ East Garrison (and demo travel Camp Tank) (Construct)	1,898,050	2,196,800		2,184,453					
93		Demolish Bayview Reservoir [2010]	150,000	189,400		221,571					
94		1,700 feet Inter-Garrison Road Pipeline Replacement (in lieu of ASP booster & until B tanks ins)	600,000	600,000	125,000	400,000					
95	OW-0169	Intergarrison Road PRV	122,000	141,300		165,301					
96	OW-0166	CSU Fireflow Improvements	96,000	111,200		130,088					
97		Fire Flow Improvements -- Residential Fire Flow @ 3RD Ave (Vets Housing)	27,500	34,800		40,711					
98		Fire Flow Improvements -- Commercial Fire Flow to Stockade	461,000	582,100		680,975					
99		Fire Flow Improvements -- Residential Fire Flow between UV and Seaside Gateway	142,500	180,000		210,575					
100	OW-0164	Reservation Rd to Imjin Main Improvements (Design) (2,800 lf of 12")	56,850	65,800		80,056					
101	OW-0164	Reservation Rd to Imjin Main Improvements (Construct) (2,800 lf of 12")	322,150	372,900						471,837	
102	GW-0123	"B2" Zone Tank @ CSUMB (Design)	403,000	466,500		294,699					
103	GW-0123	"B2" Zone Tank @ CSUMB (Construct)	1,610,000	1,863,400		1,958,811					
104	OW-0131	Abrams Road Pipeline (Design) in CSU East Housing Area	114,570	144,700		176,050					
105	OW-0131	Abrams Road Pipeline (Construct) in CSU East Housing Area	1,610,000	1,863,400		340,067					
106	GW-0112	"A2" Zone Tank @ CSUMB (Design)	1,610,000	1,863,400						183,092	
107	GW-0112	"A2" Zone Tank @ CSUMB (Construct)	1,610,000	1,863,400							2,004,126
108	OW-0165	Rehabilitate/Replace Well 29 & TCE Treatment (Design)	1,158,000	1,462,100							266,830
109	OW-0165	Rehabilitate/Replace Well 29 & TCE Treatment (Construct)	1,158,000	1,462,100							1,572,519
110		Sand Tank Demolition (Design)	288,000	333,400							60,845

B	G	L	M	W	X	Y	Z	AA	AB
MARINA COAST WATER DISTRICT									
5-YEAR CAPITAL IMPROVEMENT BUDGET									
CIP #	Project Description	Original Cost	JAN 2009 Cost	FY 09/10 Proposed	FY 10/11 Proposed	FY 11/12 Proposed	FY 12/13 Proposed	FY 13/14 Proposed	OUT YEARS
111	Sand Tank Demolition (Construct)	288,000	333,400						358,579
112	Reservoir A3 (1.6 MG) (Design)	2,301,000	2,663,200					262,455	
113	Reservoir A3 (1.6 MG) (Construct)	2,301,000	2,663,200					419,745	1,546,737
114	Eastside Road (D-Zone pipeline) (Design - cost carried from 5-5.04)	345,000	345,000						
115	Eastside Road (D-Zone pipeline) (construct-cost carried from 5-5.04)	2,300,000	2,300,000						2,910,234
116	Reservoir "D2" (Design) [2010]	2,375,000	2,748,800					521,716	
117	Reservoir "D2" (Construct) [2010]	2,375,000	2,748,800					271,338	2,956,393
118	Rehabilitate Well 31 (Design)	1,177,500	1,486,800						1,599,085
119	Rehabilitate Well 31 (Construct)	1,735,000	2,008,100						2,540,887
120	Eucalyptus Rd Pipeline	1,037,000	1,200,300						1,518,762
121	"C2" to "B4" Pipeline and PRV Station	188,000	217,600						275,333
122	Reservoir B4/B5 to East Garrison Pipeline	700,000	810,200					147,860	
123	Imjin Road, Reservation to Imjin Pkwy, realignment in 2013 (Design)	700,000	810,200						871,387
124	Imjin Road, Reservation to Imjin Pkwy, realignment in 2013 (Construct)	700,000	810,200						
125	Booster Station @ UCMBEST Adcl Pump Cap. (Design)	171,000	198,000					240,897	
126	Booster Station @ UCMBEST Adcl Pump Cap. (Construct) [2015]	969,000	1,121,500						1,419,055
127	UCMBEST Pipeline	296,500	343,200						434,257
128	Imjin Road @ Airport Area (Design) [2015]	100,000	115,800						21,979
129	Imjin Road @ Airport Area (Construct) [2015]	100,000	115,800						124,545
130	Golf Boulevard Transmission Line	796,000	921,300						1,165,738
131	"B5" Zone Tank @ East Garrison, [2011]	473,000	473,000						3,369,798
132	Blanco/Imjin Connector - road project pending change	194,490	245,600						598,496
133	Reservoir B Supply Line (Design) [2015]	194,490	245,600						46,614
134	Reservoir B Supply Line (Construct) [2015]	194,490	245,600						264,148
135	Eastern Well Field - ROLLUP thru well 39 (Includes Well 33 Phases 2 and 3) Need to split out	26,081,390	30,186,100						38,195,046
136	Eastern Well Field - ROLLUP thru well 43 (Need to split out)	20,238,000	23,423,000						29,637,567
137	2011 -- Ord Water Master Plan	200,000	200,000			224,973			
138									
140				9,495,999	6,467,922	9,057,837	5,925,790	4,746,670	94,086,217
141	TOTAL - Ord Community Water								
253	New Water Projects 05-00-160-000								
255	FY 2008/2009 (Active Projects)								
257	Recycled Design, Gen Jim Moore Blvd, Coe to South Boundary	25,500	29,600	30,784					
258	RUWAP Project Management [90% split]	750,000	750,000	832,000					
259	RUWAP Desalination - Detailed Design (Armstrong Ranch att) [90% split]	6,940,000	7,450,000	2,643,416	2,052,352				
260	FY 2009/2010 (Planned Year)								
262	Technical Proving and Outreach	0	300,000	312,000					
263	Armstrong Ranch Annexation (Program Mgmt; Prim Des; Env. Doc) [90% split]	92,000	92,000	86,112					
264	Recycled Pipeline, G.I.M.B. Coe to South Boundary (Construct) (in road shoulder)	1,550,000	1,794,000	1,865,760					
265	Recycled Trunk Main and Booster, MRWPCA to Normandy	200,000	200,000	200,000					
266	Recycled Trunk Main and Booster, MRWPCA to Normandy	21,325,000	22,896,300	23,812,152					
267	Blackhorse Reservoir	5,387,500	5,784,500	6,015,880					
268									
270	Regional Desalination - Construction (Armstrong Ranch att) [90% split]	34,220,000	36,734,600		37,189,286				
271	Construction -- Recycled Water	37,000,000	42,823,000			48,170,051			
272	Recycled Laterals-Ord	6,192,000	6,648,300			7,478,433			
273	Recycled Main thru Marina Heights (upsized)	2,397,800	2,574,300			2,895,737			
274	Recycled Lateral thru University Villages (upsized)	1,440,000	1,546,200				1,808,635		
275	Marina Airport / Imjin Road Recycled Water Pipeline (design)	2,150,000	2,308,500				405,093		
276	Marina Airport / Imjin Road Recycled Water Pipeline (construct)	2,150,000	2,308,500					2,387,347	
277	Recycled Water - Phase 2 Preliminary Design	100,000	100,000						126,532
278									
280	RUWAP TOTAL			35,795,104	39,241,638	58,544,222	2,213,928	2,387,347	126,532

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
REVENUE PROJECTIONS**

EXHIBIT W-3

	Adopted FY 2008-2009	Proposed FY 2009-2010
Number of water services		
# Flat Rate Customers	2,354	2,354
# Metered Customers	1,927	2,015
Total Customers	4,281	4,369
Annual Water Usage (in AF)		
Metered use	1,250	1,310
Unmetered use / Losses	1,350	1,350
Total Water Usage	2,600	2,660
Monthly Service Charges		
Flat Rate Billing (includes capital component charge)	\$67.76	\$74.58
Metered Service Charge - 3/4" Meter	\$13.75	\$15.13
Monthly Quantity Rates		
Tier 1 (0-8 hcf)	\$1.87	\$2.06
Tier 2 (8 - 16 hcf)	\$2.63	\$2.89
Tier 3 (16+ hcf)	\$3.39	\$3.73
Monthly Capital Surcharge (per EDU)	\$20.00	\$20.00
Annual Revenue Calculations		
Flat Rate Accounts	1,950,000	1,990,000
Metered Accounts	2,090,000	2,420,000
Capacity Fee (\$2,800 per EDU)	15,000	40,000
Capital Surcharge Revenue		7,200
Other Fees & Charges	33,800	56,300
A Total Operating Revenue	\$4,088,800	\$4,513,500
B Financing	5,337,132	9,495,999
D Non-operating Revenue (Interest Income)	750,000	432,000
E TOTAL REVENUE (A through D)	\$10,175,932	\$14,441,499
F Operating Expenditures	3,532,343	3,828,489
G2 CIP Projects	5,337,132	9,495,999
G3 General Capital Outlay	39,320	108,800
I Costs for Bond Issuance	0	0
J1 Debt Service	298,640	309,933
K Capital Replacement Reserve Fund	200,000	200,000
L Payments to Land Use Jurisdictions/FORA		
Reimb. to Land Use Agencies (5% of OR)	110,000	110,000
FORA Admin/Liaison Fees	25,000	25,000
Reimbursements to FORA (5% of OR)	170,000	170,000
Mmbrshp on FORA Bd. of Directors (1% of OR)	35,000	37,000
M TOTAL EXPENDITURES (F through L)	\$9,747,435	\$14,285,221
NET REVENUE (E-M)	\$428,497	\$156,278

EXHIBIT W-4

MONTHLY WATER RATES FOR REGION SURROUNDING THE ORD COMMUNITY

Revised April 1, 2009

TYPE OF FEE	CAL-AM ¹	California Water Service Company	MCWD City of Marina ²	City of Seaside	City of Del Rey Oaks (Cal-Am)	FY 09/10 MCWD Ord Community ³	Median Rates
Quantity Rate per 100 cu.ft.							
1st tier	\$1.7190	\$1.5819	\$1.93	\$3.35	\$1.7190	\$2.06	\$1.82
2nd tier	\$3.4381	\$1.6651	\$2.35	\$7.25	\$3.4381	\$2.89	\$3.16
3rd tier	\$5.1572	\$1.8650	\$4.29	\$11.75	\$5.1572	\$3.73	\$4.72
4th tier	\$6.8762			\$16.75	\$6.8762		\$6.88
5th tier	\$13.7524			\$23.00	\$13.7524		\$13.75
6th tier				\$30.00			\$30.00
Breakpoint for 1st tier	350	600	800	400	350	800	500
Breakpoint for 2nd tier	700	1,200	1,600	1,000	700	1,600	1,100
Breakpoint for 3rd tier	1,050	1800+	1600+	2,000	1,050	1600+	1,600
Breakpoint for 4th tier	1,400			3,000	1,400		
Breakpoint for 5th tier	2,800 +			4,000	2,800 +		
Breakpoint for 6th tier				4,000 +			
Meter Service Charge per month							
3/4-inch	\$10.86	\$20.25	\$15.87	\$15.78	\$10.86	\$15.13	\$15.46
Service Charge (hcf)	0.9846	0.152			0.9846		\$0.98
Service Charge (monthly)	-				-		
Surcharges	6.75				6.75		\$6.75
For illustrative purposes only, monthly rates based on 13 hcf/month, or 0.358 acre feet/year	\$83.70	\$43.58	\$43.06	\$107.93	\$83.70	\$46.06	\$60.74

1. Zone 1 \$0.2693 per ccf; Zone 2 \$0.4682
2. Proposed rates as of July 1, 2009.
3. Proposed rates as of July 1, 2009.

2008 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-5

Entity	2007 Consumption	2008 Consumption	Fort Ord Reuse Plan Allocation (AFY)	% of
OMC				
Nonresidential	46	39		
Residential	153	130		
Residential (e)	410	410		
Irrigation	32	39		
Subtotal	641	618	1,577.0 (1) (4)	39%
Construction Water - Army	0	4		
CSUMB				
Main Campus	78	53		
CSUMB Housing (metered)	17	16		
CSUMB Housing (e)	380	380		
CSUMB Irrigation	35	35		
CSUMB Irrigation (e)	95	95		
Subtotal	605	579	1,035.0	56%
UC MBEST	3	2	230.0 (2)	
County	197	37	710.0 (7)	
County/State Parks	0	0	45.0	
Cty/Del Rey Oaks	0	0	242.5 (6)(7)	
Cty/Monterey	0	0	65.0	
Cty/Marina (Sphere)	0	0	10.0	
Subtotal	200	39	1,302.5	3%
Seaside				
Golf Course	21	1		
MPUSD	89	127		
Brostrom	64	66	85.0 (4)	
Thorson	63	64	120.0 (3)	
Seaside Highlands	199	205		
Monterey Bay Land, LLC	0	0	114.0 (5)	
Other	8	5	693.0 (7)	
Subtotal	444	468	1,012.0 (4)	46%
Construction Water - Seaside	7	20		
Marina				
Preston/Abrams	171	186		
Airport	5	5		
Other	172	118		
Subtotal	348	309	1,325.0 (7)	23%
Construction Water - Marina	86	14		
Total	2,331	2,051	6,251.5	33%
Assumed Line Loss	610 (8)	218 (8)	348.5 (7)	
Total Extracted	2941	2269		
Reserve	3659	4331	0 (7)	
Total	6600	6600	6,600	

Notes:

(e) indicates water use is estimated; meters are not installed.

Footnotes:

(1) The 1996/1998 FORA Board Allocation Plan reflects 1410 afy that considers future conservation on the POM Annex. The OMC's current reservation of 1577 afy reflects the decrease of 38 afy and 114 afy (see footnote (4)) from the original 1729 afy. The FORA Board has not yet revised the allocation numbers to reflect this change.

(3) The Sunbay/Thorson property was given its own allocation (120 afy) as part of the transfer of real estate from the US Army to the Southwest Sunbay Land Company.

(4) Seaside's original allocation of 710 afy was augmented by 38 afy by agreement with the OMC and Brostrom, and by 114 afy under final terms of the land exchange agreement among the City of Seaside, Monterey Bay Land, LLC and the US Army.

(5) 114 afy of Monterey Bay Land, LLC controlled potable water includes the proviso that the City of Seaside shall use no less than 39 afy of such water for affordable or workforce housing.

(6) The FORA Board approved an additional 17.5 afy for Del Rey Oaks on 05/13/2005.

(7) In January 2007, the FORA Board changed the 150 afy interim use loans to Marina, Seaside, Del Rey Oaks and Monterey County in October 1998 to add to their permanent allocations.

(8) Line loss figures include water transferred from Ord to Marina system through the inter-tie. The transferred numbers are tracked in the SCADA system and will be repaid back to Ord from Marina over time.

Ord Community Wastewater System

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WASTEWATER SYSTEM OPERATIONS
PROPOSED BUDGETS**

	Adopted Budget Ord Community Wastewater Expenses FY 2008-2009	Proposed Budget Ord Community Wastewater Expenses FY 2009-2010
Administration/Management		
Personnel	\$185,528	\$211,800
Expenses	\$94,710	\$102,800
Insurance	\$13,480	\$16,200
Legal	\$12,050	\$13,300
Interest Expense	\$269,720	\$242,000
subtotal	\$575,488	\$586,100
Operations & Maintenance		
Personnel	\$186,220	\$213,640
Maintenance Expenses	\$84,340	\$39,445
Power Costs	\$53,150	\$62,250
Annual Maintenance	\$30,000	\$30,000
subtotal	\$353,710	\$345,335
Engineering Department		
Personnel	\$117,000	\$123,421
Expenses	\$1,980	\$2,906
Outside Consultants	\$14,300	\$16,800
subtotal	\$133,280	\$143,127
TOTAL	\$1,062,478	\$1,074,562

B	G	L	M	W	X	Y	Z	AA	AB
3	IMARINA COAST WATER DISTRICT								
4	5-YEAR CAPITAL IMPROVEMENT BUDGET								
5									
6	CIP #								
192	Ord/Community Sewer [A-C-00-000-000]								
194	FY 2008/2009 (Active Projects)								
196	OS-0153 Misc. Lift Station Improvements (planning)	1,454,350	1,570,400		1,688,545				
197	OS-0153 Misc. Lift Station Improvements (Construct)	704,350	760,600		855,572				
198	OS-0150 East Ganson LS Imps. (Construct) [19, 24]	800,000	863,900		934,394				
199	WD-0115 SCADA System Improvements Phase I	250,000	250,000	39,000					
200	NA BaseWide Environmental Insurance [50% OW, 50% OS]	20,658	20,700	10,764	11,195	11,642	12,108		
201									
202	FY 2009/2010 (Planned Year)								
204	Clark LS Improvement (Construct)	350,000	350,000		378,560				
205	Corp Yard (Demolition/Construct)	450,000	450,000	65,520					
206									
208	OS-0154 Del Rey Oaks - Collection System (Planning)	50,000	50,000		54,080				
209	OS-0147 Ord Village Sewer Pipeline & Lift Station Impr Project (Planning/Design)	45,000	48,600		52,566				
211	OS-0147 Ord Village Sewer Pipeline & Lift Station Impr Project (Construct)	471,750	509,400		549,400	101,125			
212	OS-0152 Booker, Hatten, Neeson LS Improvements Project (Design)	400,000	432,000		469,000	72,881			
213	OS-0152 Booker, Hatten, Neeson LS Improvements Project (Construct)	400,000	432,000		469,000	72,881			
214	Ord Control Project (Design/Construct)	100,000	100,000		106,000	76,491			
215	DRO LS, Gravity Sewer Main and GJMB Improvements Phase II (Design)	7,636,400	9,076,200		1,531,424				
216	DRO LS, Gravity Sewer Main and GJMB Improvements Phase II (Construct)	7,636,400	9,076,200		1,531,424				
217	Gigging LS and FM Improvements (Design)	220,560	238,200		267,943				
218	Gigging LS and FM Improvements (Construct)	1,249,840	1,349,600		1,478,841				
219	CSUMB Developments (Design) [9, 14, 18]	65,295	70,600		76,000				
220	CSUMB Developments (Construct) [9, 14, 18]	370,005	399,800		428,500				
221	WD-0115 SCADA System Improvements - Phase II	248,000	248,000		40,236				486,174
222	WD-0115 SCADA System Improvements - Phase III	100,000	100,000		16,224				
223	WD-0115 SCADA System Improvements (Construct)	337,500	337,500		54,756				
224	WD-0110 Asset Management Program - Phase II	255,000	255,000		41,371				
225	WD-0110 Asset Management Program - Phase III	250,000	250,000		42,182				
226	Injin LS & Force Main Improvements - Phase I (Design)	262,500	297,300		334,422				
227	Injin LS & Force Main Improvements - Phase I (Construct)	1,487,500	1,684,200		1,970,276				
228	OS-0148 Marina Heights Sewer Pipeline Improvements Project (design) [6,21]	583,000	629,500		110,464				
229	OS-0148 Marina Heights Sewer Pipeline Improvements Project (construct) [6,21]	583,000	629,500		661,001				
230	OS-0149 University Villages Sewer Pipeline Replacement Projects (design) [7,11,12,15]	329,400	355,700		62,418				
231	OS-0149 University Villages Sewer Pipeline Replacement Projects (construct) [7,11,12,15]	329,400	355,700		367,849				
232	Fitch Park Sewer Improvements	88,400	95,500		116,190				
233	Seaside Resort, East & Affordable Housing Sewer Imps. Project (Design) [1,2,3]	232,500	251,100		293,751				
234	Seaside Resort, East & Affordable Housing Sewer Imps. Project (Construct) [1,2,3]	232,500	251,100		305,502				
235	OS-0151 Cypress Knolls Sewer Pipeline Improvements Project (Design)	10,440	11,300		13,748				
236	OS-0151 Cypress Knolls Sewer Pipeline Improvements Project (Construct)	59,160	63,900		18,250				80,854
237	Parker Flats Collection System (Design)	100,000	100,000		107,552				
238	Parker Flats Collection System (Construct)	100,000	100,000		103,330				
239	Injin LS & Force Main Improvements - Phase II (Design)	500,000	566,200						608,960
240	Injin LS & Force Main Improvements - Phase II (Construct)	500,000	566,200						389,718
241	1st Ave Sewer Pipeline Replacement Project [2020]	285,200	308,000						47,576
242	Gentl Jim Moore Sewer Pipeline Replacement Project III [2020]	34,800	37,600						179,043
243	MRWPCA Buy-In	131,000	141,500						10,502,148
244	DRO LS, Force Main and GJMB Improvements Phase I (Design)	8,300,000	8,300,000						
245	DRO LS, Force Main and GJMB Improvements Phase I (Construct)	1,347,600	1,601,700						292,307
246	DRO LS, Force Main and GJMB Improvements Phase I (Construct)	1,347,600	1,601,700						
247	2011 Ord Wastewater Master Plan	225,000	225,000		253,094				
248									
249	TOTAL - Ord Community Sewer			115,284	3,227,170	3,601,542	14,161,138	2,354,351	13,638,813

EXHIBIT WW-4

MONTHLY WASTEWATER COLLECTION RATES FOR REGION SURROUNDING THE ORD COMMUNITY

Revised March 12, 2009

SERVICE DESCRIPTION	City of Pacific Grove ¹	City of Monterey ²	City of Salinas ³	SCSD City of Seaside ⁴	SCSD City of Del Rey Oaks ⁵	MCWD City of Marina ⁶	FY 08/09 MCWD Ord Community ⁷
Residential - per Living Unit	\$21.50	\$5.02	\$3.76	\$6.79	\$6.79	\$7.70	\$22.60
Business - 15 employees	\$30.20	\$7.05	\$5.29	\$9.54	\$9.54	\$11.55	\$33.90
Church - over 100 members	\$30.20	\$7.05	\$5.29	\$9.54	\$9.54	\$7.70	\$22.60
Laundromat - each washing machine	\$12.30	\$2.87	\$2.15	\$3.89	\$3.89	\$4.62	\$13.56
General Hospital - each bed	\$34.00	\$7.94	\$5.95	\$10.74	\$10.74	\$6.16	\$18.08
Motel/hotel - each room	\$9.30	\$2.17	\$1.63	\$2.94	\$2.94	\$1.93	\$5.65
Restaurant - each seat	\$4.30	\$1.00	\$0.75	\$1.36	\$1.36	\$0.54	\$1.58
High School/University - each student/faculty	\$0.40	\$0.09	\$0.07	\$0.13	\$0.13	\$0.54	\$1.58
Supermarket - 30 Employees	\$152.70	\$35.66	\$26.72	\$48.25	\$48.25	\$23.10	\$67.80

¹Rate is 200% of MRWPCA rate

²Rate is 46.7% of MRWPCA rate

³Rate is 35% of MRWPCA rate

⁴Rate is 63.2% of MRWPCA rate

⁵Rate is 63.2% of MRWPCA rate

⁶Rate is \$7.70 per Equivalent Dwelling Unit (71.6% of MRWPCA rate - Residential Rate) is proposed for FY 2009/2010

⁷Rate is \$22.60 per Equivalent Dwelling Unit (210.2% of MRWPCA rate - Residential Rate) is proposed for FY 2009/2010

As District customer base grows in the next few years, the monthly wastewater collection rate could possibly be reduced.

**Marina Coast Water District
Ord Community
Proposed Budgets and Rates
for FY 2009-2010**



Fort Ord Reuse Authority
Board of Directors
May 8, 2009

Board Requested Action

- **Receive FY 2009-2010 Presentation on Ord Community Service Area Budgets & Compensation Plan**

- **FORA Board to Consider approving Resolution Nos. 09-04 and 09-05 for Rates, Fees and Charges**

Board Requested Action

- **FORA Resolution:**
 - **Resolution No. 09-04: Approves Compensation Plan for Ord Community Service Area**
 - **Resolution No. 09-05: Approves the Capacity Charge and Capital Surcharge Element of Compensation Plan for Ord Community Service Area**

Background

- **1998 FORA – MCWD Agreement Requires Annual Approval of Compensation Plan (Budget, Rates, Fees & Charges)**
- **In 2008, MCWD Consultant Bartle Wells Associates Completed 5-Year Water and Wastewater Financial Plan and Rate Study**
- **Capacity Fee adopted by FORA Board on January 9 and by MCWD Board on January 13**

Background

- Prop 218 is required for any operating rate increase on Ord Community and Marina service area

- Prop 218 mailing:
 - May 14, 2008 - approved by MCWD Board
 - May 16, 2008 - mailed to District customers
 - July 11, 2008 – MCWD & FORA Board held joint public hearing

Rate Study Assumptions

- Projected Growth:

	2008/09	2009/10	2010/11	2011/12	2012/13
New Marina EDU's	0	0	15	15	15
New Armstrong Ranch EDU's	0	0	75	125	150
New Ord EDU's	0	0	0	0	0

- Fund Balance
 - Capital = \$1 million
 - Operating = 60 days operating expenses
- Fund balance interest rate = 4%

Budget Assumptions

- Ord water customer bill increase = 10%
- Ord sewer customer bill increase = 7.8%
- District five-year CIP = \$197 million
- New water project cost included in CIP
- 77% of the five-year CIP in years 2010/11 thru 2013/14

Capital Improvement Project

- Five-Year Capital Improvement Project

Cost Center	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Ord Water	\$ 9,495,999	\$ 6,467,922	\$ 9,057,837	\$ 5,925,790	\$ 4,746,670	\$ 35,694,218
Ord Sewer	115,284	3,227,170	3,601,542	14,161,138	2,354,351	23,459,485
New Water	35,798,104	39,241,638	58,544,222	2,213,928	2,387,347	138,185,239
Total	\$ 45,409,387	\$ 48,936,730	\$ 71,203,601	\$ 22,300,856	\$ 9,488,368	\$ 197,338,942

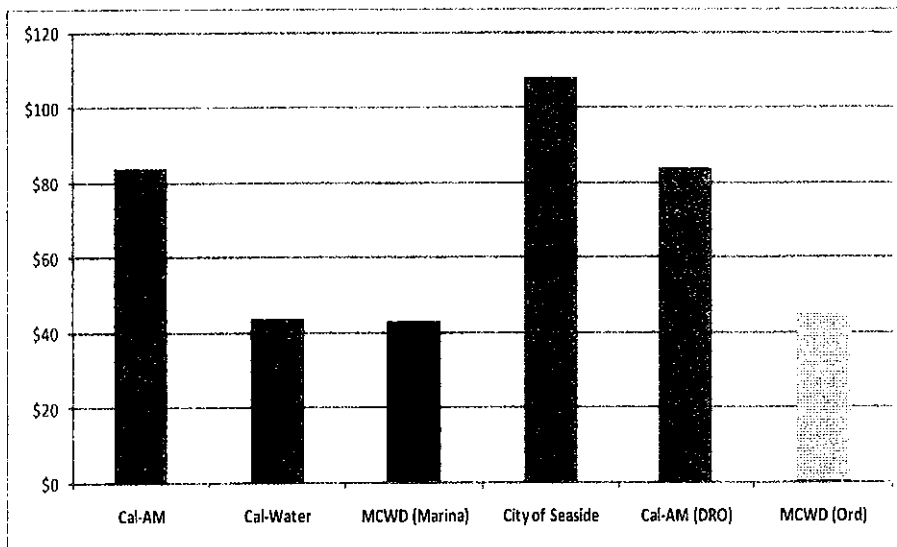
Water & Wastewater Rates

■ Ord Community service area rates

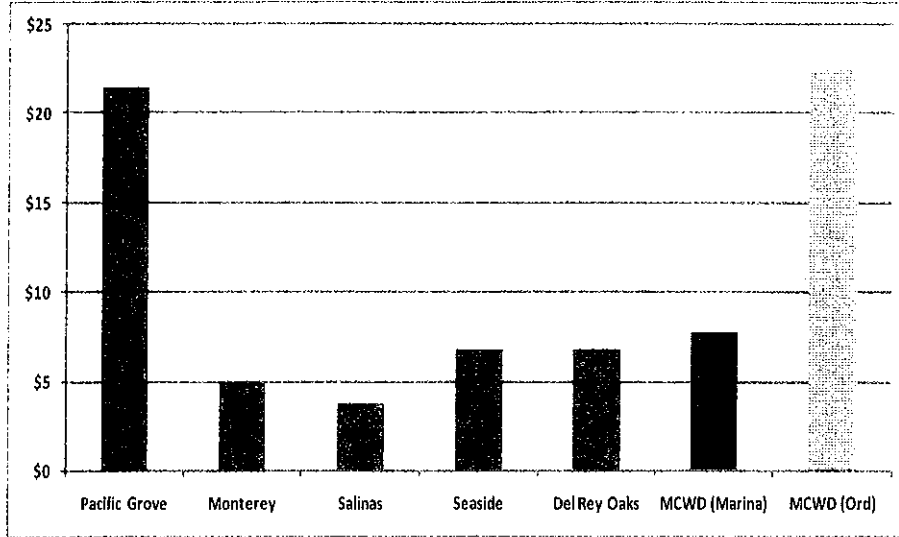
	<u>Current 2008/09</u>	<u>Proposed 2009/10</u>
Base Rate (3/4' Meter)	\$13.75	\$15.13
Tier I (0-8 hcf)	1.87	2.06
Tier II (9-16 hcf)	2.63	2.89
Tier III (17+ hcf)	3.39	3.73
Avg Water Bill (13 hcf)	\$41.86	\$46.06
Increase		10%
Flat Rate Accounts	\$67.76	\$74.58
Wastewater Collection	\$20.97	\$22.60
Increase		7.8%

Monthly Capital Surcharge of \$20 for Water and \$5 for Wastewater remain unchanged from prior fiscal year. This surcharge is applicable to new connections after July 2005.

Water Rate Survey



Wastewater Rate Survey



Capacity Charges

■ Capacity charges (per EDU)

Current 2008/09

Ord Water 5,700

Ord Sewer 2,100

Summary

- Flat rate adjustment made to un-metered accounts
- No capacity charge for conversion for un-metered
- No Increase in Ord Community Water & Wastewater Capacity Fees
- No Increase in Ord Community Water & Wastewater Monthly Capital Surcharges

Summary

- Increases based on prior Prop. 218 approval
 - Proposed increase in rates for Ord Water = 10%
 - Proposed increase in rates for Ord Sewer = 7.8%
- Average Monthly Increase (13 hcf)
 - Ord Water Proposed 10% Increase = \$4.20
 - Ord Sewer Proposed 7.8% Increase = \$1.63

Summary

■ Summary of Revenues and Expenses (in million dollars)

Ord Community Water

■ Total Revenues		\$4.946
■ Operating Expenses	(\$ 3.828)	
■ Land Use Jurisdictions Fees	(\$0.342)	
■ Capital Expenses	<u>(\$ 9.605)</u>	
■ Total Expenses		(\$13.775)
■ Debt Service		(\$ 0.310)
■ Capital Replacement Fund		(\$ 0.200)
■ Financing (2006 Bond)		<u>\$ 9.496</u>
■ General Reserve Fund		\$ 0.160

Summary

■ Summary of Revenues and Expenses (in million dollars)

Ord Community Sewer

■ Total Revenues		\$ 1.625
■ Operating Expenses	(\$1.063)	
■ Land Use Jurisdictions Fees	(\$0.012)	
■ Capital Expenses	<u>(\$0.132)</u>	
■ Total Expenses		(\$ 1.207)
■ Debt Service		(\$ 0.171)
■ Capital Replacement Fund		(\$ 0.100)
■ Financing (2006 Bond)		<u>\$ 0.115</u>
■ General Reserve Fund		\$ 0.262

Board Requested Action

- **FORA Resolution:**

- **Resolution No. 09-04: Approves Compensation Plan for Ord Community Service Area**

- **Resolution No. 09-05: Approves the Capacity Charge and Capital Surcharge Element of Compensation Plan for Ord Community Service Area**

FORT ORD REUSE AUTHORITY BOARD REPORT

Subject: FORA FY 09-10 Preliminary Budget (Action in June)

Meeting Date: May 8, 2009

Agenda Number: 10b

INFORMATION

RECOMMENDATION:

Receive this informational report regarding the Fort Ord Reuse Authority (FORA) fiscal year 2010 (FY 09-10) preliminary budget.

BACKGROUND/DISCUSSION:

Annually, the preliminary budget is presented to the Board by its June meeting, anticipating adoption before the beginning of the upcoming fiscal year. The FY 09-10 budget will be offered for consideration at the June 12 Board meeting, after being reviewed for recommendation by the FORA Finance and Executive committees during several budget meetings in April and May 2009. The Finance Committee (FC) held its first budget meeting on April 27. Please refer to item 11b, the minutes from the FC meeting, for more information.

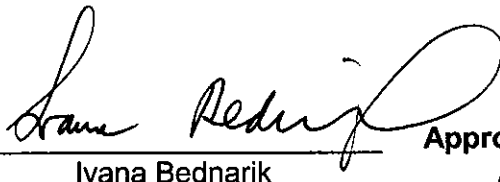
FISCAL IMPACT:

It is expected that the FY 09-10 budget will balance.

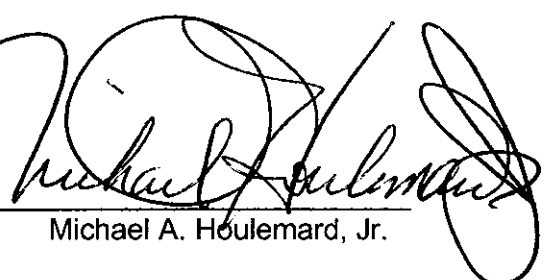
COORDINATION:

Finance Committee.

Prepared by:


Ivana Bednarik

Approved by:


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject: FORA's 2009 state priority legislation

Meeting Date: May 8, 2009

Agenda Number: Item 10c

INFORMATION

RECOMMENDATION:

Receive an informational report from the Fort Ord Reuse Authority ("FORA") Legislative Committee regarding their proposed positions on legislation being considered in the current State Legislative Session.

BACKGROUND/DISCUSSION:

FORA's Legislative Committee annually reviews bills proposed by California legislators that may have an impact on the redevelopment of former Fort Ord. As in previous years, FORA's legislative representative in Sacramento, John Arriaga, has provided frequent updates on this proposed legislation. On occasion, information that could create stumbling a block to FORA's objectives, or requires needed support, has become the focus of trips to Sacramento to meet with legislators to present FORA's objections, or FORA's support. FORA-sponsored legislation also resulted when special needs required a legislative fix. Last year and again this year, area jurisdictions and agencies collaborated their efforts for greater impact, when the Transportation Agency for Monterey County ("TAMC"), the County of Monterey and FORA met to share their legislative agendas and join together to offer mutual support for priority projects that would benefit each of them.

The past two years, the Legislative Committee has brought their proposed legislative positions to the FORA Board for review and approval. Although the committee has been unable to meet since their April 1st meeting, due to scheduling conflicts, Mr. Arriaga's staff has provided progress updates on the proposed legislation. The committee's preliminary recommendations are shown on the tracking report (**Attachment A**) and are from the April 1st meeting. At this time, they are being presented to the Board as information and direction items. A committee recommendation will be forthcoming for board approval at the June 12th board meeting. If you have any questions or comments before June 12th, please contact Executive Officer Houlemard at 831-883-3672.

FISCAL IMPACT:

Reviewed by FORA Controller M. F. for I.B.

Unknown at this time

COORDINATION:

Legislative Committee, JEA & Associates, TAMC, and the County of Monterey

Prepared by Linda L. Stiehl Approved by Michael A. Houlemard, Jr.

Linda L. Stiehl

Michael A. Houlemard, Jr.



Fort Ord Reuse Authority (FORA) Bill Track: Weekly Update

AB 300(Caballero) Subdivisions: water supply. (A-04/20/2009 [html](#) [pdf](#))

Introduced: 02/17/2009

Last Amend: 04/20/2009

Status: 04/29/2009-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 11. Noes 0.) (April 28).

Location: 04/29/2009-A APPR.

Summary: Would require, until January 1, 2020, the public water system, or the local agency if there is no public water system, to review, verify for accuracy, and approve, as specified, the subdivider's water savings projections attributable to voluntary demand management measures, as defined. The public water agency would be authorized to collect fees necessary to provide the additional analysis of the voluntary demand management measures. Water savings projections would be authorized to be calculated using the water savings projections adopted by the California Urban Water Conservation Council. Water savings projections for measures for which the California Urban Water Conservation Council does not have adopted findings would be required to be based on substantial evidence in the record and included in the water supply assessment adopted by the water supplier. If a project applicant proposes to use a new voluntary water reduction demand management measure that is not based on water savings projections adopted by the California Urban Water Conservation Council, the legislative body of a city or county or the advisory agency would be required to have the project applicant enter into an agreement with the water utility to implement and monitor the actual water savings over time, as specified. The public water system would be required to prepare a written report of the projected water demand versus the actual water use 5 years after the project has been fully developed, and to provide copies of the report to the project applicant, the city or county that approved the subdivision map, the California Urban Water Conservation Council, and the Department of Water Resources. The bill would also require, at the time of final inspection, that a manual providing directions to the owner or occupant on the proper use of water conservation devices and systems be placed in the dwelling. By adding to the duties of the public water system, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

~ **Legislative Committee proposed position: Support**

AB 419(Caballero) Joint powers agreements: water utilities. (I-02/23/2009 [html](#) [pdf](#))

Introduced: 02/23/2009

Last Amend:

Status: 04/27/2009-In committee: Hearing postponed by committee. (Refers to 4/13/2009 hearing)

Location: 03/09/2009-A L. GOV.

Summary: Would authorize a water utility that is regulated by the Public Utility Commission to enter into a joint powers agreement with one or more public agencies and other water suppliers, if the purpose of the joint powers agreement pertains to regional or local water management.

~ **Legislative Committee proposed position: Watch**

AB 498(Hayashi) Affordable housing: veterans. (A-04/22/2009 [html](#) [pdf](#))

Introduced: 02/24/2009

Last Amend: 04/22/2009

Status: 04/28/2009-From V. A.: Not heard.

Location: 04/29/2009-A V. A.

Summary: Would require the Department of Veterans Affairs to collaborate with the Department of Housing and Community Development to facilitate the development of multifamily housing for military veterans and their families. The bill would require the department to take action to ensure that if land is donated to the state for the express purpose of providing land for military veterans' housing, or if the department receives funding for a housing project restricted for the use of military veterans, any such housing built on that land, or using that source of funds, may be used only for housing for military veterans. This bill contains other related provisions.

~Legislative Committee proposed position: Watch

AB 522(Blumenfield) Transportation: bond funds. (I-02/25/2009 [html](#) [pdf](#))

Introduced: 02/25/2009

Last Amend:

Status: 03/12/2009-Referred to Com. on TRANS.

Location: 03/12/2009-A TRANS.

Summary: Would require the California Transportation Commission to ensure that bond funds previously committed to a project from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 remain available to the sponsoring agency of the project for another qualifying project, if funds from any federal economic recovery legislation enacted in 2009 are used to fund the project, as specified.

~Legislative Committee proposed position: Watch with possible support

AB 720(Caballero) Land use: housing element. (A-04/20/2009 [html](#) [pdf](#))

Introduced: 02/26/2009

Last Amend: 04/20/2009

Status: 04/21/2009-Re-referred to Com. on L. GOV.

Location: 04/21/2009-A L. GOV.

Calendar: 05/06/09 1:30 p.m. - Room 127 ASM LOCAL GOVERNMENT

Summary: Would authorize a city, county, or city and county to include weatherization and energy efficiency improvements as part of its efforts to substantially rehabilitate a unit, and modify the definition of "committed assistance" for purposes of specified provisions.

~Legislative Committee proposed position: Watch with possible support

AB 1047(V. Manuel Perez) California Infrastructure and Economic Development Bank: local assistance program. (I-02/27/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend:

Status: 04/21/2009-Do pass as amended and be re-referred to the Committee on Appropriations.

Location: 04/22/2009-A APPR.

Summary: Would require the bank to establish a local assistance program to provide technical support to small and rural communities in the state in obtaining financing for local infrastructure projects, as defined, subject to specified criteria. The bill would establish the Community Technical Assistance Fund in the State Treasury and would continuously

appropriate the moneys in the fund to the bank for purposes of the program, according to specified criteria. This bill contains other related provisions and other existing laws.

~Legislative Committee proposed position: Watch

AB 1084(Adams) Local planning: development projects: fees. (A-04/28/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend: 04/28/2009

Status: 04/29/2009-Re-referred to Com. on L. GOV.

Location: 04/29/2009-A L. GOV.

Summary: Would additionally require a local agency that is a city, county, or city and county to mail notice of the time and place of the meeting, including a general explanation of the matter to be considered and a statement that specified data is available, at least 14 days prior to the first meetings to any interested party who has filed a written request with the city, county, or city and county for mailed notice of meeting on new or increased fees to be enacted by the city, county, or city and county. The bill would authorize the legislative body of the city, county, or city and county to establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. This bill contains other related provisions and other existing laws.

~Legislative Committee proposed position: Oppose unless amended

AB 1105(Blakeslee) Energy: Building Energy Retrofit Revolving Loan Program. (I-02/27/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend:

Status: 04/20/2009-In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 03/26/2009-A NAT. RES.

Summary: Would require the commission to implement the Building Energy Retrofit Revolving Loan Program to provide loans for energy conservation projects retrofitting nonresidential buildings built before July 1, 1978. The bill would create the Building Energy Retrofit Revolving Loan Program Fund in the State Treasury that would be continuously appropriated to the commission for the implementation of the program, thereby making an appropriation. The bill would require that moneys from the federal American Recovery and Reinvestment Act of 2009 that are appropriated to the commission be transferred to the fund as authorized by federal law.

~Legislative Committee proposed position: Support

AB 1187(Huffman) Safe, Clean, Reliable Drinking Water Supply Act of 2010. (I-02/27/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend:

Status: 03/26/2009-Referred to Com. on W.,P. & W.

Location: 03/26/2009-A W.,P. & W.

Summary: Would enact the Safe, Clean, Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and water source protection programs, the issuance of bonds in the amount of \$10,035,000,000 pursuant to the State General Obligation Bond Law. This bill contains other existing laws.

~Legislative Committee proposed position: Watch

AB 1204(Huber) El Dorado County Transportation Commission. (A-04/15/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend: 04/15/2009

4/30/2009

Status: 04/27/2009-In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 04/20/2009-A L. GOV.

Summary: Would expand the membership of the agency to 9 members, with the 3 additional members to be appointed by the board of the El Dorado Community Services District. Because the bill would impose additional duties on local agencies, it would thereby impose a state-mandated local program. This bill contains other related provisions and other existing laws.

~Legislative Committee proposed position: Watch

AB 1306(Gilmore) Veterans: buildings, memorials, and cemeteries. (I-02/27/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend:

Status: 03/02/2009-Read first time.

Location: 02/27/2009-A PRINT

Summary: Would state the intent of the Legislature to consolidate the duties and powers of the commissions formed for the purposes of providing and maintaining veterans' buildings, memorials, and cemeteries under the auspices of advisory committees appointed by the California Veterans Board.

~No recommendation yet

AB 1332(Salas) Taxation: military housing. (I-02/27/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend:

Status: 03/31/2009-Referred to Coms. on REV. & TAX. and APPR.

Location: 03/31/2009-A REV. & TAX

Calendar: 05/11/09 1:30 p.m. - Room 126 ASM REVENUE AND TAXATION

Summary: Would delete the requirement that the housing be for military personnel and their dependents and instead specify that the housing be for military personnel or their dependents or both. This bill would clarify that, for the purposes of the definition of a taxable possessory interest, any reduction, as specified, in property taxes on leased property used for military housing, as defined, would inure solely to the benefit of the residents of the military housing through improvements, including community improvements, as specified, and housing improvements, as specified, and the renovation and refurbishment of those improvements. This bill would authorize the private contractor to use the reasonable estimate of property tax savings to construct, or to secure financing for the construction of, the community and housing improvements to be constructed as part of the initial construction of the project, as defined. This bill would authorize the private contractor and the county assessor to agree to extend the time for the initial construction of the project, as specified. This bill would extend the time period the county assessor may make an escape assessment, as specified, by a period equal to the extension of the initial construction period agreed upon by the county assessor and the private contractor. This bill contains other related provisions.

~Legislative Committee proposed position: Watch

AB 1422(Bass) Redevelopment: affordable housing. (I-02/27/2009 [html](#) [pdf](#))

Introduced: 02/27/2009

Last Amend:

Status: 04/02/2009-Referred to Com. on H. & C.D.

Location: 04/02/2009-A H. & C.D.

Calendar: 05/13/09 9 a.m. - Room 126 ASM HOUSING AND COMMUNITY DEVELOPMENT

Summary: Would authorize a redevelopment agency, until January 1, 2013, to expend any money that is not held in the fund to (1) purchase, assume, or refinance, or assist lenders or nonprofit or for-profit developers in purchasing, assuming,

or refinancing, subprime or nontraditional mortgages on homes owned by persons meeting a specified income level within its jurisdiction, or make loans to those homeowners and (2) purchase, or assist lenders or nonprofit or for-profit developers in purchasing, homes within its jurisdiction that have been foreclosed and are vacant and sell those homes, without regard to income. This bill contains other related provisions.

~Legislative Committee proposed position: Watch

ACA 9(Huffman) Local government bonds: special taxes: voter approval. (A-04/27/2009 [html](#) [pdf](#))

Introduced: 02/06/2009

Last Amend: 04/27/2009

Status: 04/28/2009-Re-referred to Com. on L. GOV.

Location: 04/28/2009-A L. GOV.

Calendar: 05/06/09 1:30 p.m. - Room 127 ASM LOCAL GOVERNMENT

Summary: Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness, incurred to fund specified public improvements, facilities or buildings, and housing, and related costs, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable. This additional exception would apply only if the proposition approved by the voters results in bonded indebtedness that includes specified accountability requirements. This bill contains other related provisions and other existing laws.

~Legislative Committee proposed position: Support

SB 93(Kehoe) Redevelopment: payment for land or buildings. (A-04/28/2009 [html](#) [pdf](#))

Introduced: 01/22/2009

Last Amend: 04/28/2009

Status: 04/29/2009-Read second time. To third reading.

Location: 04/29/2009-S THIRD READING

Calendar: 05/07/09 54 SEN SENATE BILLS-THIRD READING FILE

Summary: Would instead authorize a redevelopment agency, with the consent of the legislative body, to pay all or a part of the value of the land for, and the cost of the installation and construction of, any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to, as defined, the project area if the legislative body makes specified findings based on substantial evidence in the record. The bill would delete the requirement that the agency, with respect to the financing, acquisition, or construction of a transportation, collection, and distribution system and related peripheral parking facilities, in a county with a population of 4 million persons or more, enter into an agreement with the rapid transit district that includes the county, or a portion thereof, under which the rapid transit district is required to be given specified responsibilities. The bill would authorize an agency to pay for all or part of the value of the land for, and the cost of the installation and construction of, any building, facility, structure, or other improvement that is publicly owned and is partially located in the project area, but extends beyond the project area's boundaries, if the legislative body makes specified findings. This bill contains other related provisions.

~Legislative Committee proposed position: Oppose

SB 371(Cogdill) Safe, Clean, Reliable Drinking Water Supply Act of 2009. (I-02/25/2009 [html](#) [pdf](#))

Introduced: 02/25/2009

Last Amend:

Status: 03/09/2009-To Coms. on N.R. & W. and EQ.

Location: 03/09/2009-S N.R. & W.

Summary: Would enact the Safe, Clean, Reliable Drinking Water Supply Act of 2009, which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and water source protection programs, the issuance of bonds in the amount of \$9,980,000,000 pursuant to the State General Obligation Bond Law. The bill would

provide for the submission of the bond act to the voters at the next statewide election. This bill contains other related provisions.

~Legislative Committee proposed position: Watch

SB 456(Wolk) Safe, Clean, Reliable Drinking Water Supply Act of 2010. (I-02/26/2009 [html](#) [pdf](#))

Introduced: 02/26/2009

Last Amend:

Status: 03/12/2009-To Coms. on N.R. & W. and EQ.

Location: 03/12/2009-S N.R. & W.

Summary: Would enact the Safe, Clean, Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and water source protection programs, the issuance of bonds in the amount of \$9,805,000,000 pursuant to the State General Obligation Bond Law. This bill contains other related provisions.

~Legislative Committee proposed position: Watch

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee report	
Meeting Date: May 8, 2009 Agenda Number: 11a	INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The Administrative Committee met on April 29th, 2009, but draft minutes were not prepared in time for distribution in this board packet. During this meeting, staff presented three tables with: (1) preliminary estimates of Habitat Conservation Plan ("HCP") funding sources at the end of the take permit term (currently \$36.3 million but expected to be reduced pending further negotiations with the regulators) and the post-permit term (currently \$16.7 million), (2) an HCP endowment funding scenario assuming current Capital Improvement Program development projections, and (3) a bar chart table for the HCP funding scenario. Discussion of two memos prepared by staff, one responding to questions about the Implementing Agreement language regarding the Incidental Take Permits and the other concerning borderland issues, followed. A sample stay-ahead analysis of the Sand Gilia, one of the endangered species, was also presented.

The HCP Working Group will meet with the State and Federal regulators on May 7th to continue working toward resolution of these issues and final approval of the HCP and the auxiliary documents. Additional details about the HCP approval process will be provided by staff in Item 9a on the May 8th board agenda.

The Administrative Committee meeting scheduled for April 8th was canceled.

FISCAL IMPACT:

None

COORDINATION:

Administrative Committee

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

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

FORT ORD REUSE AUTHORITY BOARD REPORT

Subject: Finance Committee Report

Meeting Date: May 8, 2009

Agenda Number: 11b

INFORMATION

RECOMMENDATION:

Receive minutes from the April 27, 2009 Finance Committee (FC) meeting.

BACKGROUND/DISCUSSION:

The FC met on April 27, 2009 to discuss the FY 2009-2010 preliminary budget, including staff recommended financing of FORA's interest in Preston Park and the pre-application for the Economic Development Administration funds. The FC requested specific competitive bidding measures regarding the financing and a minor modification to the budget presentation format. The budget discussions will continue at the May 11 FC meeting.

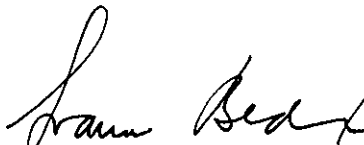
Please refer to the attached minutes for details.

FISCAL IMPACT:

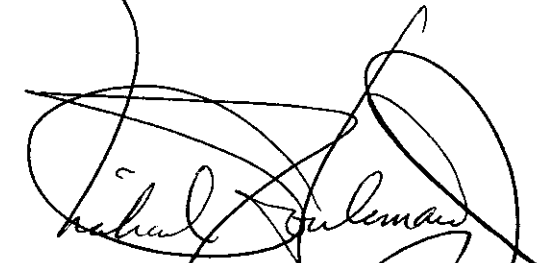
COORDINATION:

Finance Committee.

Prepared by


Ivana Bednarik

Approved by


Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

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

Finance Committee Meeting

Monday, April 27, 2009 at 3:30 pm

Action Minutes

DRAFT

Present: Chair Sue McCloud, Members: Tom Mancini, Janet Barnes, Graham Bice, Ken Gray
Staff: Michael Houlemard, Ivana Bednarik, Marcela Fridrich, Jim Feeney, Steve Endsley
Guests: Doug Yount, Jennifer Coile, City of Marina

AGENDA

The Finance Committee (FC) discussed the following agenda items:

1. Roll Call:
Quorum was achieved at 3:30 PM. Member Barnes joined meeting in progress at 3:40 PM and Member Bice at 4:05 PM.
2. January 12, 2009 Minutes:
Approved. (Motion Mancini, Second Sue McCloud, Passed 3 – 0).
3. FY 09-10 Preliminary Budget:
FC Members received the FY 09-10 draft preliminary budget and other supporting statements including ET/ESCA, Rabobank/Preston Park financing and itemized expenditures budget as prepared by Ivana Bednarik prior to the meeting. Michael Houlemard introduced major revenue and expenditure items. He noted that the Fort Ord Reuse Authority (FORA) was invited to submit a grant pre-application to the EDA office in Seattle. If invited to apply for the full 6.8M construction grant FORA must secure matching funds equal to the requested amount. FORA staff negotiated with Rabobank the possibility of re-financing FORA existing Line of Credit based on FORA's share in the Preston Park property. Michael Houlemard explained to FC members that FORA has five more years to complete obligations and there are revenues locked up in Preston Park that belong to all FORA jurisdictions. Preston Park project also owes \$4.6M in development fees that are needed now for completing HCP and other base-wide obligations including the local match to EDA Grant. Chair McCloud recommended obtaining interest rate bids from other banks and/or provide a justification for sole source of financing reflecting the fact that Rabobank will consolidate existing debt. Doug Yount from City of Marina noted that estimated Preston Park value could be lower due to current economic conditions. Michael Houlemard replied that this will be subject of an independent appraisal. FC members continued with review of the itemized expenditures budget. Chair McCloud asked staff to combine legal and authority counsel fees for total of \$130K. Michael Houlemard singled out moving expenses to brief FC members of planned relocation to new building. FC Member Gray asked staff to include the FY 08-09 salaries & benefits category to the itemized expenditures budget to compare with the proposed level for FY 09-10. Chair McCloud requested inviting John Pira from First National Bank to the next FC meeting to receive an update on FORA investments.

FC members evaluated the current budget format. No motion was taken at this time. FC members continued the meeting to May 11, 2009 for further deliberations.
4. Next meeting date: May 11, 2009.
5. Adjournment: The meeting adjourned at 4:25 PM.

Minutes prepared by Marcela Fridrich, Accounting Officer.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Executive Officer's travel report

Meeting Date: May 8, 2009

Agenda Number: Item 11c

INFORMATION

RECOMMENDATION:

Receive an informational report from the Executive Officer regarding his (1) recent trip to Washington, DC, and (2) travel report.

BACKGROUND/DISCUSSION:

~Trip to Washington, DC:

During the week of April 19-23, Fort Ord Reuse Authority ("FORA") Chair Ralph Rubio and Executive Officer Michael Houlemard traveled to Washington DC to follow up from his March trip on issues of property transfer, funding for environmental cleanup, habitat management, and infrastructure financing. During that same week representatives from the Transportation Agency for Monterey County, Marina Coast Water District, City of Salinas, Monterey Regional Water Pollution Control Agency, the County of Monterey and others from our region were also in Washington DC on similar and other matters. FORA representatives were able to meet with the US ARMY Headquarters' executives, Office of Economic Adjustment leadership, US Environmental Protection Agency officials, Congressman Sam Farr, and several others noted on the attached itinerary (**Attachment A**).

Executive Office Houlemard also provided testimony as a witness before the House Appropriations Committee Subcommittee of Military Construction, Veteran's Affairs, and Quality of Life. That testimony is attached, along with the list of the outside witnesses (**Attachment B**).

~Executive Officer's travel report:

The Executive Officer routinely submits a report to the Executive Committee providing details of travel requests from him and other board members. This travel may be paid or reimbursed by either FORA or outside agencies/jurisdictions. After the committee approves these requests, the information is reported to the Board as an informational item. The committee approved the following travel requests at their April 29th meeting:

~Request by California State University ("CSU"), Monterey Bay ("MB"), to attend a CSU Board of Trustees meeting in Long Beach, California (May 12, 2009): CSUMB campus leadership has requested that the Executive Officer join them in sharing FORA's support of the CSUMB Master Plan, which is being considered for approval at the May 12th meeting. Some transportation expenses will be covered by CSUMB and all other expenses will be reimbursed according to the FORA travel policy.

~Trip to Sacramento to garner support for FORA's funding issues, approval of the Habitat Conservation Plan, and other timely legislative matters (dates not confirmed yet, but before July 1, 2009): Executive Officer Houlemard and up to three Legislative Committee members will travel to Sacramento while the Legislature is still in session to meet with FORA's legislative FORA's travel policy.

~Association of Defense Communities ("ADC") Annual Conference in Boston, Massachusetts (August 1 – 5, 2009): Executive Officer Houlemard is president of ADC and will officiate at the annual conference, which provides a great opportunity to meet with federal, military and other LRA officials, as well as developers involved in the redevelopment of closed or realigned military installations. ADC will pay for his lodging costs and FORA will reimburse his airfare, parking, any meals not provided at the conference, and other miscellaneous expenses, according to the FORA travel policy. Up to three members of the Executive Committee have also been approved to attend this annual event that brings in excess of 500 people together to hear the latest information regarding base closure issues.

FISCAL IMPACT:

Reviewed by FORA Controller 

Cost of the travel to Washington, DC, was shared between FORA, the Association of Defense Communities ("ADC") and others. FORA's share was included in the FY 2008-2009 Budget. The expenses mentioned in the Executive Officer's travel report will be reimbursed as previously stated.

COORDINATION:

Executive Committee, Congressman Sam Farr, Mayor Ralph Rubio, Supervisor Dave Potter, Marina Coast Water District General Manager Jim Heitzman and ADC staff.

Prepared by 
Linda L. Stiehl

Approved by 
Michael A. Houlemard, Jr.



ATTACHMENT A
Item 11c
FORA Board Meeting
May 8, 2009

TRIP TO WASHINGTON, D.C.
April 19 – 23, 2009

Meeting Schedule

Sunday, April 19:

- **7:30 a.m.** - Depart San Jose Airport; arrive at Washington National Airport at 5:25 p.m.
- **7:00 p.m.** – Dinner meeting with Ralph Rubio and Kristie Reimer

Monday, April 20:

- **9:00 – 10:00 a.m.** – Meeting with Meeting with Daughan Pitts and Ivan Bolden, Division Chief at US Army and Chief, Public Private Initiatives Division at MPRI supporting Installation Management
 - **Location:** Presidential Towers, Suite 9531, 2511 Jefferson Davis Hwy, Arlington, VA
 - **Contact:** Daughan Pitts (daughan.pitts@am.jll.com) and (703) 601-2603
- **11:30 – 12:30 p.m.** - Meeting at Troutman Sanders
 - **Location:** 401 – 9th Street, NW, Suite 1000, Washington, DC 20004-2134
 - **Contact:** John Freshman, W: 202-274-2850 and C: 202-258-0076
- **12:30 – 1:00 p.m.** - Lunch at Kutak Rock
 - **Location:** Suite 1000, 1101 Connecticut Avenue, N.W. Washington, DC 20036-4374
 - **Contact:** Nithin Akuthota, 202-828-2423
- **2:00 – 3:00 p.m.** – Meeting with Joe Sikes, Director for Housing and Competitive Sourcing in the office of the Deputy Under Secretary of Defense for Installations and Environment
 - **Location:** 241 18th S., Suite 105 (in the lobby), Arlington, VA, 22202
 - **Contact:** Joyce Alford; Joyce.Alford@osd.mil and 703-607-3207
- **5:00 – 6:30 p.m.** - ADC Appreciation Reception for our Sponsors
 - **Location:** Bobby Vans Restaurant; 809 15th Street, NW, Washington, D.C.
 - **Contact:** Phone: (202) 589-0060

Tuesday, April 21:

- **7:30** – Breakfast with Tom Lederle re BRAC/ESCA issues (+ Ralph Rubio and Kristie Reimer)
 - **Location:** Hyatt Hotel coffee shop

- **10:30 – 11:00 a.m.** – Meeting with Congressman Sam Farr and Rochelle Dornatt
 - **Location:** 1126 Longworth House Office Building (Yellow and Orange Line at Capitol South Metro Stop)
 - **Contact:** Rochelle Dornatt; Rochelle.Dornatt@mail.house.gov or 202-225-2861

- **2:00 – 3:00 p.m.** - Meeting with Jim Holland, Deputy for Installation Policy, USAF
 - **Location:** The Pentagon, 4B941; Directions: Metro (Blue or Yellow Line), Meet outside of the metro exit near the Visitors Entrance
 - **Contact:** Jim Holland, 703-614-6232 and james.holland@pentagon.af.mil
 - **Additional Information:** Must bring 3 forms of ID, once including your driver license or passport.

- **4:30 – 5:30 p.m.** - Meeting with John Reeder, EPA
 - **Location:** Potomac Yard North 2733 S. Crystal Drive Arlington VA 22202; Conference Room N4331
 - **Contact:** Kristen Reed (703) 603-0047 and reed.kristen@epa.gov

- **6:00 p.m.** – Dinner meeting with Ralph Rubio, Kristie Reimer and Kutak Rock staff members
 - **Location:** Spezie's restaurant, 1736 L Street NW, Washington, DC 20036
 - **Contact:** George Schlossberg (Kutak Rock), 202-828-2418

Wednesday, April 22:

- **10:00 – 1:30 p.m.** - House Appropriations - Military Construction Subcommittee Hearing for DOD witnesses
 - **Location:** H-143, U.S. Capitol, Enter the South Entrance of the Capitol (House side);
<http://www.visitthecapitol.gov/Visit/Getting%20to%20the%20Capitol>
 - **Contact:** Mary Arnold; Mary.Arnold@mail.house.gov; (202-225-3047)

- **1:00 – 2:00 p.m.** - Meeting with Patrick O'Brien and Gary Willis, OEA
 - **Location:** 400 Army Navy Drive, Suite 200, Arlington, VA
 - **Contact:** When the group arrives in the lobby, we will need to contact Jennifer at (703) 604-5151 for an escort.

- **3:30 p.m.** - Meeting at Kutak Rock for testimony preparation
 - **Location:** 1101 Connecticut Ave., NW, Suite 1000, Washington, DC 20036-4374
 - **Contact:** George Schlossberg, 202-828-2418

Thursday, April 23:

- **10:00 – 12:30 p.m.** - House Appropriations - Military Construction Subcommittee Hearing for ADC witnesses (Houlemard, etc.)
 - **Location:** H-143, U.S. Capitol, Enter the South Entrance of the Capitol (House side);
<http://www.visitthecapitol.gov/Visit/Getting%20to%20the%20Capitol/>
 - **Contact:** Mary Arnold; Mary.Arnold@mail.house.gov; (202-225-3047)
 - **Additional Information:** Please plan to arrive at the subcommittee 15 minutes prior to the start of the hearing. You are scheduled to appear before the subcommittee at 11:05. Your testimony is limited to five minutes and may not exceed that allotted amount of time.

- ❖ Please have your ID with you at all times, security will require several forms of identification; Always have at least a drivers license or passport with you
- ❖ Please allow for time going through security measures at scheduled meetings
- ❖ **Mandy's Cell Phone:** 703-608-8115; **Mandy's Direct Line at Work:** 202-942-9480

~~Depart Washington National Airport at 3:00 p.m.; arrive at San Jose Airport at 8:36 p.m.



**Testimony Before the
House Appropriations Subcommittee on Military Construction, Veterans
Affairs and Related Agencies**

April 23, 2009

**Prepared Statement by
Michael Houlemard
President, Association of Defense Communities**

Chairman Edwards, Ranking Member Wamp, and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss key issues facing defense communities during these challenging economic times.

The Association of Defense Communities' (ADC) members are home to the nation's troops, families, and civilian support network. As President of ADC, I express my gratitude for the support the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies has provided to implement the various programs that are critical to the mutual success of the Department of Defense (DOD) and defense communities.

Specifically, in the area of base closures and realignments, the Subcommittee has consistently recognized the needs of DOD and communities by recommending full funding for the Base Realignment and Closure (BRAC) accounts over the years. However, as a political transition occurs in both the Administration and Congress, uncertainties arise in terms of funding priorities both in FY2010 and beyond. It is therefore imperative that appropriators sustain focus on important ongoing matters such as BRAC and related programs.

Accordingly, I'd like to focus my remarks today on the following items under the jurisdiction of this Subcommittee:

- (1) BRAC 2005 Account: Implementation and Schedule;**
- (2) BRAC 1990 Account: Environmental Cleanup of Legacy Bases; and**
- (3) BRAC Property Disposal: No-Cost Economic Development Conveyances**

Before beginning with the substance of my comments, I'd like to share a bit of my personal background in order to add context to my testimony. My experience with military-community interaction dates back for two decades and involves the closure of the Fort Ord Military Installation and the ongoing connections with the Naval Postgraduate School and the Defense

Language Institute in Monterey, Calif. I have served as the Executive Officer of the Fort Ord Reuse Authority (FORA) for the past 12 years. FORA is responsible for the redevelopment of the former Fort Ord, which was listed for closure as a part of the 1991 BRAC round, and is a 45-square mile facility located on the Monterey Peninsula, including the cities of Marina, Monterey, Seaside and Del Rey Oaks. Portions of the former Fort Ord provide support for the ongoing military mission in our community. In addition to my role at Fort Ord, I also serve as President of the Association of Defense Communities, the nation's premiere organization supporting and advocating for communities that host DOD installations and whose priorities are my primary reason for appearing before you today.

1. BRAC 2005 Account: Implementation and Schedule

As this Subcommittee is well aware, the BRAC 2005 round is the largest and perhaps most complex round of base closures and realignments undertaken by the Department of Defense to date. BRAC 2005 affects over 800 locations across the country and includes 24 major closures, 24 major realignments, and 765 lesser actions. The Defense Base Closure and Realignment Act of 1990, as amended, requires DOD to complete implementation of all BRAC 2005 recommendations by September 15, 2011. However, according to a January 2009 Government Accountability Office (GAO) report, the GAO described several significant challenges which will likely adversely impact the Department's ability to complete BRAC implementation by the statutory deadline.¹ Apart from major challenges such as synchronization of realignments and movement of personnel, full and timely funding of the BRAC 2005 account is required to ensure that the recommendations are implemented on schedule and on budget.

In his FY2010 budget blueprint released on February 26th, President Obama indicated that “the Administration will request sufficient funding to enable the Department to continue its efforts to meet the requirements of the BRAC 2005 Commission, which will help to align DOD’s domestic bases while meeting operational needs.”² ADC is very pleased with this pledge from the new President and encourages this Subcommittee to support such sufficient BRAC funding when it begins marking up the FY2010 Military Construction appropriations bill in the coming months.

The following table prepared by DOD for its FY09 Budget submittal indicates that FY09 was the peak year of funding for BRAC 2005 implementation. Funding for FY2010 is estimated at \$5.7 billion and FY2011 \$2.2 billion. As supported by the President and historically by this Subcommittee, ADC recommends the full and timely funding of the BRAC 2005 account in order to meet the September 15, 2001 statutory deadline, a deadline which has been relied on by many local and state authorities and elected officials for community planning and financing purposes.

¹ Government Accountability Office, *Military Base Realignments and Closures: DOD Faces Challenges in Implementing Recommendations on Time and Is Not Consistently Updating Savings Estimates*. GAO-09-217, January 30, 2009

² President Obama FY2010 Budget Blueprint, *A New Era of Responsibility: Renewing America's Promise*, February 16, 2009. http://www.whitehouse.gov/omb/assets/fy2010_new_era/Department_of_Defense.pdf

Table 1. DOD FY 2009 Budget Estimates for the BRAC 2005 Appropriations Account³

DOD Summary	2006	2007	2008	2009	2010	2011	2006-2011
Implementation Costs							
Military Construction	1,143.7	4,897.4	6,481.8	7,224.8	2,916.3	101.2	22,765.268
Family Housing –							
Construction	0.000	0.000	9.000	0.000	11.900	0.000	20.900
Operations	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Environmental	78.437	33.957	76.883	74.944	168.195	92.095	524.511
Operations & Maintenance	258.463	600.027	1,288.9	1,329.3	1,886.9	1,770.8	7,134.4
Military Personnel – PCS	0.000	39.810	23.755	16.571	7.851	2.934	90.921
Other	21.873	51.656	293.914	419.755	564.458	209.100	1,560.756
Homeowners Asst Program	0.000	0.000	0.000	0.000	2.139	0.555	2.694
Total One-Time Costs	1,502.5	5,622.9	8,174.3	9,065.4	5,557.7	2,176.7	32,099.5
Estimated Land Revenues	0.000	0.000	0.000	0.000	0.000	(72.867)	(72.867)
Budget Request	1,502.5	5,622.9	8,174.3	9,065.4	5,557.7	2,103.8	32,026.6
DOD Summary (Contd)	2006	2007	2008	2009	2010	2011	2006-2011
Undistributed Reduction	0.000	0.000	(938.724)	0.000	0.000	0.000	(938.724)
Total Budget Request	0.000	0.000	7,235.591	9,065.4	5,557.7	2,103.8	31,087.9
Total One-Time Costs							
Outside of the Account	27.993	5.771	7.003	87.169	143.215	135.754	406.905
Grand Total One-Time Implementation Costs	1,530.5	5,628.6	8,181.3	9,152.6	5,700.96	2,239.6	32,433.5

In addition to sufficient and timely funding of the BRAC 2005 account, ADC communities also remain concerned about the associated impacts that BRAC and related programs will have on the ability of ADC growth communities to accommodate increased demands for off-base infrastructure such as schools, utilities, housing, and transportation needs. ADC thanks this Subcommittee for the legislative language you inserted in the FY09 Military Construction appropriations report (House Rept. 110-775) that directed DOD to keep Congress fully informed about the effects of force structure changes on base populations as well as updated projections for base population increases at those installations that will add at least 1,000 permanent party military personnel under BRAC, and related programs.

While these congressionally directed reports from your Committee are welcome steps in the right direction, ADC growth communities remain concerned about the adequacy of appropriations and the coordination among federal agencies that are required to implement the needs of growing installations. Accordingly, we applaud the recent prepared statement by Ashton Carter – Obama administration nominee to be DOD Undersecretary for Acquisition, Logistics, and Technology – before the Senate Armed Services Committee in which he stated that he would review “the possible use of DoD appropriated funds beyond the state and local organizing and planning activities these funds have supported to date” to address growth issues that would require funding coordination with the U.S. Departments of Commerce, Transportation, Education, Labor, Agriculture, among others. (emphasis added)

We commend Nominee Carter and your Subcommittee’s emphasis on the issue because the funding shortfalls and necessary resource needs speak for themselves. According to a recent

³ DOD FY09 Budget Justification and Supporting Materials, *FY09 Budget Estimates Base Realignment and Closure 2005 Commission Defense-Wide*.

http://www.defenselink.mil/comptroller/defbudget/fy2009/budget_justification/pdfs/05_BRAC/BRAC%202005%20DEFENSE-WIDE.pdf

November 2008 report conducted by the DOD Office of Economic Adjustment, communities face very substantial funding gaps, as described in the following text and corresponding table:

Communities face an immediate \$1.6 billion funding gap associated with 58 critical mission growth related projects worth \$2.1 billion that are otherwise ready-to-move; that is, key community projects with sufficiently advanced planning, engineering design and cost estimates to seek Federal grant implementation funds, if such were available. Communities identified another 303 mission growth related projects worth \$6.8 billion that are in various stages of design/development, many fast-approaching the ready-to-move phase, and for which funding is uncertain. Consequently, the funding gap is expected to grow. Transportation projects account for over 85% of identified and projected funding needs. Although communities are tapping into Federal funding wherever possible, existing Federal programs and resources cannot accommodate either the level of need or the urgency of military mission growth.⁴ (emphasis added)

Table 2. Funding Gap for Defense Growth Community Infrastructure Requirements⁵

Category	Ready Projects	Cost of Projects	Funding Available	Funding Gap
Transportation	46	\$1,981,949,340	\$486,695,000	\$1,495,254,340
Education	7	\$95,832,842	\$3,500,000	\$92,332,842
Water & Sewer	4	\$46,351,000	\$0	\$46,351,000
Workforce	1	\$8,000,000	\$0	\$8,000,000
TOTALS	58	\$2,132,133,182	\$490,195,000	\$1,641,938,182

Clearly, given such challenging funding of growth community requirements, clear and timely information from DOD, flexibility of state and federal programs, and streamlined federal support will give communities and states the needed boost to become self-sustaining in the future.

Additionally, with regard to specific local school construction needs of growth communities, we would like to applaud the House Appropriations Committee for the leadership role it played in securing \$100 million in new funding for Impact Aid under the American Recovery and Reinvestment Act of 2009 (ARRA). Fort Benning is expected to see a 13 percent increase with the arrival of nearly 5,400 new students.⁶ The National Association of Federally Impacted Schools (NAFIS) estimates that Muscogee County School District – the school district which will house the influx of Fort Benning dependents – will require two (2) Elementary schools at \$15 million each; one (1) Middle school @ \$25 million; one (1) High school at \$35 million; for a total school construction cost of \$85 million in Muscogee County.⁷

⁴ Department of Defense, Office of Economic Adjustment, Growth Project Needs Assessment (PNA) August 2008 Snapshot: *Identifying a Federal Funding Gap for Local Economic Adjustment Projects*. August 2008 available at: <http://www.nga.org/Files/pdf/0808PNASNAPSHOT.PDF>

⁵ *Id.*

⁶ National Governors Association, *Issue Brief: State Education Activities to Support Mission Growth*. March 16, 2009. available at: <http://www.nga.org/Files/pdf/0903MISSIONGROWTHEDUCATION.PDF>

⁷ National Association of Federally Impacted Schools, *Impact Aid School Districts: Compilation of Pending Projects for School Construction, Modernization, Renovation, Repair, and Energy Improvement*. November 2008 available at: <http://nafisdc.org/ModernizationCompilationII.pdf>

2. BRAC 1990 Account: Environmental Cleanup of Legacy Bases

The DOD roughly estimates a \$3.5 billion backlog in environmental cleanup obligations, which would go towards remediation to help local communities redevelop those lands. Environmental restoration has the potential to slow the transfer of unneeded base property freed up by the BRAC process to communities surrounding those bases, which has adverse effects on BRAC communities, as properties cannot be put to productive reuse until cleanup is substantially completed. In this regard, ADC believes it is imperative that DOD adequately plan for and Congress adequately fund environmental restoration requirements, especially privatized cleanup efforts, to expedite transfer of surplus property for beneficial local reuse.

Table 3. Environmental Cleanup Costs by BRAC Round through FY2007⁸

BRAC	Costs Through FY2007	Costs FY2008 to Completion	Total
1988	\$1,442,335,000	\$488,607,000	\$1,930,942,000
1991	\$2,219,968,000	\$1,322,851,000	\$3,542,819,000
1993	\$1,763,241,000	\$474,159,000	\$2,237,400,000
1995	\$1,803,356,000	\$1,208,167,000	\$3,011,523,000
2005	\$34,385,000	\$386,244,000	\$420,629,000
All Rounds	\$7,263,285,000	\$3,880,028,000	\$11,143,313,000

ADC recommends substantial funding for the BRAC 1990 account above the fiscal year 2009 enacted level. In addition, ADC supports policy resolutions from our partner organizations, the National Governors Association (NGA) and the National League of Cities (NLC), with respect to BRAC legacy funding for environmental cleanup. NLC has stated that “with the downsizing of the nation’s military structure and its conversion to civilian use, NLC believes Congress and the administration should adopt the following environmental cleanup policies ... Provide full and timely funding and appropriation for the cleanup of federally owned or operated contaminated facilities and sites.”⁹ NGA similarly holds that “the Governors recommend that adequate federal funds be made available to bring former military sites into compliance with state standards in a quick and expeditious manner. If a site is transferred before the cleanup is complete, then the funds should be available to the transferee to ensure compliance with state standards.”¹⁰

ADC is well-aware that there is an extensive backlog of remaining environmental requirements for closed legacy BRAC installations dating back to the 1988 round. We are particularly cognizant of the challenges and uncertainties that have arisen in the area of cleanup of unexploded ordnance (UXO), and we have been in dialogue with our state members and regulators at the Environmental Protection Agency. There are many technical and process-oriented dialogues that are occurring among various stakeholders to address the issue of legacy

⁸ DOD, Defense Environmental Programs Fiscal Year 2007 Annual Report to Congress, March 2007, Appendix K, pp. K-8 — K-12.

⁹ National League of Cities. Energy Environment and Transportation Policy. 2009. <http://www.nlc.org/ASSETS/BA8E0B1F439E404C8EEE847C9B3E582B/2%20EENR%20NMP%202009.pdf>

¹⁰ National Governors Association. Environmental Compliance at Federal Facilities Policy. <http://www.nga.org/portal/site/nga/menuitem.8358ec82f5b198d18a278110501010a0/?vgnextoid=c920a99b94168110VgnVCM1000001a01010aRCRD>

BRAC cleanup, but from past experience, ADC believes that the ultimate impediment to success is the lack of adequate Presidential budget requests and resulting insufficient funding of the BRAC 1990 account by Congressional appropriators. The House recommended \$300 million in American Recovery and Reinvestment Act funding for legacy base needs – which did not survive the joint committee recommendations. That \$300 million, at the very minimum, should be carried forward by the House in the FY 2010 budget.

The FY 2009 budget request includes \$393.4 million of new budget authority for environmental restoration and caretaker costs for facilities closed under the previous four rounds of base closure authority. This funding will ensure bases are continuing to be cleaned efficiently to speed the transfer of property to redevelopment authorities. Unobligated land sale revenue of \$24.9 million will be used to offset a portion of the Department's FY 2009 environmental and caretaker total requirements of \$393.4 million.

Ultimately, ADC agrees with recent sentiments of this Subcommittee that lengthy delays in completing environmental cleanup at shuttered bases hamper the ability of communities to put valuable property to economically and socially productive uses, and that more robust funding for the BRAC 1990 account will help to accelerate the cleanup and reuse of these bases. Moreover, BRAC legacy environmental cleanup funding could create hundreds of new environmental-related jobs immediately. BRAC legacy cleanup can be characterized as a “green initiative” in multiple ways: (1) fulfilling the Government’s responsibility to remediate military waste; (2) allowing early completion of legal compliance milestones; and (3) enabling long-term sustainable reuse.

3. BRAC Property Disposal: The Case for No-Cost Economic Development Conveyances as Jobs-Centered Property Disposal

ADC promotes the expeditious transfer of closed DOD bases to federally-recognized local redevelopment authorities (LRAs) with an emphasis on using the No Cost Economic Development Conveyance (No Cost EDC) mechanism as the most equitable of all the tools currently defined under law. As background, the BRAC Commission was created to consolidate and increase efficiency of DOD facilities. Part of DOD’s commitment to Congress was that the BRAC process would help closed bases transition quickly to civilian reuse. As a result of five (5) BRAC rounds, hundreds of military installations have been decommissioned or downsized with the expectation that the properties would be available for local reuse and economic development. However, recent evidence continues to support our 1999 position that the inconsistent/uneven and time consuming transfer process by the military departments has left thousands of acres of former installation property in federal ownership, with the fallow acreage hampering host community economic recovery. In fact, some closed former military properties have been awaiting transfer for over a decade, properties in which the delay is not the result of an environmental cleanup schedule.¹¹ Ultimately, as long as unneeded properties remain in DOD possession, communities are denied the full economic benefit of property reuse and DOD continues to incur ongoing caretaker costs.

¹¹ General Services Administration, 2006 BRAC Oversight Report, indicates that “64% of unconveyed Legacy Base acres are unrelated to environmental cleanup”. January 2007

The bureaucratic and inconsistent transfer process for closed military bases has delayed property transfers that would enable earlier redevelopment and investment. Despite the establishment in 1993 of the Economic Development Conveyance, the mid-1990s BRAC transfer discussions between the DOD and LRAs was primarily characterized by lengthy appraisal processes and contentious negotiations over DOD's interpretation of the requirement to transfer property "at or below fair market value." In response, in order to break the logjam of property conveyances by ending the debate over market value and focusing on (i) the cost savings of a timely transfer and (ii) the economic stimulus that transferring these properties would generate, in 1999 the Congress amended the BRAC Statute to direct the use of the No Cost EDC as a preferred property disposal mechanism. Immediately thereafter, in 1999, the DOD established a policy that implemented the No Cost EDC and directed that closed bases be transferred at no cost to an LRA if the use of the property created jobs and spurred economic development. The rate of property transfer increased by almost 200 percent in the years following this legislation. This resulted in the conveyance of thousands of acres to LRAs and the creation of thousands of new jobs. In other cases, renegotiated transactions resulted in expediting planned recovery programs that remain a model for successful reuse efforts.

In a 2002 report, the GAO identified more than 75,000 acres at 46 installations that were conveyed via the jobs-centered No Cost Economic Development Conveyance. The Office of Economic Adjustment estimated that these conveyances generated hundreds of thousands of jobs around the country. OEA and GAO documented many specific success stories of generation of new jobs at closed BRAC properties, specifically through the no cost economic development conveyance mechanism, including, to name a few: Myrtle Beach Air Force Base and Charleston Naval Base, South Carolina; Fitzsimmons Army Medical Center and Lowry Air Force Base, Colorado; Fort Devens, Massachusetts; Loring Air Force Base, Maine; Chase Field Naval Air Station and Kelly Air Force Base, Texas; Cecil Field Naval Air Station, Florida; Griffis Air Force Base and Plattsburgh Air Force Base, New York; Fort Ord and McClellan Air Force Base, California; and, Philadelphia Naval Complex, Pennsylvania. A central tenant of Congress' agreement to the No Cost EDC was the commitment from DOD that the BRAC process would help those communities unfortunate enough to face a base closure by swiftly transitioning the closed base to civilian reuse.

While current federal law and regulations allow No-Cost EDCs, the DOD has been unwilling, almost without exception, to utilize the tool during the past 8 years. During that time, property conveyances to LRAs and local communities (as opposed to other grantee mechanisms such as federal to federal transfers, conservation conveyances or special legislation) have reduced significantly. There is tremendous risk that in the current economic climate, with property values at their lowest position in the past decade and absent an emphasis on the use of No Cost EDCs, that these properties will sit fallow for years. This is entirely contradictory with Congress' consistent mandate that the BRAC process should expedite productive economic reuse by the local communities. At a time in which economic stimulus is needed, this jobs-centered transfer approach can result in multiple benefits to local communities and the nation as a whole, including:

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- Incentives for local and regional private and public investment in billions of dollars of infrastructure improvements;
- Generation of hundreds of thousands of jobs; and
- Generation of billions in state and local tax revenues from investment and redevelopment.

For purposes of this subcommittee hearing and the focus on appropriations items, it is important to note that revising BRAC authorities to encourage the use of No-Cost EDCs does not require any appropriated funds, but has the potential to save DOD and Congress from expending future DOD appropriations by reducing the significant overhead costs associated with the operation and maintenance, valuation, negotiation and sale of complex contaminated surplus property. Further, with respect to Subcommittee recommendations for funding and oversight jurisdiction with regard to BRAC implementation and reuse, we believe that it is important that you understand the virtues of pursuing No-Cost EDCs as a tool for property disposal, job creation and local economic redevelopment, while at the same time reducing the future appropriations obligations (under DOD and MILCON appropriations bills).

Conclusion

On behalf of ADC, I thank the Subcommittee for the opportunity to provide some insight into BRAC 2005 implementation, legacy BRAC cleanup, and the need for no-cost economic development conveyances. For communities, whether coping with closures or growth, BRAC recommendations have tremendous impacts not only on real estate, but also on people, jobs and quality of life — issues that impact all aspects of a community.

In order for communities to adequately address the impacts of BRAC, there must be collaboration between all parties. We are encouraged by the work of the House Appropriations Subcommittee on Military Construction to address the needs of defense communities with respect to the BRAC accounts and property disposal mechanisms.

Thank you again for the opportunity to appear today.

APPENDIX A

Association of Defense Communities Background Information

ADC is the nation's premier membership organization supporting communities with active, closed and closing defense installations. Our 1,200 members unite the diverse interests of communities, the private sector and the military on issues of mission enhancement, realignment, community-installation partnerships, public-private partnerships and closure/redevelopment. For more than 30 years, ADC has been the voice of communities addressing the challenges and opportunities of active and closed military installations. ADC was originally known as the National Association of Installation Developers, formed by a group of airport managers at former military facilities in Kansas, Oklahoma, and Texas. These individuals organized the Airpark Development Study Conference in Clinton, Oklahoma, to provide managers and owners of former military bases the opportunity to exchange ideas, discuss experiences and learn new techniques for operating and identifying reuse opportunities for former military installations.

Shortly after that first meeting, with assistance from the Defense Department's Office of Economic Adjustment (OEA), the association was organized by operators of former military installations in the Midwest and communities where bases had been scheduled for closure in April 1973. Several years ago, the organization changed its name to the Association of Defense Communities, or ADC, to reflect an expanded mission that has evolved to address issues at all defense communities — communities redeveloping former military bases as well as those with active military installations.

Today, ADC's members include communities responding to the full range of BRAC impacts, including major base closure, mission growth and realignment. Our membership also counts numerous communities affected by previous BRAC rounds still coping with the impact of closure and environmental problems. ADC's diverse membership places us in a unique position to address the successes, challenges and concerns of defense communities.

OUTSIDE WITNESSES HEARING

Thursday, April 23, 2009

10:00 a.m.

WITNESS LIST

- 10:00 a.m. Friends of VA Medical Care and Health Research (FOVA)
Galen B. Toews, MD
- 10:05 a.m. American Association for Geriatric Psychiatry
Joel E. Streim, MD
- 10:10 a.m. National Military Family Association
Barbara Cohoon
- 10:15 a.m. American Lung Association
Stephen J. Nolan
- 10:20 a.m. American Psychological Association
Heather Kelly, Ph.D.
- 10:25 a.m. American Thoracic Society
Jesse Roman-Rodriguez, MD
- 10:30 a.m. Fleet Reserve Association
Joe Barnes
- 10:35 a.m. National Association for Uniformed Services
Rick Jones
- 10:40 a.m. Association of Minority Health Professions Schools, Inc.
John E. Maupin, Jr., D.D.S., M.B.A.
- 10:45 a.m. Iraq and Afghanistan Veterans of America
Patrick Campbell
- 10:50 a.m. ALS Therapy Development Institute
Stanley Appel, MD
- 10:55 a.m. Cinzia Bottene
City Council Member, Vicenza, Italy
- 11:00 a.m. Association of Defense Communities
Michael Houlemard

11:05 a.m. National Association of OEW Contractors
Ben Redmond

11:10 a.m. The American Legion
Steve Robertson

11:15 a.m. The Independent Budget
AMVETS – Ray Kelley
Disabled American Veterans – Kerry Baker
Paralyzed Veterans of America – Carl Blake
Veterans of Foreign Wars – Christopher M. Needham

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Annual Legislative Session at the June 12 th board meeting	
Meeting Date:	May 8, 2009	INFORMATION
Agenda Number:	11d	

RECOMMENDATION:

Receive a report from the Legislative Committee, which set the date for FORA's annual Legislative Session.

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority ("FORA") Board of Directors has annually calendared a Legislative Session at one of their spring meetings. This year the Legislative Committee recommended that this event be scheduled for the June board meeting. Invitations have been sent to the following legislators: Congressman Sam Farr, Senator Abel Maldonado and Jeff Denham, and Assemblymembers Anna Caballero and Bill Monning.

Each elected has been invited to present their 2009 legislative package, with particular emphasis on legislation that could or would have an impact of the redevelopment of former Fort Ord, along with their observations and opinions of the political climate in Washington, DC, and Sacramento. Board members are encouraged to ask questions following the presentations. With the downturn in the national and state economies this past year, there will be keen interest in these presentations.

FISCAL IMPACT:

Reviewed by FORA Controller M. F. for 1.3.

None

COORDINATION:

Executive and Legislative Committees; and staff members from the offices of Congressman Farr, Senators Maldonado and Denham, and Assemblymembers Caballero and Monning.

Prepared by

Linda L. Stiehl
Linda L. Stiehl

Approved by

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

FORT ORD REUSE AUTHORITY BOARD REPORT

Subject: Status update of outstanding receivables

Meeting Date: May 8, 2009

Agenda Number: 11e

INFORMATION

RECOMMENDATIONS:

Receive a report from the Controller regarding outstanding receivables.

BACKGROUND/DISCUSSION:

This is an update report regarding the outstanding receivables as of April 30, 2009.

1. East Garrison Partners (EGP) - Interest reimbursements

When Monterey County (County) approved the EGP project in 2005, certain land sale revenue was deferred; a portion was due to Fort Ord Reuse Authority (FORA) under terms of the FORA/County Implementation Agreement. As a consequence, EGP, County and FORA entered into a Memorandum of Understanding (MOU), which requires EGP to pay FORA monthly interest payments of about \$24,000 and to repay the \$4.1M principal due in 2011 or upon termination of the MOU. In September 2008, EGP defaulted on its interest payments breaching the MOU terms.

- ❖ FORA staff is working with County staff to bring a formal recommendation to the FORA Board. As of this writing, staff recommends coordinating recovery actions with the County of Monterey.

2. Del Rey Oaks (DRO) – Annual loan payment

In August 2008, the FORA Board approved a payment plan DRO developer requested regarding the pollution legal liability insurance. The DRO's annual payment is \$256,023 and the developer has made five monthly payments totaling \$ 35,000. The developer owes FORA \$40,000 for January-April 2009 installments; \$221,023 of the \$256,023 annual payment is unpaid.

- ❖ The developer promised payment by April 3 was not received; staff has subsequently contacted the developer who continues having problems with their financial partner but intends to make payments. If the full payment that is due is not received by July 1, 2009 the staff is recommending that the Board consider withdrawing PLL coverage from DRO.

3. Association of Monterey Bay Area Governments (AMBAG) - Land sale proceeds.

In November 2007, FORA sold a parcel to AMBAG. AMBAG requested that the sale agreement allows AMBAG to pay the outstanding balance of \$171,288 in three annual installments; the note provides for a 7% annual interest and contains a 1.5% late fee provision. As of April 30, 2009, AMBAG has not made the first installment and owes FORA \$206,188.

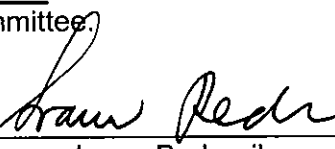
- ❖ AMBAG has recently announced that it will not participate in the joint IOP building construction and decided to sell the parcel. FORA will be paid the amount owed when the parcel gets sold at the escrow.

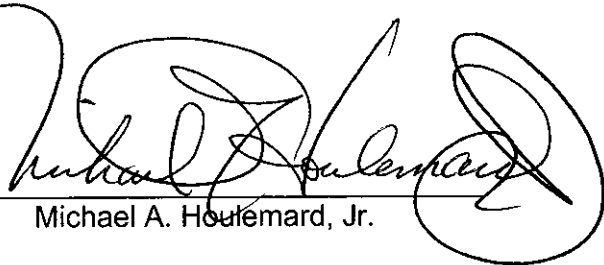
FISCAL IMPACT:

A negative impact on FORA's net revenues and reserves for the fiscal year; FORA spends its own resources including debt to substitute for these uncollected payments.

COORDINATION:

Executive Committee.

Prepared by 
Ivana Bednarik

Approved by 
Michael A. Houlemard, Jr.



Monterey Peninsula
Water Management District



ANNUAL OPEN HOUSE

THURSDAY, MAY 14, 2009

4 PM TO 6:30 PM

5 HARRIS COURT, BLDG. G,
RYAN RANCH, MONTEREY

May is Water Awareness Month.
Celebrate at the Open House with
MPWMD staff and Board members.

View multi-media and interactive exhibits on:

- ✓ Water supply planning
- ✓ Fishery enhancement
- ✓ Riverbank restoration
- ✓ Water Conservation

Refreshments

Free Drawing – Enter to Win Prizes

Take home a variety of water saving devices

Drought tolerant plants on display

For directions to the MPWMD office go to
<http://www.mpwmd.dst.ca.us/directions.htm>

For information contact Arlene Tavani at 831-658-5652.

www.mpwmd.dst.ca.us

Monterey Peninsula Water Management District, P.O. Box 85, 5 Harris Ct., Bldg. G, Monterey CA 93942-0085