

Resolution 07-10

Resolution of the Authority Board)
Allocating Recycled Water to Former)
Fort Ord Land Use Jurisdictions.)

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

WHEREAS, the Fort Ord Reuse Authority (“FORA”) and Marina Coast Water District (“MCWD”) Boards of Directors approved the recycled/desalinated two component recommendation to implement the Fort Ord Water Augmentation Program (“Hybrid Alternative”) June 10, 2005 at a joint meeting of the Boards, directing their respective staff to scope the project; and

WHEREAS, the Recycled Water Component (“recycled water project”) of the Hybrid Alternative is approaching the bidding and construction stage of the project; and

WHEREAS, FORA Board of Directors is informed by MCWD and the Monterey Regional Water Pollution Control Agency (“MRWPCA”) that 1,427 acre-feet per year (“AFY”) of water is available for making a commitment at the MRWPCA property line to the recycled water project of the Hybrid Alternative; and

WHEREAS, Monterey County Water Resources Agency and MRWPCA have entered into an Agreement, which allows up to 850 AFY of recycled water from May through August that MRWPCA has agreed to dedicate to the recycled water project; and

WHEREAS, MCWD has agreed to provide 300 AFY of recycled water to the project from April through September in addition to the 850 AFY described above; and

WHEREAS, 950 AFY of these summer time flows of the 1,427 AFY of recycled water may be made available for use as stated above with the remainder being used the rest of the year; and

WHEREAS, allocation of the 1,427 AFY of recycled water to former Fort Ord jurisdictions is an appropriate means of providing initial assurance of access to the recycled water resource; and

WHEREAS, allocation of 1,427 AFY will take effect upon approval of this resolution by the FORA Board of Directors; and

WHEREAS, FORA jurisdictions have agreed to reserve 5% of the recycled water for line loss to be deducted from the total supply of recycled water available for distribution; and

WHEREAS, this 5% line loss factor may be adjusted in the future as further operational information is provided; and

WHEREAS, MCWD advises, in order to avoid over allocating water and potential over use of recycled water included in Exhibit A, a line loss of 10% may need to be applied in the future; and

WHEREAS, additional recycled water resources are anticipated to become available in the future that may be used to offset future operational line loss factors; and

WHEREAS, 300 AFY of additional recycled water (less the 5% line loss as measured within MCWD’s service area) is currently proposed to be set aside to others by the MRWPCA; and

WHEREAS, the FORA Board acknowledges that the entity or entities using all or portions of the additional 300 AFY are required to pay an equitable prorata share of the cost of those Ord Community facilities that are necessary for delivery of the resource; and

WHEREAS, all or a portion of that 300 AFY of recycled water may be made available by MRWPCA action to former Fort Ord uses in the future; and

WHEREAS, moving forward with an allocation of recycled water at this time is essential for reuse of the former Fort Ord; and

WHEREAS, FORA has received advice from counsel that adopting an allocation of recycled water resource is appropriate given the pending agreements to deliver recycled water resources to member jurisdictions' projects; and

WHEREAS, FORA is allowed under the California Environmental Quality Act to allocate recycled water given that environmental impacts of the recycled water program (construct distribution systems and provide recycled water from the existing MRWPCA wastewater treatment facility to urban users within the Ord community) have been analyzed in a 2004 environmental impact report ("EIR") and two subsequent addenda; and

WHEREAS, the impacts of water allocations for redevelopment on Fort Ord were evaluated under the 1997 Base Reuse Plan EIR; and

WHEREAS, allocating recycled water resources to conserve potable water resources for such purposes meets the spirit and letter of the Fort Ord Base Reuse Plan; and

WHEREAS, the FORA Administrative Committee recommends that the FORA Board adopt the attached "List of Allocations" and criteria defined herein to implement a portion of the Hybrid Alternative.

NOW, THEREFORE, BE IT RESOLVED by the FORA Board of Directors that:

1. The attached recycled water resource allocation "List of Allocations" (Exhibit A) is adopted.
2. The prioritization/methodology/criteria for use of recycled water at the Ord Community are adopted for allocating recycled water to projects in the following hierarchy:
 - a. Existing development projects;
 - b. Development projects in the FORA Capital Improvement Program;
 - c. Development projects with Disposition and Development Agreements;
 - d. Development projects with Exclusive Negotiating Agreements;
 - e. Development projects that are flagship projects;
 - f. Best available Water Conservation efficiencies employed; and
 - g. Agreement to pay capacity or other fixed cost charge for receipt and acceptance of this recycled water.
3. FORA shall allow its member jurisdictions and Ord Community developers the right to use the recycled water set forth on Exhibit A at costs to be determined at a later date.
4. This action does not require any jurisdiction to accept recycled water resources beyond that required under the terms of existing agreements.
5. If a jurisdiction is unable to accept recycled water resources, those resources will be returned for future FORA Board allocation according to the principles noted in #2 above.

6. To allocate additional resources, if they become available, the FORA Board of Directors may revisit this allocation in Spring of 2008 or as a component of future planning.

7. A 5% line loss factor will be applied to all recycled water within the MCWD service area during the first 5 years of initial operation of the recycled water system, with future line loss factors to be applied for subsequent years of operation based on evidence derived from the first five years of operation. In the event line loss increases occur, additional recycled water resources are expected to account for the increased demand.

8. If the additional 300 AFY of water proposed to be set aside for others becomes available by MRWPCA action, the FORA Board will allocate those resources according to the same criteria listed in #2 above.

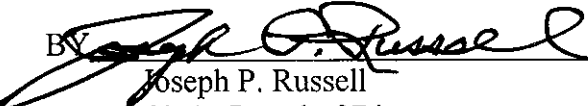
~~~~~

Upon motion by Mayor Mettee-McCutchon, seconded by Mayor Rubio, the foregoing resolution was passed on this 11<sup>th</sup> day of May 2007, by the following vote:

|              |     |                                                                                                                                     |
|--------------|-----|-------------------------------------------------------------------------------------------------------------------------------------|
| AYES:        | 12  | Directors Russell, Della Sala, Mettee-McCutchon, Wilmot, Potter, Salinas, Calcagno, Rubio, Mancini, Pendergrass, Davis, and McCloud |
| NOES:        | -0- |                                                                                                                                     |
| ABSTENTIONS: | -1- | Director Barnes                                                                                                                     |
| ABSENT:      | -0- |                                                                                                                                     |

I, Mayor Russell, Chair of the Board of Directors of the Fort Ord Reuse Authority of the County of Monterey, State of California, do hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered under Item 7c, Page 4, of the board meeting minutes of May 11, 2007 thereof, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

Date 5/8/07

BY   
Joseph P. Russell  
Chair, Board of Directors  
Fort Ord Reuse Authority

## Exhibit A

### List of Allocations<sup>1</sup>

| Jurisdiction                                                | Acre-Feet per Year |
|-------------------------------------------------------------|--------------------|
| CSUMB                                                       | 87                 |
| UC MBEST                                                    | 60                 |
| County                                                      | 134                |
| Del Rey Oaks                                                | 280                |
| Seaside                                                     | 453                |
| Marina                                                      | 345                |
| Subtotal (amount to be allocated to Fort Ord jurisdictions) | 1359               |
| Line loss                                                   | 68                 |
| Former Fort Ord Total <sup>2</sup>                          | 1427               |

1. Please refer to paragraph #3 under the discussion section of the staff report for a description of how allocations were determined.

2. MRWPCA's planning efforts for recycled water, supported by studies performed in 1992, 1996, and 2003, have accommodated 300 AFY of recycled water to be set aside by MRWPCA for delivery south of the former Fort Ord to Monterey County, the City of Seaside, and the City of Monterey. Therefore, this 300 AFY plus the 1427 AFY in this "List of Allocations" equals a total of 1727 AFY.