



FORT ORD REUSE AUTHORITY

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REGULAR MEETING FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

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

910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

INFORMATION

- a. Staff Recruitment Updates

5. CONSENT AGENDA

- a. Approve May 8, 2015 Board Meeting Minutes (pg. 1-6) ACTION
- b. Approve Preston Park Settlement Agreement Amendment (pg. 7) ACTION
- c. Authorize Preston Park Loan Extension (pg. 8) ACTION
- d. Special District Risk Management Authority Board of Directors Election (pg. 9-19) ACTION

6. BUSINESS ITEMS

- a. Marina Coast Water District FY 2015-16 Ord Community Budget (pg. 20-62) INFORMATION/ACTION
 - i. Review Legal Analysis
 - ii. New Motion Consistent with FORA-MCWD Facilities Agreement *and/or*
 - iii. 2nd Vote: Adopt Revised MCWD FY 2015/16 Ord Community Budget
 - iv. Review FORA Water Augmentation Project Planning Authority
- b. Approval of FY 2015-16 Preston Park Operating and Capital Improvement Program Budgets (pg. 63-64) ACTION
- c. Approval of FORA FY 2015-16 Capital Improvement Program Revisions (pg. 65-67) INFORMATION/ACTION
- d. California State University Monterey Bay Master Planning Process Presentation (pg. 68-69) INFORMATION

7. PUBLIC COMMENT PERIOD

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

8. EXECUTIVE OFFICER'S REPORT

- | | |
|------------------------------------------------------------|-------------|
| a. Outstanding Receivables (pg. 70) | INFORMATION |
| b. Habitat Conservation Plan Update (pg. 71) | INFORMATION |
| c. Administrative Committee (pg. 72-76) | INFORMATION |
| d. Post Reassessment Advisory Committee (pg. 77-79) | INFORMATION |
| e. Regional Urban Design Guidelines Task Force (pg. 80-82) | INFORMATION |
| f. Travel Report (pg. 83-84) | INFORMATION |
| g. Public Correspondence to the Board (pg. 85) | INFORMATION |

9. ITEMS FROM MEMBERS

10. ADJOURNMENT

The meeting will respectfully adjourn in the memory of Gwendolyn Theresa Houlemard.

NEXT BOARD MEETING: JULY 10, 2015

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



FORT ORD REUSE AUTHORITY

BOARD OF DIRECTORS REGULAR MEETING MINUTES

Friday, May 8, 2015 at 2:00 p.m.

910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

1. **CALL TO ORDER**

Chair O'Connell called the meeting to order at 2:00 p.m.

2. **PLEDGE OF ALLEGIANCE**

Chair O'Connell led the Pledge of Allegiance.

3. **CLOSED SESSION**

The Board adjourned into closed session at 2:02 p.m.

a. **Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – 2 Cases**

i. **Keep Fort Ord Wild v. Fort Ord Reuse Authority (FORA), Case Number: M114961**

ii. **The City of Marina v. Fort Ord Reuse Authority, Case Number: M11856**

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

The Board reconvened into open session at 2:09 p.m. and Authority Counsel Jon Giffen announced that a settlement agreement had been signed in the City of Marina v. Fort Ord Reuse Authority case. While there were conditions to settlement, the Fort Ord Reuse Authority anticipated they would be satisfied.

5. **ROLL CALL**

Voting Members Present: (*alternates)(AR: entered after roll call)

Chair/Mayor Pro-Tem O'Connell (City of Marina)
Mayor Pro-Tem Beach (City of Carmel-by-the-Sea)
Mayor Edelen (City of Del Rey Oaks)
Mayor Gunter (City of Salinas)
Councilmember Haffa (City of Monterey)
Councilmember Lucius (City of Pacific Grove)
Councilmember Morton (City of Marina)

Councilmember Oglesby (City of Seaside)
Supervisor Parker (County of Monterey)
Mayor Pendergrass (City of Sand City)
Supervisor Phillips (County of Monterey)
Supervisor Potter (County of Monterey)
Mayor Rubio (City of Seaside)

Absent: None.

Ex-officio (Non-Voting) Board Members Present: Congressman Farr AR/after replaced by Alec Arago* (20th Congressional District), Senator Monning/after replaced by Nicole Charles* (17th State Senate District), Assemblymember Stone/after replaced by Erica Parker* (29th State Assembly District), Donna Blitzer (University of California, Santa Cruz), Eduardo Ochoa (California State University, Monterey Bay), Walter Tribley (Monterey Peninsula College), Lisa Rheinheimer* (Monterey-Salinas Transit), Todd Muck* AR (Transportation Agency for Monterey County), and Director Le (Marina Coast Water District).

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

None.

7. 2015 ANNUAL LEGISLATIVE SESSION

Chair O'Connell took the legislative reports out of order, as Congressman Farr had not yet arrived.

b. Report from State Senator Bill Monning - 17th State Senate District

Executive Officer Houlemard introduced Senator Monning. Senator Monning discussed the collaborative effort that culminated in the veterans cemetery groundbreaking and the work ahead to fulfill the vision. He noted his recent work with FORA to explore loan options to fund blight removal, leading to FORA's current efforts to obtain a low interest loan from the California i-bank. Senator Monning briefly reviewed the proposed state budget and provided an overview of the legislative budget process leading up to the June 15th deadline. He commented that projections showed higher than anticipated revenue. Senator Monning discussed recent mandatory state water reduction measures and regional water issues.

c. Report from Assembly member Mark Stone - 29th State Assembly District

Executive Officer Houlemard introduced Assemblymember Stone. Assemblymember Stone explained that his main policy focus this year would be infrastructure investment and poverty reduction. He discussed coalition efforts to secure a permanent funding source for affordable housing and provided an overview of the Assembly Speaker's Task Force's efforts to explore energy and climate change. Assemblymember Stone provided an overview of his current proposed legislation, including a significant child welfare reform bill and a broadband communication bill that would promote additional coalition building around that important issue.

a. Report from Congressman Sam Farr - 20th Congressional District

Executive Officer Houlemard introduced Congressman Farr. Congressman Farr discussed how continuing Department of Defense requests to congress for further Base Realignment and Closure (BRAC) rounds could affect the Monterey region. He emphasized the importance of implementing new BRAC criteria and a more effective selection system. Congressman Farr discussed the difficulty in quantifying intellectual the capital offered by the region's military missions. He explained that avoiding regional losses in future BRAC rounds would require a method to quantify the benefit that proximity offers our military missions in terms of shared intellectual capacity. He stated that he planned to be active in trying to shape the new BRAC legislation. He noted that the General Gourley Clinic was on schedule to receive its first patients in 2016 and stressed the importance of moving forward with affordable housing projects to accommodate the facility's workers. Congressman Farr answered questions from the Board and public.

Senator Monning and Assemblymember Stone left the meeting and were replaced by their respective alternates.

d. Approve Positions on Current State Legislation

Chair O'Connell stated that the item was distributed to the Board and public earlier in the week and was available on the back table. The Legislative Committee met on May 1st to review current state legislation affecting FORA and unanimously recommended Board approval of the positions included in the report.

MOTION: Supervisor Potter moved, seconded by Mayor Rubio, to approve the positions on current state legislation, as presented.

MOTION PASSED UNANIMOUSLY

8. CONSENT AGENDA

a. Approve April 10, 2015 Board Meeting Minutes

MOTION: Mayor Rubio moved, seconded by Supervisor Potter, to approve the Board meeting minutes as presented.

MOTION PASSED UNANIMOUSLY

9. BUSINESS ITEMS

a. 2nd Vote: Consider FORA Prevailing Wage Program: Seek Department of Industrial Relations SB 854 Determination

Chair O'Connell announced that the Board would only receive comments on the matter at hand, which was a second vote to continue to pursue staff report Option C, seeking a SB 854 determination for the Department of Industrial Relations (DIR).

The Board asked clarifying questions of Authority Counsel and received comments from members of the public.

2ND VOTE: Mayor Rubio moved, seconded by Councilmember Haffa, to approve staff report Option C, seeking a SB 854 determination for the Department of Industrial Relations (DIR).

Vice Mayor Haffa urged the Board to review a City of San Diego prevailing wage study, distributed to the Board and public at his request (*attached*).

MOTION PASSED: Ayes: Beach, Edelen, Gunter, Haffa, Lucius, O'Connell, Oglesby, Pendergrass, Phillips, Potter, Rubio. Noes: Morton, Parker. Abstentions: None. Absent: None.

b. Review/Adopt FORA FY 2015/16 Capital Improvement Program

Principal Planner Jonathan Garcia presented an overview of the Capital Improvement Program (CIP). Environmental Services Cooperative Agreement Remediation Program Manager Stan discussed the economics of building removal economics and reviewed former Fort Ord building removal work completed to date.

Todd Muck, Transportation Agency for Monterey County (TAMC), reiterated TAMC's request to return the Hwy 156 project to its previous funding schedule under 2018-19. He stated that the project was a top priority for the agency and that the FORA contribution to the project would be necessary to TAMC's current efforts to obtain outside funding. Mayor Rubio discussed the importance of prioritizing on-base projects, while supporting regional efforts. Mr. Houlemard and Mr. Garcia responded to Board member questions. The Board received comments from members of the public.

MOTION: Mayor Rubio moved, seconded by Mayor Pro-Tem Oglesby, to approve the FY 2015/16 Capital Improvement Program as presented.

MOTION PASSED UNANIMOUSLY

c. Adopt FORA FY 2015-16 Annual Budget

Mr. Houlemard presented the FY 2015-16 annual budget, noting the Executive Committee's recommendation for 2.5 percent cost-of-living adjustment for FORA staff. He explained that the Finance Committee had reviewed the budget and confirmed availability of funds. Mr. Houlemard responded to questions from the Board members. Eduardo Ochoa suggested staff provide a graphical depiction of FORA's remaining obligations for the next five years. Mr. Houlemard

responded that staff had already begun that task and planned to provide the results to the Finance Committee along with presentation of the annual audit this fall.

MOTION: Councilmember Lucius moved, seconded by Mayor Gunter, to approve the budget as presented with a 2.5 percent cost-of-living adjustment for FORA staff.

MOTION PASSED UNANIMOUSLY

d. Marina Coast Water District FY 2015-16 Ord Community Budget

i. Presentation by FORA

Mr. Houlemard stated that earlier in the week FORA staff received a letter from MCWD Board President Howard Gustafson, and yesterday the FORA Board received an email from Ex-officio Board member and MCWD Board member Peter Le. Both items were provided to the Board and available to the public. Mr. Houlemard stated that the Water and Wastewater Oversight Committee (WWOC) had reviewed the Ord Community budget at their April 29th meeting, recommending Board approval of the budget, but requesting referral of the \$500,000 conceptual design process expenditure to the Board for further review without a recommendation. He noted that staff had provided MCWD responses to questions posed by the WWOC and others regarding the item.

Assistant Executive Officer Steve Endsley discussed the distinction between the annual Ord Community budget process, Pure Water Monterey, and the MCWD water augmentation obligation/proposal. Mr. Garcia discussed the WWOC review of the item.

ii. Presentation by Marina Coast Water District

Bill Kocher, MCWD Interim General Manager, requested the Board consider adoption of the resolutions approving the budget as presented. He provided an overview of the compensation plan and Ord infrastructure system.

Mr. Kocher and Mr. Garcia responded to Board member questions. Congressman Farr posed questions to MCWD staff regarding the 2014 proposition 218 process that approved the 5-year rate increase and recommended Board postponement of the item until additional information could be provided.

iii. Consider Resolutions 15-XX and 15-XX Adopting a Compensation Plan for Base-wide Water and Sewer Services on the Former Fort Ord

The Board received comments from members of the public.

MOTION: Mayor Rubio moved, seconded by Mayor Gunter, to continue the item to the June 12, 2015 Board meeting.

Mayor Rubio stated his support of a continuation was based on lack of urgency and a need for a more full understanding of the issues.

SUBSTITUTE MOTION: Councilmember Morton moved, seconded by Councilmember Lucius, to approve of MCWD budget without line item 25B-2 (pg. 15) which is \$470,000 for Regional Urban Water Augmentation Program (RUWAP) Desalination Project and without 9 percent increase to ratepayers.

Staff responded to comments from members of the public and Board.

SUBSTITUTE MOTION RECEIVED MAJORITY APPROVAL (2ND VOTE REQUIRED): Ayes: Beach, Edelen, Gunter, Haffa, Lucius, Morton, O'Connell, Oglesby, Parker, Pendergrass, Phillips, Potter. Noes: Rubio. Abstentions: None. Absent: None.

MOTION: Mayor Pro-Tem Beach moved, seconded by Supervisor Potter, to direct staff to reconsider their authority in establishing an augmented water project in consultation with marina coast water district and return analysis of suggestions made by board members pursuant to the reworking of the relationship between MCWD and FORA.

AMENDMENT: Direct authority counsel to provide an opinion regarding FORA'S authority to adopt an Ord Community budget without prop 218 approved water rate increases.

Mayor Gunter and Congressman Farr left the meeting at 5:16pm (Congressman Farr was replaced by alternate Alec Arago).

The Board received comments from members of the public. Mr. Houlemard asked whether the motion precluded staff from including other water stakeholders in coordination efforts. Board agreed that staff was not restricted.

MOTION PASSED UNANIMOUSLY: Ayes: Beach, Edelen, Haffa, Lucius, Morton, O'Connell, Oglesby, Parker, Pendergrass, Phillips, Potter, Rubio. Noes: None. *Abstentions*: None. *Absent*: Gunter.

Mayor Rubio left the meeting at 5:24 p.m.

MOTION: Supervisor Parker moved, seconded by Mayor Pro-Tem Oglesby to extend the meeting to the sooner of 6 p.m. or completion of agenda items.

MOTION APPROVED UNANIMOUSLY: Ayes: Beach, Edelen, Haffa, Lucius, Morton, O'Connell, Oglesby, Parker, Pendergrass, Phillips, Potter, Rubio. Noes: None. *Abstentions*: None. *Absent*: Gunter.

Supervisor Potter and Supervisor Phillips left the meeting at 5:26 p.m.

e. Monterey Regional Water Pollution Control Agency (MRWPCA) – Groundwater Replenishment Project Update

Keith Israel, MRWPCA General Manager, provided an overview of the Pure Water Monterey project, discussed the history of the project, the required infrastructure, and the wastewater treatment process. Paul Sciuto, MRWPCA Deputy General Manager, discussed the timeline, noting that the project was currently undergoing a 45-day California Environmental Quality Act review period and that MRWPCA would be accepting comments on the proposed project until June 5, 2015. Mr. Sciuto briefly discussed the RUWAP, noting that MRWPCA was currently in negotiations with MCWD on a RUWAP pipeline. The Board received comments from members of the public.

10. PUBLIC COMMENT PERIOD

The Board received comments from members of the public.

11. EXECUTIVE OFFICER'S REPORT

a. Outstanding Receivables

No report was provided on this item.

b. Habitat Conservation Plan Update

No report was provided on this item.

c. Administrative Committee

No report was provided on this item.

d. Finance Committee

No report was provided on this item.

e. Post Reassessment Advisory Committee

Mr. Houlemard briefly noted progress being made on several Committee items that would be making their way to the Board.

f. Regional Urban Design Guidelines Task Force

Mr. Houlemard stated that staff anticipated providing the “where do the guidelines apply” map to the Board at their next meeting.

g. Veterans Issues Advisory Committee

No report was provided on this item.

h. Water Wastewater Oversight Committee

No report was provided on this item.

i. Travel Report

Mr. Houlemard stated that the travel report contained details on the recently concluded federal legislative mission and the upcoming ADC National Summit in June. He explained that in addition to typical travel venues, this year FORA incurred travel expenses connected with the Base Reuse Plan reassessment, trails planning, and economic development activities. Mr. Houlemard stated that the \$20,000 travel budget was about 80 percent expended before the three remaining trips outlined in the travel report.

The estimated available balance of \$4,000 (pending the Federal Legislative Mission trip final accounting) would not be sufficient to cover remaining trips. *He requested the Board consider increasing the budget authority by \$3,500 to provide adequate funding through the fiscal year end.*

MOTION: Councilmember Morton moved, seconded by Mayor Edelen, to authorize a \$3,500 travel budget increase.

MOTION PASSED UNANIMOUSLY: Ayes: Beach, Edelen, Haffa, Lucius, Morton, O’Connell, Oglesby, Parker, Pendergrass. Noes: None. *Abstentions:* None. *Absent:* Gunter, Phillips, Potter, Rubio.

j. Public Correspondence to the Board

No report was provided on this item.

12. ITEMS FROM MEMBERS

Councilmember Morton announced that that the following day was Warhorse Day at the Marina Equestrian Center beginning at 10 a.m.

Supervisor Parker requested bring back a reevaluation of the timing of the Hwy 156 project in the CIP, as mentioned by Mayor Rubio. Mr. Houlemard stated the item could be returned to the Board at the June meeting.

13. ADJOURNMENT

Chair O’Connell adjourned the meeting at 4:26 p.m.

Placeholder for Item 5b

Authorize Preston Park Settlement Agreement

Coordination with the City of Marina is ongoing and it is not yet clear whether it will be necessary to amend the Preston Park Settlement Agreement. FORA staff will distribute additional information under separate cover prior to the Board meeting.

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT ITEMS

| | | |
|-----------------------|---------------------------------------|---------------|
| Subject: | Authorize Preston Park Loan Extension | |
| Meeting Date: | June 12, 2015 | ACTION |
| Agenda Number: | 5c | |

RECOMMENDATION:

Authorize the Executive Officer to execute Rabobank loan extension documents for the Preston Park Housing complex.

BACKGROUND:

The Preston Park Rabobank loan is scheduled to expire on June 15, 2014 and was to be retired by: 1) Preston Park sale proceeds, or 2) the City of Marina's (Marina) acquisition of FORA's Preston Park interest prior to expiration. Efforts/negotiations with Marina to acquire Preston Park stalled in 2011. The FORA Board authorized the sale of Preston Park in 2012. Shortly thereafter, Marina filed suit challenging FORA's Preston Park ownership and loan validity. On May 16, 2014, the FORA Board authorized a six-month loan extension (to December 15, 2014) since the Preston Park litigation was not concluded last spring. An additional six month loan extension was authorized in December, 2014 to June 15, 2015.

DISCUSSION:

Currently, FORA and Marina have a settlement agreement to resolve the Preston Park litigation, but the initial lender has added conditions that require a new underwriting including capital program work noted under agenda item 6b. The City of Marina is working with a new lender but needs more time for the loan underwriting conditions. FORA will need to apply for a new loan or secure extension of the existing loan for 90 days from Rabobank as the current loan has been extended twice and will otherwise be in default June 15, 2015. This authority and the amendment to the Purchase and Sale/Settlement Agreement is requested because the City of Marina not be able to close escrow on the Preston Park Apartments and FORA would need to obtain a new loan to prevent a loan default.

FISCAL IMPACT:

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

Fiscal impact is unknown at this time. Staff time for this is included the approved FORA budget.

COORDINATION:

Executive Committee, Authority Counsel

Prepared by Robert J. Morris, Jr.

Approved by Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

| | | |
|-----------------------|------------------------------------------------------------------------|---------------|
| Subject: | Special District Risk Management Authority Board of Directors Election | |
| Meeting Date: | June 12, 2015 | ACTION |
| Agenda Number: | 5d | |

RECOMMENDATION:

Adopt Resolution 15-XX, for the election of Ed Gray, Michael Wright, and Sandy Seifert-Raffelson to the Special District Risk Management Authority (SDRMA) Board of Directors.

BACKGROUND:

As a member of SDRMA, FORA may vote in SDRMA Board elections, which currently seek to fill three open seats. On May 6, 2015, SDRMA's Election Committee reviewed nomination documents submitted by the candidates in accordance with SDRMA policy. The Election confirmed that four candidates met the qualification requirements, and those names were included on the Official Election Resolution Ballot distributed to SDRMA members. The Statements of Qualifications submitted by each candidate are attached for Board review (**Attachment A**).

After electing up to three candidates, the FORA Board of Directors must approved the attached Official Election Resolution and Ballot provided by SDRMA (**Attachment B**). The signed Ballot and Resolution must be received by SDRMA no later than August 25, 2015.

DISCUSSION:

FORA staff has reviewed the candidate's Statements of Qualifications and, based upon provided qualifications and experience, recommends a slate of three candidates, to include: Ed Gray, Michael Wright, and Sandy Seifert-Raffelson.

FISCAL IMPACT:

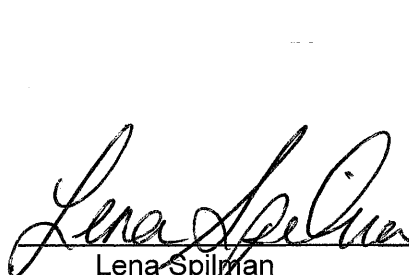
Reviewed by FORA Controller *M.F. for 1, B.*

There is no direct fiscal impact to FORA. Staff time for this is included the approved FORA budget.

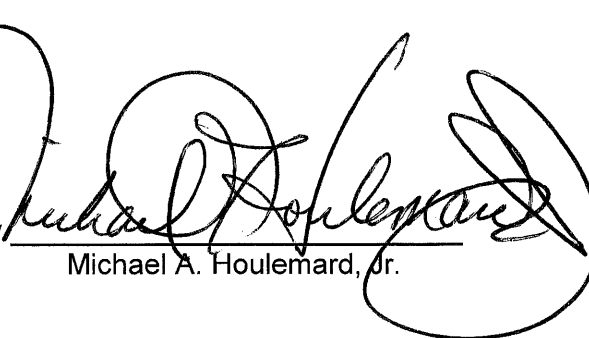
COORDINATION:

Executive Officer.

Prepared by


Lena Spilman

Approved by


Michael A. Houlemard, Jr.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Ed Gray
District/Agency Chino Valley Independent Fire District
Work Address 14011 City Center Drive, Chino Hills, CA 91709
Work Phone 909 902-5260 Home Phone 909 9627-4821

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

When appointed to the Board of Directors of SDRMA in November of 2010, and my election to the Board 2012, I made a commitment to be an effective member of the SDRMA team and to work hard to ensure the continued success of the organization. As a Board member, I believe I have shown that I seek to understand issues and use common sense when making decisions. I wish to continue my service to SDRMA, as I can be a positive member of the SDRMA team and an asset to the members, Board and staff.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I currently serve on the Board of Directors of the SDRMA and serve as Secretary. I have been an elected Director of the Chino Valley Independent Fire District since 2004. During my tenure, I have served multiple terms as President and Vice-President, and as a member of our Finance, Planning, and Personnel Committees. I have served as Liaison to the City Councils of Chino and Chino Hills and to the San Bernardino County Board of Supervisors. I am also the District's representative and current Chairman of the Citizens Advisory Committee for the California Institution for Men in Chino. I am a member of the Chino Valley Lions Club. I also serve on the Governing Board of the Green Valley Lake Mutual Water Company.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

After serving in the US Army, I enjoyed a lengthy career in law enforcement retiring in 2004 as a Police Lieutenant. I learned early in my career, that to be an effective individual and leader, it was important to actively listen to people; to seek understanding of all sides of an issue; and make decisions based on common sense and "rightness".

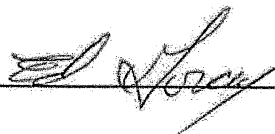
My experience as an elected official has broadened my knowledge and reinforced my belief that decisions must be made based on what is right, and not on what is a personal preference.

What is your overall vision for SDRMA? (Response Required)

I see SDRMA as continuing its journey as a successful, effective and efficient service provider through innovation, right thinking and conservative business strategies. I can visualize the organization exploring other avenues of financial endeavors that will benefit our customers.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____



Date _____

3-30-2015

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate R MICHAEL WRIGHT
District/Agency LOS OSOS COMMUNITY SERVICES DISTRICT
Work Address 2122 94th STREET, LOS OSOS CA 93402
Work Phone 805-528-9370 Home Phone 805-234-4513

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

WITH 38 YEARS EXPERIENCE IN THE INSURANCE FIELD, I BELIEVE I HOLD THE SKILL SET THAT WILL BENEFIT THE OPERATIONS OF THE SDRMA. I HAVE OWNED AND OPERATED MY OWN INSURANCE AGENCY SUCCESSFULLY AND HAVE SOLD AND SERVICED ALL LINE OF INSURANCE INCLUDING COMMERCIAL AND WORK COMP.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I AM CURRENTLY THE PRESIDENT OF THE LOS OSOS CSD. I WAS VICE PRESIDENT THE YEAR BEFORE. BEFORE I WAS ON THE LOS OSOS BOARD, I WAS A MEMBER OF THE LOS OSOS CSD EMERGENCY SERVICES COMMITTEE FOR SIX YEARS.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

(Response Required)

LICENSED PROPERTY CASUALTY INSURANCE AGENT
SINCE 1977. OVER 750 HOURS OF INSURANCE
CONTINUING EDUCATION
I ALSO HOLD A 6 AND 63 SECURITIES LICENSE

What is your overall vision for SDRMA? (Response Required)

THE OVERALL VISION OF THE SDRMA IS TO
PROVIDE THE BEST POSSIBLE COVERAGE AND SERVICE
TO ITS MEMBERS AND TO ALSO EDUCATE THEIR MEMBERS
TO ALERT THEM TO COST EFFECTIVE SAFETY PROGRAMS
TO SAFE GUARD THEIR EMPLOYEES HEALTH AND WELFARE

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature

R. Michael Wright

Date

April 20, 2015

**Special District Risk Management Authority
Board of Directors
Candidates' State of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA

Nominee/Candidate: Sandy Seifert-Raffelson
District/Agency: Herlong Public Utility District
Work Address: 447-855 Plumas St, P O Box 515, Herlong CA 96113
Work Phone: (530) 827-3150 Home Phone: (530) 254-0234

Why do you want to serve on the SDRMA Board of Directors?

I am a current Board member of SDRMA and feel that I have added my financial background to make better informed decisions for our members. As a Board member, I have learned a lot about insurance issues and look forward to representing small District's and Northern California as a voice on the SDRMA Board. I feel I am an asset to the Board with my degree in business and my 29 years' experience in accounting and auditing. I have audited small districts and know what they need and what they can afford.

I understand the challenges that small District face every day when it comes to managing liability insurance and worker's compensation for a few employees with limited revenues and staff. My education and experience gives me an appreciation of the importance of risk management services and programs, especially for smaller district's that lack expertise with insurance issues on a daily basis.

I feel I am an asset to this Board and would love a chance to stay on the Board for 4 more years.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

I have worked as the District Clerk for the Herlong PUD for the last 7 years. Before that, I served as the Secretary to the Board of Herlong Utilities, Inc. and Office Administrator. I worked directly with the formation of our District which included working for 2 separate Board's of Directors and the transfer of assets from a public benefit corporation to a special district. As part of the team that worked to form the District I was directly involved with LAFCo, Lassen County Board of Supervisors and County Clerk to establish the District's initial Board of Directors as well as the transfer of multiple permits and closure procedures from multiple agencies for the seamless transition of our District operations. I closed out the Corporation books and established the books for the District transitioning to fund accounting. I have also administered the financial portion of a large capital improvement project with USDA as well as worked on the first ever successful water utility privatization project with the US Army and Department of Defense. I am currently working on HPUD's 2nd loan/grant for 4.8 million with USDA to improve the community's sewer system. I also am the primary administrator of a federal contract for utility services with the Federal Bureau of Prison.

While on the SDRMA Board, I have served on the nomination committee and SDLF Board. I have enjoyed learning and completing my duties on both boards and feel I have been an asset to both. I have served on CSDA's Audit and Financial Committee's for the last 2 years. In the last 20 years I have served on several Boards including school, church, 4-H, County and U.C. Davis.

**Special District Risk Management Authority
Board of Directors
Candidates' State of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

I have my Bachelors Degree in Business with a minor in Sociology. I have audited Small Districts for 5 years, worked for a Small District for 10 years and have 25 years of accounting experience. I am a good communicator and organizer. I have served on several Boards and feel I work well within groups or special committees. I am willing to go that extra mile to see things get completed.

I believe in recognition for jobs well done. I encourage Incentive programs that get members motivated to participate and strive to do their very best to keep all losses at a minium and reward those with no losses.

I have completed my Certificate for Special District Board Secretary/Clerk Program in both regular and advance coursework through CSDA and co-sponsored by SDRMA. I have completed the CSDA Special District Leadership Academy and Special District Governance Academy. I have helped my small District obtain their District of Transparency and currently we are working on the District of Distinction.

I work for a District in Northeastern California that has under gone major changes from a Cooperative Company to a 501c12 Corporation, to finally a Public Utility District. I have worked with LAFCo to become a District. Also my District is currently working on a consolidation through LAFCo with another small District to better serve our small community. Through past experience I feel I make a great Board member representing the small districts of Northern California and their unique issues and will make decisions that would help all rural/small districts.

What is your overall vision for SDRMA?

For SDRMA to be at the top of the risk management field and have all of the Special Districts in the State utilizing their quality insurance and support at a price all California Special Districts can afford.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature: _____

Sandy Infort-Raffelsen

Date: _____

4/2/15

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

| | |
|-------------------|----------------------------------------------------|
| Nominee/Candidate | <u>Robert Swan</u> |
| District/Agency | <u>Groveland Community Services District</u> |
| Work Address | <u>P.O. Box 350, Groveland, CA 95321</u> |
| Work Phone | <u>209-962-7161</u> Home Phone <u>209-962-6535</u> |

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

SDRMA's services are particularly important to the successful operation of smaller special districts, such as the one I serve. I would like to contribute what I can to ensuring that SDRMA continues to provide its vital services to its member agencies, prudently and cost-effectively.

Board oversight can be time-consuming. Due to my personal circumstances (retired, single, two hours from Sacramento), I will be able to participate regularly in Board activities.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have been a member of the governing Board of the Groveland Community Services District (water, sewer, fire and parks district) since June 2013. I've served as Board President since January 2014.

Since February of 2010, member of the Board of Pine Cone Performers, a community choral and drama organization.

During 1995 to 2001, I was a delegate to the Institute of Electrical and Electronics Engineers (IEEE) committees working on standards development in the area of wireless communications.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

In my work career in the semiconductor industry, I managed business operations and organizations with annual budgets in the range of ten to twenty million dollars, so I have a good working knowledge of budgeting and accounting principles. My academic background (BS in Physics, MS in Computer Science) and work experience have given me a solid understanding of statistical modeling and economic cost-benefit analysis.

What is your overall vision for SDRMA? (Response Required)

SDRMA has a well-defined role in providing comprehensive insurance coverage to member agencies. Clearly, continuing this function is central to its future operations. I would like to see continued expansion of the educational and loss-prevention aspects of the operation, as these are the keys to improving cost-effectiveness. However, as an insurance entity, prudent financial management is of paramount importance, and functional expansion must be thoughtfully controlled.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4-9-15

RESOLUTION NO. 15-XX

**A RESOLUTION OF THE GOVERNING BODY OF THE
Fort Ord Reuse Authority
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

WHEREAS, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

WHEREAS, SDRMA's Board of Directors approved Policy No. 2015-01 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

WHEREAS, Policy No. 2015-01 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Fort Ord Reuse Authority selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)



OFFICIAL 2015 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS

VOTE FOR ONLY THREE (3) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than three (3) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than three (3) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 5:00 p.m., Tuesday, August 25, 2015. Faxes or electronic transmissions are NOT acceptable.

- ROBERT SWAN
Director/President, Groveland Community Services District
ED GRAY (INCUMBENT)
Director/President, Chino Valley Independent Fire District
R. MICHAEL WRIGHT
Director/President, Los Osos Community Services District
SANDY SEIFERT-RAFFELSON (INCUMBENT)
District Clerk, Herlong Public Utility District

ADOPTED this ___ day of ___, 2015 by the Fort Ord Reuse Authority by the following roll call votes listed by name:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: APPROVED:

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject: Marina Coast Water District FY 2015-16 Ord Community Budget

Meeting Date: June 12, 2015

Agenda Number: 6a

INFORMATION/ACTION

RECOMMENDATION:

- i. Review Authority Counsel memo regarding 5/8/15 Board Action and request for options;
- ii. New Motion: Consistent with section 7.2.1 of the Fort Ord Reuse Authority (FORA)-Marina Coast Water District (MCWD) Water/Wastewater Facilities Agreement (Facilities Agreement) (**Attachment A**), disagree with MCWD FY 2015/16 Ord Community Budget based on the following findings:
 - 1) **identify disputed elements** as: \$470,000 Capital Reserve line item (25b-2) for 10% design of the Regional Urban Water Augmentation Project (RUWAP) desalination project and the 9% rate increase for FY 2015/16;
 - 2) **state reasons for the dispute** as: RUWAP desalination project planning needs to include all water augmentation options (recycled, conservation, other) and a portion of the 9% rate increase appears to provide Ord Community funding for litigation related to the failed regional desalination project and/or further desalination planning outside of current FORA Board direction; and
 - 3) **specify the dispute resolution** as: MCWD to resubmit budget to FORA that excludes desalination specific project line item 25b-2, re-programs RUWAP implementation to include conservation, recycled and other augmented options, and lowers 9% rate increase commensurate to MCWD regional desalination project/litigation expenses, which also are directed to be removed from the revised budget; **and/or**
- iii. 2nd Vote: Adopt MCWD FY 2015/16 Ord Community Budget, excluding the \$470,000 Capital Reserve line item (25b-2) for 10% design of the RUWAP desalination project and the 9% rate increase for FY 2015/16; and
- iv. Review FORA Water Augmentation Project Planning and Authority.

BACKGROUND:

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

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

DISCUSSION:

Review FORA Legal Rights:

As directed, Authority Counsel prepared an opinion (**Attachment B**) of the Board's legal rights to disagree with the MCWD proposed draft Ord Community Budget by excluding the 9% rate increase as scheduled in FY 2015-16 consistent with MCWD's previously completed 218 process. In staff and Authority Counsel's review, the first conclusion is that the 218 rate increase proceedings related to the MCWD 5-year rate study are within MCWD's authority as water purveyor for former Fort Ord. The FORA Board is not involved in conducting the 218 process. The 218 process allows for lawful rate increases if the process meets legal requirements. MCWD reported in FY 2014/15 that it met legal requirements in its 218 process. When MCWD presented its budget to the FORA Board in

2014, Board members asked questions about MCWD's 218 process and MCWD special counsel appeared at the meeting to answer specific questions.

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

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

Therefore, the Board may disagree or deny if it also makes findings that support the disagreement and provides a resolution. The Board did not make findings that would comply with its obligations in section 7.2.1 of the Facilities Agreement. Options to remedy this deficiency have been provided below.

New Motion:

In recommendation ii. New Motion, Staff combined the stated need for the Board to make findings after feedback from the FORA Administrative and Executive Committees. Staff and Authority Counsel recommend the Board consider a new motion that either: 1) Agrees with MCWD's proposed budget or 2) disagrees with their proposed budget by **identifying disputed elements, stating detailed reasons for the dispute, and specifying a resolution** acceptable to FORA. Such a motion is included in the Recommendation section but may be altered at Board discretion as long as the format is followed. The MCWD budget was first distributed to the WWOC on March 17, 2015. So, to comply with the Facilities Agreement section 7.2.1, which provides FORA three months to respond to the proposed budget, FORA has until June 17, 2015 to provide a response. If the Board passes a new motion that is not unanimous, the Board could schedule a special meeting before June 18, 2015 to hold a 2nd vote.

2nd Vote on the original Motion:

At its May 8, 2015 meeting, the Board voted 12-1 for the following motion: "Adopt MCWD FY 2015-16 Ord Community Budget, which does not include a \$470,000 Capital Reserve line item 25b-2 for 10% design of the RUWAP desalination project and does not include the 9% rate increase in FY 2015/16." Since the vote was not unanimous, the motion proceeds to a second vote. If the second vote passes, FORA must address the issue of how to approve a balanced budget as MCWD relies on the 9% rate increase to do so. As staff reads the Board's May 8th motion, the motion would essentially direct staff to write a response letter to MCWD meeting the requirements of the Facilities Agreement section 7.2.1. However, in specifying a resolution acceptable to FORA, FORA must state detailed reasons for the dispute and a resolution. The motion's stated intent to exclude the 9% increase would create an unbalanced budget without stated resolution. If the motion passes, staff would review Board discussion and add detailed reasons for not including the

9% rate increase. Authority Counsel has indicated he is more comfortable with the New Motion option than the 2nd vote option.

A third option is for the Board to take the 2nd vote and approve the MCWD FY 2015-16 Ord Community Budget as presented by MCWD and recommended by the FORA Water/Wastewater Oversight Committee (WWOC). This would eliminate the need to make findings or state reasons for denial.

Review FORA Water Augmentation Project Planning Authority:

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

Staff includes the following excerpts from the Facilities Agreement for context:

3.2. ADDITIONAL FACILITIES.

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

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

5.3. JOINT RESPONSIBILITIES....

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

In short, FORA and MCWD must work together to plan the Fort Ord augmented water project. There is a long history of such cooperation.

In June 2005, FORA and MCWD Boards endorsed the RUWAP hybrid alternative, which included recycled and desalination components. Over the past ten years, MCWD built some of the recycled water infrastructure, but has not yet planned the desalination component. MCWD confirmed to the FORA Administrative Committee that the RUWAP continues to be planned as an ‘all of the above’ project containing recycled, groundwater, alternative, and conservation sources to be worked out in a multi-agency planning process.

Given the current context, FORA staff recommended that FORA staff participate in MCWD and MRWPCA negotiations regarding the recycled water project, which it has done, and consult with MCWD and surrounding water management entities such as MRWPCA, MCWRA, and CalAm. The goal is to bring back feasible options to the FORA Board. FORA staff concurs in the multiple public comments that encourage assessing the impact of conservation on the demand for recycled or alternative resources. This direct intervention into the prior bilateral negotiating process has allowed FORA to enhance its coordination with other agencies, resulting in more productive dialogue and decision-making.

Specifically, over the past month, FORA staff met informally and individually with MCWD and MRWPCA staff concerning the RUWAP recycled water project. These meetings have been collegial and productive. FORA staff also participated in a staff-level joint discussion between the two agencies and plans to participate in future negotiation sessions. MCWD is representing the interests and direction of FORA in the negotiations. FORA’s participation

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

FISCAL IMPACT:

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

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

COORDINATION:

WWOC, MCWD staff, Authority Counsel

Prepared by Jonathan Garcia Jonathan Garcia Reviewed by D. Steven Endsley Steve Endsley

Approved by D. Steven Endsley for
Michael A. Houlemard, Jr.

AMENDMENT TO WATER/WASTEWATER FACILITIES AGREEMENT

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

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

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

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

4. Amendments. The Agreement is amended as follows:

4.1 Paragraph 1.4 is amended as follows:

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

4.2 Paragraph 1.5 is amended as follows:

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

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

4.3 The heading of Paragraph 3.1 is amended as follows:

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

4.4 Paragraph 3.1.1 is amended as follows:

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

4.5 Paragraph 3.1.2 is amended as follows:

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

4.6 Paragraph 7.1.4 is amended as follows:

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

4.7 Paragraph 9.3 is amended as follows:

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

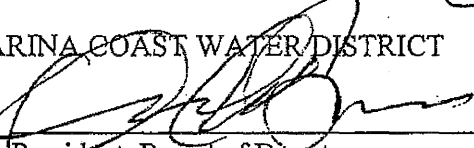
5. Incorporation of Terms. This Amendment is incorporated into the Agreement by this reference, and all the provisions of the Agreement as specifically amended by this Amendment, including but not limited to execution in counterparts are incorporated in and apply to this Amendment.

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

PORT ORD REUSE AUTHORITY

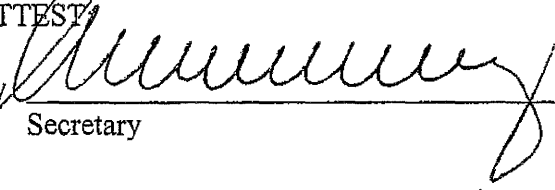
By 
Executive Officer

MARINA COAST WATER DISTRICT

By 
President, Board of Directors

Dated: 3-2-01

ATTEST

By 
Secretary

WATER/WASTEWATER FACILITIES AGREEMENT

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

ARTICLE 1. AGREED FACTS

1.1. CAPACITY OF THE PARTIES. FORA is a local governmental entity and is defined as a public corporation of the State of California established by the FORA Act. MCWD is a County Water District and political subdivision of the State of California, organized under Division 12, sections 30000 and following, of the California Water Code.

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

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

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

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

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

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

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

ARTICLE 2. DEFINITIONS AND ATTACHMENTS

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

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

ARTICLE 3. FACILITIES ACQUISITION AND OWNERSHIP

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

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

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

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

3.2. ADDITIONAL FACILITIES.

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

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

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

3.4. ESTABLISHMENT OF WATER AND SEWER CAPACITY RIGHTS.

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

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

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

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

ARTICLE 4. OVERSIGHT

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

4.2. FORA RESPONSIBILITIES.

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

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

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

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

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

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

ARTICLE 5. FACILITIES OPERATION

5.1. MCWD RESPONSIBILITIES.

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

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

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

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

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

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

5.3. JOINT RESPONSIBILITIES.

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

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

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

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

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

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

ARTICLE 6. EX OFFICIO MEMBERSHIP

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

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

ARTICLE 7. FINANCIAL PROVISIONS

7.1. MCWD RESPONSIBILITIES

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

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

7.1.3. Budgets and Compensation Plans.

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

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

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

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

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

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

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

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

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

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

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

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

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

7.2. FORA RESPONSIBILITIES.

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

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

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

7.3. JOINT RESPONSIBILITIES.

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

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

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

ARTICLE 8. RISK MANAGEMENT

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

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

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

ARTICLE 9. EFFECTIVE DATE AND TERM

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

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

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

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

ARTICLE 10. GENERAL PROVISIONS

10.1. DISPUTE RESOLUTION PROCEDURE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FORT ORD REUSE AUTHORITY

By 
Chairperson, Board of Directors

Dated: 3/13/98

ATTEST:

By 
Secretary

MARINA COAST WATER DISTRICT

By 
President, Board of Directors

Dated: 3/13/98

ATTEST:

By 
Secretary

ORDINANCE NO. 98-01

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

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

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

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

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

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

NOES: **Perrine**

ABSENT: **None**



Chair of the Board of Directors

ATTEST:

Michael Houlemard
Clerk of the Board

By 
Deputy

EXHIBIT A

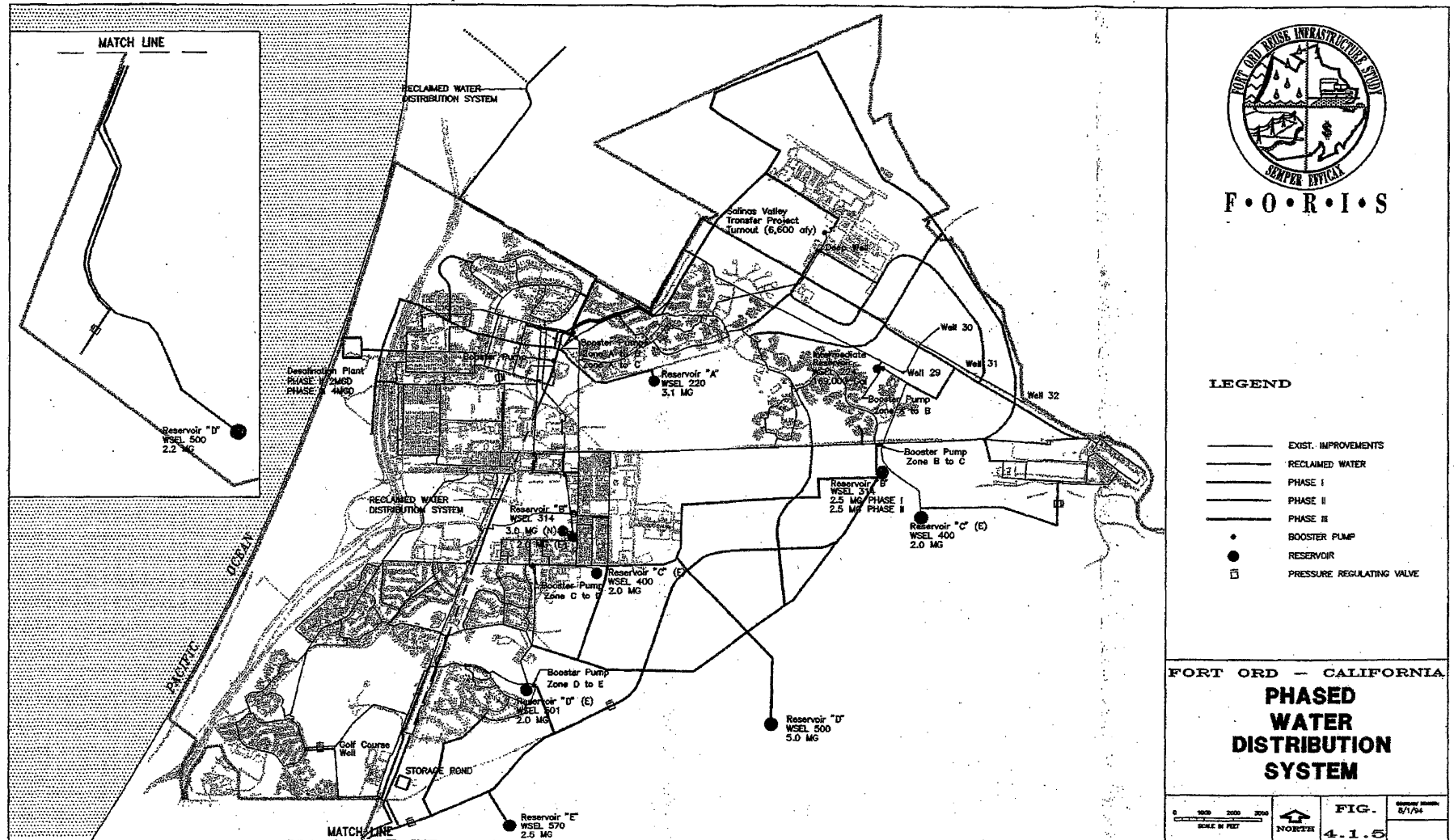
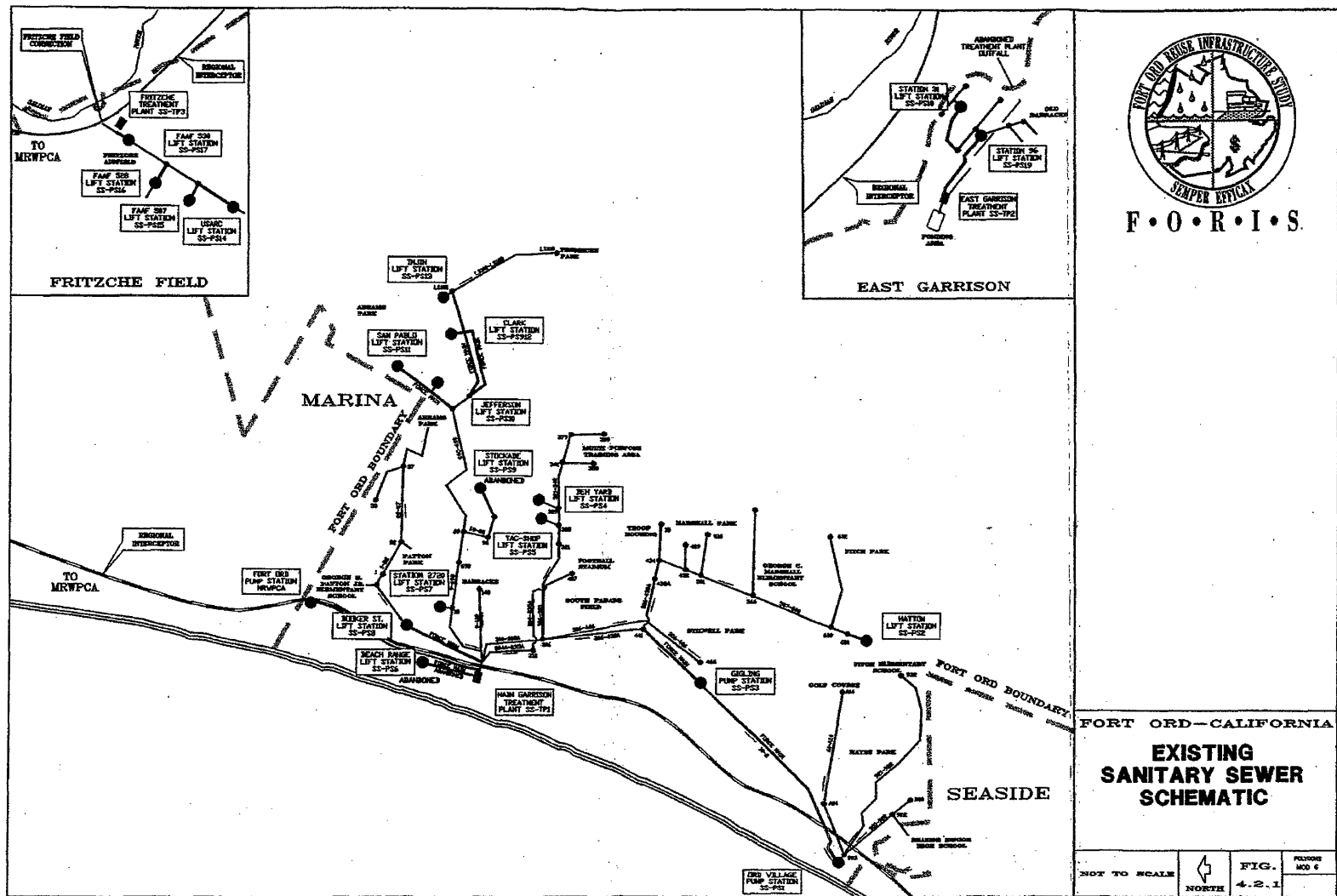


EXHIBIT B



FORT ORD - CALIFORNIA
EXISTING
SANITARY SEWER
SCHEMATIC

NOT TO SCALE
 NORTH
 FIG. 4.2.1
 POLYLINE MOD 6

**EXHIBIT C
MEDIATORS**

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

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CITIES, COUNTIES, & OTHER AGENCIES
Title 5

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

§ 54980. Definitions

As used in this chapter:

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

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

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

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

Historical and Statutory Notes

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

Forms

See West's California Code Forms, Government.

Law Review and Journal Commentaries

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

Library References

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

Notes of Decisions

Paramedics 1

1. Paramedics

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

§ 54981. Contracts for municipal services

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

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

MUNICIPAL SERVICES /
Div. 2

H

Former § 54981, added by Stats. 1382, p. 2716, § 1, relating to districts, was repealed by Stats.196

§ 54981.7. Indian tribe
tion servi

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

(Added by Stats.1996, c. 1085

§ 54982. Consideration

Any agreement entered into for consideration.

(Added by Stats.1978, c. 960,

Former § 54982, added by Stats. 1382, p. 2716, § 1, relating to districts, was repealed by Stats.19

§ 54983. Construction

Authority for entering into a contract shall be construed as supplementing authority for entering into a contract for municipal services and shall not be construed to authorize a local agency to enter into a contract for municipal services or functions which it is prohibited from entering into by account limit applicable to the local agency.

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

(Added by Stats.1978, c. 96

Former § 54983, added by Stats. 1382, p. 2716, § 1, relating to districts, was repealed by Stats

ES, & OTHER AGENCIES
Title 5

Services and Functions,
numbered Chapter 12 and

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

is not limited to, firefight-
improvement, maintenance,

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ries

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

immune from antitrust liabil-
action doctrine, provision of
is a traditional municipal
Peninsula Ambulance, Inc. v.
N.D.Cal.1984, 592 F.Supp.
72d 755.

t with any other local
services or functions

MUNICIPAL SERVICES AND FUNCTIONS
Div. 2

§ 54983

Historical and Statutory Notes

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

§ 54981.7. Indian tribes; fire protection services; police or sheriff protec- tion services

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

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

§ 54982. Consideration

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

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

Historical and Statutory Notes

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

§ 54983. Construction of authority granted

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

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

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

Historical and Statutory Notes

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

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GOVERNMENT CODE

§ 67679

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

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

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

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

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

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

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

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

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

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

Historical and Statutory Notes

1994 Legislation

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

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

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

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

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

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

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

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

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

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

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

(2) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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EXHIBIT "E"

CALIFORNIA PUBLIC UTILITIES CODE
SELECTED SECTIONS

§ 10101. Powers of municipality

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

§ 10102. Restoration

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

§ 10103. Agreement of other municipality

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

§ 10104. Action to establish terms and conditions of use

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

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

§ 10105. Unincorporated territory

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

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MEMORANDUM

Attachment B to Item 6a
FORA Board Meeting 6/12/15

Kennedy, Archer & Giffen A Professional Corporation

PRIVILEGED & CONFIDENTIAL

DATE: June 4, 2015
TO: Fort Ord Reuse Authority (“FORA”)
FROM: Authority Counsel
RE: Marina Coast Water District FY 2015/2016 Ord Community Budget

I. ISSUES

Item no. 8a on the Agenda for the June 12, 2015 meeting of FORA’s Board of Directors (“Board”) identifies the following issues:

- i. Review Authority Counsel memo regarding 5/8/15 Board Action and request for options;
- ii. New Motion: Consistent with section 7.2.1 of the Fort Ord Reuse Authority (FORA)-Marina Coast Water District (MCWD) Water/Wastewater Facilities Agreement (Facilities Agreement) (Attachment A), disagree with MCWD FY 2015/16 Ord Community Budget based on the following findings:
 - 1) identify disputed elements as: \$470,000 Capital Reserve line item (25b-2) for 10% design of the Regional Urban Water Augmentation Project (RUWAP) desalination project and the 9% rate increase for FY 2015/16;
 - 2) state reasons for the dispute as: RUWAP desalination project planning needs to include all water augmentation options (recycled, conservation, other) and a portion of the 9% rate increase appears to provide Ord Community funding for litigation related to the failed regional desalination project and/or further desalination planning outside of current FORA Board direction; and
 - 3) specify the dispute resolution as: MCWD to resubmit budget to FORA that excludes desalination specific project line item 25b-2, re-programs RUWAP implementation to include conservation, recycled and other augmented options, and lowers 9% rate increase commensurate to MCWD regional desalination project/litigation expenses, which also are directed to be removed from the revised budget; and/or
- iii. 2nd Vote: Adopt MCWD FY 2015/16 Ord Community Budget, excluding the \$470,000 Capital Reserve line item (25b-2) for 10% design of the RUWAP desalination project and the 9% rate increase for FY 2015/16; and
- iv. Review FORA Water Augmentation Project Planning and Authority.

This memorandum addresses issues i. through iii. Those issues are informed by the following facts.

II. FACTS

A. MCWD's Proposed Budget and FORA's Water/Wastewater Oversight Committee's Review

On March 17, 2015, FORA sent MCWD's "draft compensation plan" (its FY 2015/16 Ord Community Budget ("Proposed Budget")) to its Water/Wastewater Oversight Committee ("WWOC").¹

WWOC held a meeting on April 1, 2015 to discuss the Proposed Budget with MCWD, at which meeting MCWD responded to certain questions received. WWOC held a similar meeting on April 15, followed by a meeting on April 29 at which WWOC received a draft presentation of what MCWD intended to present to FORA's Board for its approval. WWOC recommended (3-1) that the FORA Board approve the Proposed Budget, but "without the \$500,000 RUWAP desal[ination] project design included."² Rather, WWOC recommended that the "Board consider separately whether or not to include the \$500,000 RUWAP desal[ination] project design line item in the Ord Community Budget." WWOC's budget approval recommendation included a 9% rate increase for ratepayers.

B. FORA Board's May 8, 2015 Deliberation of the Proposed Budget

On May 8, 2015, FORA's Board conducted a meeting. Agenda Item no. 9.d for that meeting was MCWD's FY 2015/16 Ord Community Budget, including (i) FORA's presentation; (ii) a presentation by MCWD's Bill Kocher ("Kocher"); and (iii) consideration of two resolutions "Adopting a Compensation Plan for Base-wide Water and Sewer Services on the Former Ford Ord." FORA's Board took up that agenda item at the 2:13:30 mark of the video recording of the meeting.³

1. The Proposed Resolutions

a. The First Proposed Resolution: Adopt the Proposed Budget Without the Line Item for Capacity Charges

Two proposed resolutions accompanied Agenda Item no. 9.d. The first was titled "Resolution of [FORA] Board of Directors Adopting the Budget and the Ord Community Compensation Plan for FY 2015-2016 not including Capacity Charges."

¹ See page 76 of 134 of May 8, 2015 FORA Board Packet at <http://www.fora.org/Board/2015/Packet/050815BrdPacket.pdf>

² http://fora.org/Board/2015/Presentations/May/GWR_050815.pdf

³ The video of the May 8, 2015 meeting of FORA's Board of Directors, frequently referenced herein, can be accessed here: <https://www.youtube.com/watch?v=h9Q8xHf2MJ8&feature=youtu.be>.

This proposed resolution first recites that MCWD presented the Proposed Budget attached as Exhibit A thereto (though Authority Counsel was unable to locate it). On the second page, the proposed resolution contains a series of recitals addressing compliance with Proposition 218, including that the “estimated revenues from the rates, fees and charges will not exceed the estimated reasonable costs of providing the services,” that “on May 19, 2014, the [MCWD] Board held a Proposition 218 hearing on the rates, fees and charges, not including Capacity Charges, for the Compensation Plan pursuant to and in accordance with Section 6 of Article XIIIID of the California Constitution,” and that “at th[at] hearing, the [MCWD] Board heard and considered all protests to the Compensation Plan and the rates, fees and charges proposed and found that protests were submitted by less than a majority of the record owners of each identified parcel upon which the fee or charge is proposed for imposition[.]”

The first proposed resolution then concluded that the FORA Board resolve: (1) to approve and adopt the FY 2015/2016 Budget and Compensation Plan, not including Capacity Charges, for water, recycled water, and wastewater services to the Ord Community; (2) to authorize MCWD to “charge and collect rates for provision of water and wastewater services within the boundaries of FORA *in accordance with the rates, fees and charges set forth in the Proposed Budget*; and (3) that the rates, fees and charges authorized by the first proposed resolution should not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges were to be imposed.

b. The Second Proposed Resolution: Adopt the Proposed Budgetary Item Regarding Capacity Charges

The second proposed resolution⁴ would have FORA’s Board “approve and adopt the capital elements of the FY 2015-2016 Budget for water, recycled water and wastewater services to the Ord Community,” i.e., those matters excluded from the first proposed resolution.

2. WWOC’s Presentation

WWOC gave a brief presentation at the May 8, 2015 FORA Board meeting (commencing at 2:13:30.) WWOC reviewed the history of its receipt and consideration of the Proposed Budget. It “recommend[ed] (3-1) [that the FORA] Board approve the budget without the \$500,000 RUWAP desal. Project design included,” which WWOC recommended that the “Board consider separately.”⁵

⁴ http://fora.org/Board/2015/Presentations/May/GWR_050815.pdf

⁵ Authority Counsel understands this WWOC recommendation to refer to the same thing referred to in the Board’s “recommendation ii” on Agenda Item no. 8a for its upcoming June 12, 2015 meeting, when the Board writes: “2nd Vote: Adopt MCWD FY 2015/2016 Ord Community Budget, excluding the \$470,000 Capital Reserve litem item (25-b-2) for 10% design of the RUWAP desalination project[.]”

3. MCWD's Presentation

Kocher, on behalf of MCWD, began his presentation at 2:14.50 of the May 8, 2015 FORA Board meeting.⁶ Kocher stated that the expenditures represented in the Proposed Budget were “supported by scheduled 9% water rate and 4% sewer rate increase.” Later in the Board meeting (2:20:15) Boardmember Lucius inquired whether the rate increases in the Proposed Budget triggered anew the requirements of Proposition 218 regarding notice to property owners within the service area and an opportunity for ratepayers to protest. Kocher responded that MCWD had conducted a Proposition 218 process last year in the context of its five-year rate study and capital improvement planning budget. Boardmember Lucius also asked Kocher to clarify whether FORA's Board had approved of the proposed 9% rate increase for water and the 4% rate increase for sewer. Kocher stated that he was not referring to the FORA Board having approved such rate increases, but to the MCWD's Board.

4. Board Discussion and Public Comment in Response

In response to Kocher's presentation for MCWD, Boardmember Parker commented (2:32:00) that FORA need not approve MCWD's proposed budget, provided that FORA comply with the timing and other requirements in sections 7.1 and 7.2 of the Water/Wastewater Facilities Agreement. Regarding timing, Chairperson O'Connell later stated that using March 17, 2015 as the day which FORA's Board received the Proposed Budget, FORA has until June 17 to exercise its rights and powers under the Water/Wastewater Facilities Agreement.⁷ (2:32:00.) During public comment, Tom Moore, a board member of MCWD though not then speaking on its behalf, discussed what MCWD had done to comply with Proposition 218. (2:44:00.)

5. Voting and Motions

The Board was set to vote on the two proposed resolutions. (2:47:15.) However, before the vote, Boardmember Rubio moved to continue consideration until the June 12, 2015 Board

⁶ <http://www.fora.org/Board/2015/Presentations/May/WWOC-MCWD050815.pdf>

⁷ This may be a matter of interpretation. A “month” has no given length of time. According to Black's Legal Dictionary, a month is “[a]ny time period *approximating* 30 days.” June 17 is 92 days from March 17. June 15 is 90 days. However, as the legal dictionary recognizes, a month is only “*approximately* 30 days.” Further, it would be an overly technical interpretation of the Facilities Agreements to hold that 92 days – March 17 to June 17 – is not necessarily “three months,” and that 92 days is too long to object to a proposed budget. Under California law, “[t]he words of a contract are to be understood in their ordinary and popular sense, rather than according to their strict legal meaning; unless used by the parties in a technical sense, or unless a special meaning is given to them by usage, in which case the latter must be followed.” (Civil Code, § 1645; see also Code Civ. Proc., § 1861 [“terms of a writing are presumed to have been used in their primary and general acceptance”].) Of course, “month” has no “strict legal meaning.” Accordingly, while “the earlier the better” rule is advisable out of an abundance of caution, Authority Counsel does not think that June 17 would be too late to give MCWD the reasons upon which FORA withheld its approval of the Proposed Budget.

meeting. (2:47:40.) He noted that if FORA rejected Proposed Budget, it should come up with alternatives. He wanted “answers from staff on the various options.” Boardmember Edelen seconded the motion. (2:49:40.)

Boardmember Lucius commented that if FORA did not timely object to MCWD’s rate increase, it could lose the opportunity to do so. (2:52:00.)

Boardmember Morton agreed with Boardmember Lucius, expressing concern that if the Board “kicked the can ... it would have no say.” (2:53:30.) She also wondered whether the Board could, that day, approve the Proposed Budget but delete line item 25b-2 (the \$470,000 desalination project investment) and delete the 9% rate increase. Executive Officer Houlemard opined that the Board was within its authority to do “both or either.” (2:54:30.) Accordingly, Boardmember Morton made a “substitute motion” that the Board approve the “MCWD budget without line item 25b-2 as it appears on page 15 which is \$470,000 for RUWAP desal project and without the 9% rate increase to rate payers.” (2:54:30.) Boardmember Lucius seconded the motion. (2:55:10.) Boardmember Beach supported the motion, but commented that it would be useful for FORA staff to work closer with MCWD to develop a water and wastewater plan. (2:55:30). Boardmember Farr noted that FORA could rewrite the entire budget, if it chose. (2:57:00.)

The substituted motion was then put to a vote. Boardmember Morton stated the motion as follows: “My motion ... was to rewrite the budget. ... [M]y understanding is, as the FORA Board..., we have the right to re-do the budget. My motion is approval of the budget ... by eliminating the \$470,000 on line item 25b-2, which was the RUWAP desal project, and denying the 9% rate increase.” (3:01:00.) It passed 12-1, with Boardmember Rubio voting “no.” (3:02:00.) Because it was not unanimous, the motion required a second vote to be held at the next FORA Board meeting. (3:02:30.)

After that motion, Boardmember Beach made another motion on that topic “to direct staff.” (3:02:50.) After comment and discussion of that motion, the FORA Board unanimously approved the following motion: “Direct staff to reconsider their authority in establishing an augmented water project in consultation with Marina Coast Water District and return analysis of suggestions made by Board Members pursuant to reworking of the relationship between MCWD and FORA with an amendment to direct authority counsel to provide an opinion regarding FORA’s authority to adopt an Ord Community budget without Prop 218-approved water rate increases.” (3:15:00.)

III. ANALYSIS

A. Water/Wastewater Facilities Agreement

The Water/Wastewater Facilities Agreement (“Facilities Agreement”) between FORA and MCWD describes “Financial Provisions” at article 7, including MCWD’s obligations (sub-art. 7.1) and FORA’s obligations (sub-article 7.2.).

1. MCWD to Establish Separate Fund for FORA Service Area

MCWD therein agreed to establish a separate account for the FORA service area:

Separate Fund Accounting. MCWD will account for its operations for the service area as a separate fund within the general MCWD operation. The service area fund will have its own line items and account numbers, and will give MCWD the ability to report on revenues and expenses for the service area.

(Facilities Agreement, § 7.1.1 (Separate Fund Accounting).)

2. MCWD to Recover Its Costs

The Facilities Agreement then recognizes that MCWD would recover its costs:

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

(Facilities Agreement, § 7.1.2.)

The Facilities Agreement later states that “MCWD may exercise any authority available to MCWD under law and this Agreement to finance MCWD’s operations for the service area.” (Facilities Agreement, § 7.1.5.)

3. MCWD to Propose Budgets and Compensation Plans; FORA Shall Respond

Section 7.1.3 addresses “Budgets and Compensation Plans.” It provides:

- MCWD shall submit a proposed budget no later than March 30th of every year; it may also at any time submit a written request to FORA for changes to its compensation (and detailed reasons for the change) under section 7.1.3.1.
 - MCWD’s budgets shall contain an action budget for one year (July 1 through June 30), an operation planning budget for an additional year, and a five-year capital improvement planning budget, updated annually. (§ 7.1.3.1)

- Each budget shall provide for sufficient revenues to pay MCWD's direct and indirect, short- and long-term costs to furnish the facilities to the service area for the two years covered by the action budget and the planning budget. (§ 7.1.3.1)
- FORA shall respond to the proposed budget within "three months" after receiving a proposed budget. (§ 7.2.1)
 - FORA's response shall state whether FORA agrees with the proposed budget. (§ 7.2.1)
 - If FORA does not agree, FORA's response "shall identify each disputed element, shall state detailed reasons for the dispute, and shall specify a resolution acceptable to FORA." (§ 7.2.1 (underlining added).)
- If FORA responds to the proposed budget, MCWD may adopt FORA's proposal or it may refer the matter to mediation. (§ 7.1.3.3)
- If FORA does not respond within three months of receiving the proposed budget, then the compensation plan contained in the latest submittal from MCWD shall be deemed adopted. (§ 7.2.1.)
- If any financial plan is challenged, MCWD shall defend it (at its own cost). MCWD may also pursue a validating action to receive a court decree on the validity of its budget. (Facilities Agreement, § 7.1.6; *see also* Code Civ. Proc., § 860, et seq.)

4. Advice of Authority Counsel

As mentioned, FORA's response to a proposed budget must state whether FORA agrees and, if it does not, "shall identify each disputed element, shall state detailed reasons for the dispute, and shall specify a resolution acceptable to FORA." (Facilities Agreement, § 7.2.1.) The present issue is whether the FORA Board's vote on Boardmember Morton's motion complied with these responsibilities under section 7.2.1 of the Facilities Agreement. (*See* Recommendation ii, Agenda Item no. 8a.)

Boardmember Morton's motion, which passed by a vote of 12-1, did identify "each disputed element," i.e., the \$470,000 Capital Reserve line item 25b-2 for 10% of the design of the RUWAP desalination project and the 9% rate increase for FY 2015/16. It also "specif[ied] a resolution acceptable to FORA," i.e., deletion of those items from the budget. However, it is not as clear whether the approved motion, as framed, "state[d] detailed reasons for the dispute." Though it may appear from previous public discussions as well as the comments made by various individual Boardmembers at the May 8, 2015 meeting why they individually objected to the budget items, the motion as passed probably did not identify FORA's "detailed reasons for the dispute."

Accordingly, Authority Counsel advises that, under Recommendation ii. in Agenda Item no. 8a for the June 12, 2015 meeting, the Board conduct a vote and either (1) agree with MCWD's proposed budget; or (2) disagree with [its] proposed budget by (a) identifying disputed elements (e.g., the 9% rate increase and/or the \$470,000 for design of the desalination project), (b) stating detailed reasons for the dispute, and (c) specifying a resolution acceptable to FORA (e.g., deletion or reduction of the 9% rate increase, and/or deletion or reduction of the \$470,000 line item for designing a desalination project).

Should the Board resolve to withhold approval of the Proposed Budget, the Facilities Agreement does not specify on which substantive grounds FORA may do so. However, the Facilities Agreement appears to confer FORA with broad discretion to determine legitimate grounds for withholding approval. (Facilities Agreement, § 7.2.1, *but see* § 7.1.3.3 [MCWD "may refer the matter to mediation" if FORA does not approve].) For instance – without commenting on whether grounds actually exist to make such a finding – FORA may withhold approval if it determines that the proposed project is an improvident use of ratepayer fees, or if it determines that proposed rates are too burdensome on ratepayers.

Another reasonable basis for withholding support – a subject mentioned at the May 9, 2015 FORA Board Meeting and in Agenda Item no. 8a for the June 12, 2015 Board meeting – could be if FORA determined that the proposed budget violated the California Constitution, including Proposition 218.⁸ (*See* Facilities Agreement, § 7.1.5 ["MCWD may exercise any authority available to MCWD under law and this Agreement to finance MCWD's operations for the service area"].) This memorandum will now address Proposition 218, though it is not meant to advise whether MCWD complied with Proposition 218, or even to be a thorough discussion on that complex constitutional provision.

B. Proposition 218

MCWD's compensation and budgets may be governed by, among other things, California constitutional provisions regarding increases to taxes, assessments, and fees/charges. Proposition 218 is such a provision. But it can only be properly understood in the context of an earlier tax-reforming constitutional amendment, Proposition 13 ("Prop 13").

1. Background – Proposition 13

In 1978, California voters approved Prop 13. Prop 13 constrained local governments' power to increase property taxes, which had been a primary means to raising revenue at the local level. Prop 13 also specified that any local tax imposed to pay for specific government programs – a "special tax" – must be approved by two-thirds of the voters. After 1978, local governments relied increasingly on other revenue tools to finance local services, including assessments, property-related fees, and general purpose taxes (e.g., on hotels, business licenses, utility users, etc.). It is the use of these local revenue tools upon which Prop 218 focuses. Essentially,

⁸ That said, nothing in the Facilities Agreement *requires* FORA to ascertain the legality of MCWD's proposed budget, including on grounds of compliance with Proposition 218.

Proposition 218 requires that there be a nexus between the taxes, assessments, and fees/charges, on the one hand, and the use to which the revenue would be put. It also imposed particular notice and protest procedure before a qualifying agency could impose or increase such revenue mechanisms.

2. Provisions of Proposition 218

In 1996, California voters approved Proposition 218 (“Prop 218”), the “Right to Vote on Taxes Act,” which is now codified at Article XIII-C and XIII-D of the California Constitution. Article XIII-C limits the power of local governments to impose special and general taxes. (Art. XIII-C, § 2, subd. (a); see also *Pajaro Valley Water Management Agency v. Amrhein* (2007) 150 Cal.App.4th 1364, 1378.) Article XIII-D applies “to all assessments, fees and charges, whether imposed pursuant to state statute or local government charter authority.” (Art. XIII-D, § 1.) “No tax, assessment, fee or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except ... (3) assessments as provided by this article [or] (4) fees or charges for property related services as provided by this article.” (Art. XIII-D, § 3.)

Assuming that MCWD qualified as an “agency” and that the proposed rate increase qualifies as a “fee” or a “charge,” MCWD would be obligated to follow the procedure established by section 6 of Article XIII-D of the California Constitution, namely:

- Affected parcels must be identified and written notice given to those parcels. The agency shall conduct a public hearing not less than 45 days after the notice. “If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.” (Art. XIII-D, § 6, subd. (a).)
- A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements: (1) revenues derived from the fee or charge shall not exceed the funds required to provide the property related service; (2) revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed; (3) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel; (4) no fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4. (Art. XIII-D, § 6, subd. (b).)
- “Except for fees or charges for sewer, water, and refuse collection services, no property related fee or charge shall be imposed or increased unless and until that fee or charge is submitted and approved by a majority vote of the property owners of the

property owners of the property subject to the fee or charge or, at the option of the agency, by a two-thirds vote of the electorate residing in the affected area. The election shall be conducted no less than 45 days after the public hearing. An agency may adopt procedures similar to those for increases in assessments in the conduct of elections under this subdivision.” (Art. XIII-D, § 6, subd. (c).)

3. Advise of Authority Counsel

As discussed above, MCWD informed FORA that MCWD complied with all applicable provisions of Proposition 218 as part of its five-year rate study and capital improvement planning budget in 2014. Assuming that MCWD did so comply, compliance with Proposition 218 is merely a necessary, but not sufficient step to increase water and sewer rates. In other words, MCWD may be obligated to comply with Proposition 218 to increase rates, but FORA is not obligated (by the Facilities Agreement or any other provision of law, as far as Authority Counsel can ascertain) to approve a rate increase, regardless of MCWD’s compliance with Proposition 218. As Kocher confirmed in response to Boardmember Lucius’s question, FORA’s Board has not approved the rate increase. (2:20:15)

IV. CONCLUSIONS

Authority Counsel concludes that it is within the FORA Board’s powers, vested by the Facilities Agreement, to withhold approval of MCWD’s Proposed Budget, provided that the Board identify each disputed element, state detailed reasons for the dispute, and specify a resolution acceptable to FORA. Included within this power is the authority to object to specific line items for expenditures and rate increases imposed upon ratepayers, provided that FORA’s Board make the necessary determinations within the allotted time.

Authority Counsel further concludes that even *if* MCWD complied with Proposition 218 – of which this memorandum states no opinion – such compliance would not prevent FORA from exercising its powers under the Facilities Agreement to withhold approval of the Proposed Budget.

Authority Counsel further concludes that the FORA Board’s power to approve or withhold approval of the budget may be constrained by section 7.1.2 of the Facilities Agreement. Section 7.1.2 states that MCWD will recover its costs and shall not be required to take any action in connection with furnishing facilities to the service area unless a source of funds is secured from the service area to pay in full for those facilities. To the extent that otherwise approving the Ord Community Budget, but excepting the 9% rate increase, would commit MCWD to take action on all items specified in the budget without a means of recovering the costs incurred by taking those actions, such approval may be inconsistent with section 7.1.2 of the Facilities Agreement. Some alternatives that the FORA Board might consider include, if it finds that such alternative courses of action are supported by the facts:

1. Leave the 9% rate increase intact in the Ord Community Budget without reduction.

2. If denying certain line item expenditures, only deny the proposed rate increase in proportion to the deleted line item expenditures;
3. Deny the 9% rate increase without prejudice, i.e., MCWD may seek approval for rate increases in the future after certain specified questions are answered if so warranted by actual expenditures and needs, pursuant to section 7.1.3.2 of the Facilities Agreement (Request for Change);
4. Make a finding that the 9% rate increase is not justified by MCWD's cost recovery needs, and delete the rate increase in its entirety.

In any event, should FORA not approve the Ord Community Budget as MCWD submitted it, FORA must make the required determinations within 3 months of receiving the budget. And should MCWD disagree with FORA on its chosen course of action, MCWD "may refer the matter to mediation" as provided in section 10.1 of the Facilities Agreement.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

| | | |
|-----------------------|---------------------------------------------------------------------------------------|---------------|
| Subject: | Approval of FY 2015-16 Preston Park Operating and Capital Improvement Program Budgets | |
| Meeting Date: | June 12, 2015 | ACTION |
| Agenda Number: | 6b | |

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

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

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

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

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

CRITICAL UPDATE: After the June 3, 2015 FORA Executive Committee meeting the bids for the Water Intrusion were received. They increase the scope and costs of the project, which impacts the priority and funding estimates of both the Operating and Capital Improvement Budgets. After meeting with representatives of the Preston Park Abrams Tenant's Association, Alliance is revising the budgets. This updated information will be provided under separate cover next week and published on the FORA website.

FISCAL IMPACT(S):

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

This budget does not propose any rent increase since property ownership will transition to Marina in the near term.

COORDINATION:

Executive Committee, Authority Counsel, and Alliance Management

Prepared by: Robert J. Norris, Jr.

Approved by: Michael A. Houlemard, Jr.

Placeholder for Attachments A-C to Item 6b

**Alliance Management Letter, Preston Park 2015
Operating and Capital Improvement Program Budget,
and Market Survey**

**Per the staff report, this item will be distributed under
separate cover prior to the Board meeting.**

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

| | | |
|-----------------------|-------------------------------------------------------------------|---------------------------|
| Subject: | Approval of FORA FY 2015-16 Capital Improvement Program Revisions | |
| Meeting Date: | June 12, 2015 | INFORMATION/ACTION |
| Agenda Number: | 6c | |

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

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

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

Staff reviewed **Highway 156** funding in the 2015/16 CIP and recommends placing the requested \$5,000,000 in transportation funding in FY 18/19, assisting Transportation Agency for Monterey County (TAMC) Highway 156 planning efforts. During Administrative Committee review, Seaside staff advocated on-site project prioritization while supporting regional projects.

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

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

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

FISCAL IMPACT:

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

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

COORDINATION:

Administrative and Executive Committees.

Prepared by Jonathan Garcia Reviewed by D. Steven Endsley
Jonathan Garcia Steve Endsley

Approved by D. Steven Endsley for
Michael A. Houlemard, Jr.

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

| Off-Site Improvements | | Proj# | Description | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | POST FORA | TOTALS | Proj# |
|-----------------------|----|---------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|------------|------------|-------|
| Monterey County | 1 | Davis Rd north of Blanco | | 500,000 | 247,737 | | | | | 747,737 | 1 |
| Monterey County | 2B | Davis Rd south of Blanco | 400,000 | | | | 2,600,000 | 3,250,749 | 6,000,000 | 12,250,749 | 2B |
| Monterey County | 4D | Widen Reservation-4 lanes to WG | | | | | 1,300,000 | 2,216,726 | 1,500,000 | 5,016,726 | 4D |
| Monterey County | 4E | Widen Reservation, WG to Davis | | | | | 1,000,000 | 1,268,959 | 1,000,000 | 3,268,959 | 4E |
| City of Marina | 8 | Crescent Ave extend to Abrams | 200,000 | 200,000 | 550,000 | 387,702 | | | | 1,337,702 | 8 |
| Subtotal Off-Site | | | 600,000 | 700,000 | 797,737 | 5,287,702 | 6,736,434 | 8,500,000 | 22,621,872 | | |

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

| | | | | | | | |
|------------------------------|-----------|-----------|------------|------------|------------|------------|-------------|
| Transportation Totals | 2,700,000 | 5,000,000 | 17,998,684 | 29,074,516 | 15,714,446 | 34,722,950 | 105,210,594 |
|------------------------------|-----------|-----------|------------|------------|------------|------------|-------------|

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

| | | | | | | | |
|------------------------------------------------|-----------|-----------|------------|------------|------------|------------|-------------|
| Transportation and Transit GRAND TOTALS | 2,700,000 | 5,000,000 | 19,998,684 | 31,074,516 | 21,714,446 | 40,407,872 | 120,895,516 |
|------------------------------------------------|-----------|-----------|------------|------------|------------|------------|-------------|

| | 2005-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | Post FORA | 2015-16 to Post FORA Total |
|-------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|----------------------------|
| A. CIP PROJECTS FUNDED BY CFD DEVELOPMENT FEES | | | | | | | | |
| Dedicated Revenues | | | | | | | | |
| Development Fees | 28,387,335 | 5,585,000 | 11,906,000 | 15,356,000 | 23,344,000 | 31,653,000 | 78,632,000 | 166,476,000 |
| Other Revenues | | | | | | | | |
| Property Taxes | 5,796,078 | 379,468 | 553,386 | 1,082,753 | 1,747,155 | 2,740,170 | - | 6,502,932 |
| Loan Proceeds (1) | 7,926,754 | | | | | | | - |
| Federal Grants (2) | 6,426,754 | | | | | | | - |
| CSU Mitigation fees | 2,326,795 | | | | | | | - |
| Miscellaneous (Rev Bonds, Interest, CFD credit) | 3,578,191 | 70,000 | - | - | - | - | - | 70,000 |
| TOTAL REVENUES | 54,441,907 | 6,034,468 | 12,459,386 | 16,438,753 | 25,091,155 | 34,393,170 | 78,632,000 | 173,048,932 |
| Expenditures | | | | | | | | |
| Projects | | | | | | | | |
| Transportation/Transit | 34,167,503 | 2,700,000 | 5,000,000 | 19,998,684 | 31,074,516 | 21,714,446 | 40,407,872 | 120,895,516 |
| Water Augmentation [CEQA Mitigation] | 561,780 | | 1,590,600 | 1,535,600 | 2,334,400 | 3,165,300 | 15,389,748 | 24,015,648 |
| Storm Drainage System [Completed by 2005] | [Table 1] | | | | | | | - |
| Habitat Management | 7,665,830 | 1,756,670 | 3,595,612 | 4,637,512 | 7,049,888 | 6,144,144 | 9,150,344 | 32,334,170 |
| Fire Rolling Stock | 1,160,000 | - | - | - | - | - | - | - |
| Total Projects | 43,555,113 | 4,456,670 | 10,186,212 | 26,171,796 | 40,458,804 | 31,023,890 | 64,947,964 | 177,245,334 |
| Other Costs & Contingency (3) | | | | | | | | |
| Additional CIP Costs | 3,034,400 | - | - | - | - | - | 18,134,327 | 18,134,327 |
| Habitat Mgt. Contingency | 930,874 | 91,433 | - | - | - | - | 20,283,097 | 20,374,530 |
| CIP/FORA Costs | 1,325,690 | 605,953 | 400,000 | 400,000 | 400,000 | 395,491 | - | 2,201,444 |
| Property Tax Sharing Costs | | 37,947 | 55,339 | 108,275 | 174,716 | 274,017 | - | 650,293 |
| Other Costs (Debt Service) (4) | 5,595,830 | - | - | - | - | - | - | - |
| Total Other Costs & Contingency | 10,886,794 | 735,333 | 455,339 | 508,275 | 574,716 | 669,508 | 38,417,424 | 41,360,595 |
| TOTAL EXPENDITURES | 54,441,907 | 5,192,003 | 10,641,551 | 26,680,071 | 41,033,520 | 31,693,398 | 103,365,388 | 218,605,929 |
| Net Annual Revenue | | 842,466 | 1,817,835 | (10,241,319) | (15,942,364) | 2,699,772 | (24,733,388) | |
| Beginning Balance | | - | 842,466 | 2,660,301 | (7,581,017) | (23,523,382) | (20,823,609) | |
| Ending Balance CFD & Other | | 842,466 | 2,660,301 | (7,581,017) | (23,523,382) | (20,823,609) | (45,556,998) | (45,556,997) |
| B. CIP PROJECTS FUNDED BY LAND SALE REVENUES | | | | | | | | |
| Dedicated Revenues | | | | | | | | |
| Land Sales (5) | 49,221,940 | 485,000 | 2,127,606 | 9,370,287 | 14,908,759 | 9,829,367 | 12,829,326 | 49,550,343 |
| Land Sales - Credits | 6,767,300 | | 6,750,000 | | | | 12,659,700 | 19,409,700 |
| Other Revenues (6) | 1,425,000 | | | | | | | |
| Loan Proceeds (1) | 7,500,000 | 3,000,000 | | | | | | 3,000,000 |
| Total Revenues | 64,914,240 | 3,485,000 | 8,877,606 | 9,370,287 | 14,908,759 | 9,829,367 | 25,489,026 | 71,960,043 |
| Expenditures | | | | | | | | |
| Projects | | | | | | | | |
| Building Removal | 28,767,300 | 6,500,000 | 6,750,000 | | | | 12,659,700 | 25,909,700 |
| Other Costs (Loan Pay-off, Debt Financing) | 17,817,383 | 69,500 | 1,560,000 | 1,560,000 | | | | 3,189,500 |
| TOTAL PROJECTS | 46,584,683 | 6,569,500 | 8,310,000 | 1,560,000 | | | 12,659,700 | 29,099,200 |
| Other Costs & Contingency (7) | | | | | | | | |
| Transfer to FORA Reserve | - | 10,000,000 | | | | | | 10,000,000 |
| Building Removal Contingency | - | 5,000,000 | | | | | | 5,000,000 |
| Total Other Costs & Contingency | | 15,000,000 | | | | | | 15,000,000 |
| TOTAL EXPENDITURES | 46,584,683 | 21,569,500 | 8,310,000 | 1,560,000 | | | 12,659,700 | 44,099,200 |
| Net Annual Revenue | 18,329,557 | (18,084,500) | 567,606 | 7,810,287 | 14,908,759 | 9,829,367 | 12,829,326 | |
| Beginning Balance | - | 18,329,557 | 245,057 | 812,662 | 8,622,949 | 23,531,708 | 33,361,074 | |
| Ending Balance Land Sales & Other | 18,329,557 | 245,057 | 812,662 | 8,622,949 | 23,531,708 | 33,361,074 | 46,190,400 | 46,190,400 |
| TOTAL ENDING BALANCE-ALL PROJECTS | | 1,087,523 | 3,472,964 | 1,041,932 | 8,326 | 12,537,465 | 633,402 | 633,403 |

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject: California State University Monterey Bay Master Planning Process Presentation

Meeting Date: June 12, 2015

Agenda Number: 6d

INFORMATION

RECOMMENDATION(S):

Receive California State University Monterey Bay Master Planning Process Presentation.

BACKGROUND/DISCUSSION:

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

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

Phase 1: Discovery

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

Phase 2: Exploration

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

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

Phase 3: Synthesis

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

with other perspectives generated through the planning process, while reinforcing the goals of the University's Climate Action Plan and plans for carbon neutrality by 2030. The Master Plan will establish a framework for building and site improvements that preserves and extends the sense and quality of place and enhances connections with surrounding communities. The Synthesis phase will be completed by the end of December, 2015.

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

FISCAL IMPACT:

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

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

COORDINATION:

CSUMB, Administrative and Executive Committees

Prepared by Josh Metz
Josh Metz

Reviewed by Steve Endsley
Steve Endsley

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

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

| | | |
|-----------------------|-------------------------|--------------------|
| Subject: | Outstanding Receivables | |
| Meeting Date: | June 12, 2015 | INFORMATION |
| Agenda Number: | 8a | |

RECOMMENDATIONS:

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

BACKGROUND/DISCUSSION:

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

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

In November 2014, Marina and FORA agreed to settle pending litigation primarily by Marina acquiring FORA's interest in Preston Park. In February 2015, FORA and Marina finalized settlement agreement terms. FORA will apply \$2.08 million of the \$35 million settlement amount to the outstanding development fees to address this outstanding receivables on FORA's books. Marina has no objection to the settlement funds being applied to the residual fees. It was anticipated that Marina would complete the purchase of FORA's interest in Preston Park by the end of June. However, the closing date is likely to be deferred pending resolution of an outstanding capital project that is required by the Marina's lender to be completed - prior to funding Marina's loan (see items 5b, 5c, 6b).

FISCAL IMPACT:

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

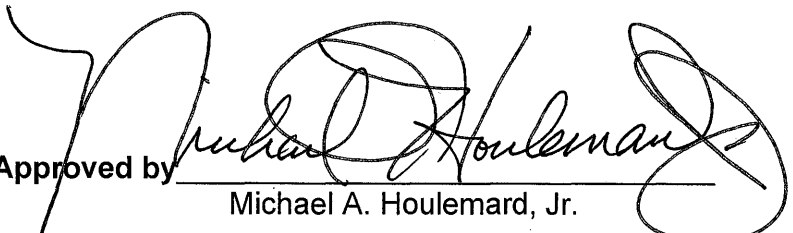
COORDINATION:

Executive Committee

Prepared by


Ivana Bednarik

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

| | |
|----------------------------------------------------------------|--------------------|
| Subject: Habitat Conservation Plan Update | |
| Meeting Date: June 12, 2015 Agenda Number: 8b | INFORMATION |

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

Item 9b from March 13, 2015 included additional background on this item and is available at the following website: <http://www.fora.org/Board/2015/Packet/031315BrdPacket.pdf>

The Fort Ord Reuse Authority (FORA), with the support of its member jurisdictions and ICF International (formerly Jones & Stokes), FORA's HCP consultant, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2015, concluding with US Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW) issuing federal and state Incidental Take Permits.

ICF completed the screen check draft HCP on March 2, 2015, and FORA disseminated the draft to permittees, CDFW, and USFWS. For the review schedule, FORA requested comments from permittees within 60 days and comments from wildlife agencies within 90 days. Once comments are received, FORA and ICF will schedule meetings to address comments before preparing the Public Draft HCP. One of those meetings with Permittees is scheduled for June 11, 2015. Denise Duffy and Associates plans to complete the 2nd Administrative Draft HCP Environmental Impact Report/Environmental Impact Statement (EIR/EIS) in June. FORA is Lead Agency to the EIR document, while USFWS is Lead Agency to the EIS. FORA requested that USFWS and CDFW provide sufficient staff resources to complete concurrent reviews of both the Draft HCP and its Draft EIR/EIS. Through recent conversations, wildlife agencies have indicated that they will not have sufficient staff resources to complete concurrent reviews of the documents. FORA is working to schedule a meeting with CDFW Chief Deputy Director Kevin Hunting in June to discuss review schedules and CDFW staff resources.

FISCAL IMPACT:

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

Staff time and printing costs for hard copies (\$2,100) are included in the approved FORA budget.

COORDINATION:

ICF, Denise Duffy and Associates, USFWS, CDFW, Executive and Administrative Committees

Prepared by Jonathan Garcia
Jonathan Garcia

Approved by D. Steven Endsley for
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee

Meeting Date: June 12, 2015

Agenda Number: 8c

INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The approved minutes from the April 29, 2015 and May 13, 2015 Administrative Committee meetings are attached for review (**Attachment A and B**).

FISCAL IMPACT:

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

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

COORDINATION:

Administrative Committee

Prepared by



Rosalyn Charles

Approved by



Michael A. Houlemard, Jr.



FORT ORD REUSE AUTHORITY ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

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

1. CALL TO ORDER

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

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

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

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

2. PLEDGE OF ALLEGIANCE

Brian Boudreau led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

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

4. PUBLIC COMMENT PERIOD

The Committee received comments from members of the public.

5. APPROVAL OF MEETING MINUTES

a. April 1, 2015 Administrative Committee Minutes

b. April 15, 2015 Administrative Committee Minutes

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

MOTION PASSED UNANIMOUSLY

6. MAY 8, 2015 BOARD MEETING AGENDA REVIEW

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

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

MOTION PASSED UNANIMOUSLY

7. BUSINESS ITEMS

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

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

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

MOTION PASSED UNANIMOUSLY

b. Pollution Legal Liability Cross Border Claim Agreement

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

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

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

8. ITEMS FROM MEMBERS

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

9. ADJOURNMENT

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



FORT ORD REUSE AUTHORITY
ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

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

1. CALL TO ORDER

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

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

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

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

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

2. PLEDGE OF ALLEGIANCE

Mike Zeller led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

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

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

4. PUBLIC COMMENT PERIOD

None.

6. BUSINESS ITEMS

a. Post-Reassessment Work Program Report

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

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

b. Receive CSUMB Master Planning Process Presentation

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

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

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

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

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

5. MAY 8, 2015 BOARD MEETING FOLLOW UP

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

7. ITEMS FROM MEMBERS

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

8. ADJOURNMENT

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

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Post Reassessment Advisory Committee

Meeting Date: June 12, 2015

Agenda Number: 8d

INFORMATION

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

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

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

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

FISCAL IMPACT:

Reviewed by Fort Ord Reuse Authority (FORA) Controller M. F. for I. B.

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

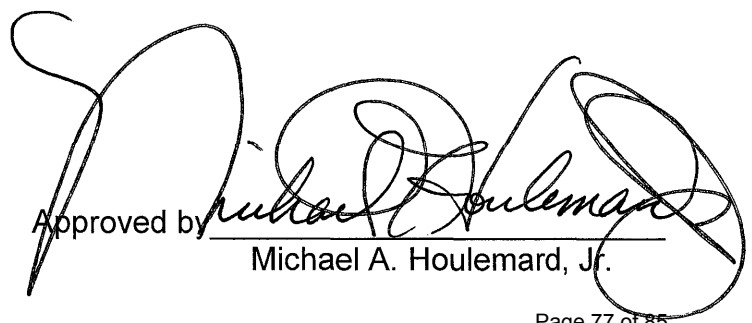
COORDINATION:

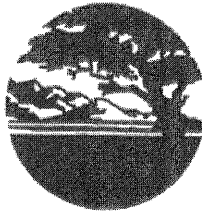
PRAC, California State University Monterey Bay, Transportation Agency for Monterey County, Bureau of Land Management, Administrative and Executive Committees.

Prepared by


Josh Metz

Approved by


Michael A. Houlemard, Jr.



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

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

1. CALL TO ORDER

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

Committee Members

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

Staff

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

Other Attendees

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

2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

None.

3. APPROVAL OF MEETING MINUTES

a. March 26, 2015 Post Reassessment Advisory Committee Minutes

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

MOTION PASSED: Unanimous.

4. PUBLIC COMMENT PERIOD

None.

5. BUSINESS ITEMS

a.) FORA Trails Working Group update

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

b.) Economic Development Update

i. FORA Prevailing Wage Policy

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

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

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

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

c.) Blight Removal Update

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

d.) Regional Urban Design Guidelines update

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

6. ITEMS FROM MEMBERS

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

7. ADJOURNMENT

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

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Regional Urban Design Guidelines Task Force

Meeting Date: June 12, 2015

Agenda Number: 8e

INFORMATION

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

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

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

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

FISCAL IMPACT:

Reviewed by Fort Ord Reuse Authority (FORA) Controller M. F. for I. B.

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

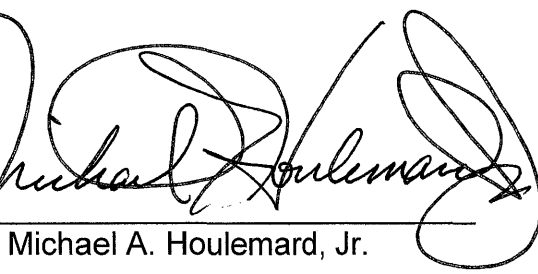
COORDINATION:

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

Prepared by


Josh Metz

Approved by


Michael A. Houlemard, Jr.



FORT ORD REUSE AUTHORITY
REGIONAL URBAN DESIGN GUIDELINES TASK FORCE REGULAR MEETING NOTES
1:30 p.m., Thursday, April 23, 2015 | FORA Conference Room
920 2nd Avenue, Suite A, Marina, CA 93933

1. CALL TO ORDER AND ROLL CALL

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

Members:

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

FORA Staff:

Michael Houlemard
Jonathan Garcia
Josh Metz
Crissy Maras

Others:

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

2. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

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

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

3. APPROVAL OF MEETING MINUTES

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

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

MOTION PASSED: Unanimous

4. PUBLIC COMMENT PERIOD

None

5. BUSINESS ITEMS

- a. Receive/review consultant’s draft “Developers Perspectives” presentation

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

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

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

6. ITEMS FROM MEMBERS

None.

7. ADJOURNMENT

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

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Travel Report

Meeting Date: June 12, 2015

Agenda Number: 8f

INFORMATION

RECOMMENDATION(S):

Receive a travel report from the Executive Officer.

BACKGROUND/DISCUSSION:

The Executive Officer regularly submits reports to the Executive Committee on FORA staff/Board travel. The Committee reviews and approves requests, and the travel information is reported to the Board as an informational item.

COMPLETED TRAVEL

International Trails Symposium

Destination: Portland, OR

Date: May 17-20, 2015

Traveler/s: Josh Metz

Josh Metz attended the International Trails Symposium, which included over 750 trail planners, builders and managers from around the world, and provided an opportunity to learn how many communities are leveraging regional trail development for multiple benefits. Sessions attended included: Creating Trails Databases using GIS Technology; Creating the Next Generation of Trail Planning Tools; Collective Impact: Creating Trail Networks on a Grand Scale; and Regional Trails – Connecting Rural and Urban Communities. Key lessons included: Think Big; Build coalitions; Plan well – then seek creative funding; Public-private partnerships are widely used; and trails planning and development is increasing. Many regions around the world are seeing clear economic and social benefits from trail investments.

UPCOMING TRAVEL

2015 Annual State Legislative Mission

Destination: Sacramento, CA

Date: June 15-16, 2015 (Tentative)

Traveler/s: Executive Officer, Mayor Edelen, 1-2 staff members (TBD)

A State Legislative Mission is necessary to meet with the California Departments of Veterans Affairs, Fish and Wildlife, and Toxic Substances Control, and the Division of Industrial Relations on a number of developing issues related to the Environmental Services Cooperative Agreement, the California Central Coast Veterans Cemetery, the Habitat Conservation Plan, and prevailing wage enforcement. The Executive Committee approved this trip at their April 1, 2015 meeting, but dates and attendance were to be determined. At the distribution of this report, staff is still scheduling

meetings and it is unclear whether an overnight stay (included in the Executive Committee approval) will be warranted. Staff will report final details to the Board at the June meeting.

Annual Association of Defense Communities (ADC) National Summit

Destination: Washington, DC

Date: June 21-24, 2015

Travelers/s: Executive Officer, Councilmember Lucius, Councilmember Morton

This year's National Summit is titled "At a Crossroads: The Future of Defense Communities and Installations." As a sustaining member, FORA will attend the event's Leadership Reception with Department of Defense/Congressional officials and the Congressional Breakfast. Conference session topics will include: Re-imagining the City Base Model, Understanding BRAC, Building Forums of Community Involvement, Policy Recommendations to Improve BRAC, Property Transfer and Real Estate Management, Public-Public Partnerships, Building and Sustaining Community-Military Partnership Organizations, Water Security – Joint Community-Installation Planning, Advancing Energy Policy Solutions, and Redefining Redevelopment.

FISCAL IMPACT:

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

Travel expenses are paid/reimbursed according to the FORA Travel policy.

COORDINATION:

Executive Committee

Prepared by

Lena Spilman
Lena Spilman

Approved by

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

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Public Correspondence to the Board

Meeting Date: June 12, 2015

Agenda Number: 8g

INFORMATION

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

Correspondence may be submitted to the Board via email to board@fora.org or mailed to the address below:

FORA Board of Directors
920 2nd Avenue, Suite A
Marina, CA 93933