

**ACTION MINUTES
OF THE
FORT ORD REUSE AUTHORITY
SPECIAL BOARD OF DIRECTORS' MEETING
May 11, 2007**

**EARLY TRANSFER/ENVIRONMENTAL SERVICES COOPERATIVE
AGREEMENT (ET/ESCA) STUDY SESSION ~ 2:30 PM**

1. CALL TO ORDER AND ROLL CALL at 2:30 PM

Chair Joe Russell called the board members and those assembled to order and requested a roll call for the records.

Approved

Voting members present:

Chair/Mayor Russell (City of Del Rey Oaks)
Mayor Mettee-McCutchon (City of Marina)
Mayor Pendergrass (City of Sand City)
Councilmember Wilmot (City of Marina)

1st Vice Chair/Mayor Rubio (City of Seaside)
Mayor McCloud (City of Carmel-by-the-Sea)
Councilmember Mancini (City of Seaside)

Arriving after the study session had started was Supervisor Salinas (County of Monterey).

Ex-officio members present were:

Vicki Nakamura (Monterey Peninsula College)
Kenneth K. Nishi (Marina Coast Water District)

Karen Fisbeck (BRAC)

Arriving after the study session had started were Steve Reed (CSUMB), Hunter Harvath (Monterey-Salinas Transit), and Graham Bice (UC Santa Cruz).

2. EARLY TRANSFER/ ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT (ET/ESCA) STUDY SESSION

The study session was organized in broad categories designed to cover an overview of the program, a current status report, and the projected timelines. Executive Officer Houlemard made introductions and gave a brief summary of the project. Director of Real Property and Facilities Stan Cook followed with a PowerPoint presentation, which showed the operational relationships of the ET/ESCA documents, the federal CERCLA process of the ET/ESCA at former Fort Ord, an ESCA responsibility matrix of the six entities involved in the process, a FORA organizational chart, and FORA's 2004 insurance program. Mr. Cook also distributed an ET/ESCA "Acronym Guide and Glossary." Kristie Reimer, the LFR team project manager for the ET/ESCA, followed with another PowerPoint presentation showing an overview of the FORA ESCA Remediation Program, including the LFR team responsibilities, implementation, and the project personnel. Ms. Reimer was assisted in the presentation by Linda Temple from Weston Solutions and Aimee Houghton from Westcliffe Engineers. Ms. Houghton said the FORA Board will

receive quarterly reports about the ESCA project, and the public will be able to access an ESCA project website via a link on the FORA website (www.fora.org). FORA Special Counsel Barry Steinberg said the cleanup standards and protections to the community, public health, and the environment are as high if not higher than the Army's and regulators' standards. He stated that the Army is still responsible for the cleanup and/or removal of remnant munitions and explosives of concern (MEC's) that are discovered after the ESCA project has been completed.

When the study session concluded at 3:30 p.m., Chair Russell called for a ten-minute recess.

REGULAR BOARD MEETING

1. CALL TO ORDER

Due to a medical emergency, the regular board meeting was not reconvened until 4:09 p.m. Chair Russell asked for a roll call of all board members at this time.

3. ROLL CALL

Voting members present:

Chair/Mayor Russell (City of Del Rey Oaks)	1 st Vice Chair/Mayor Rubio (City of Seaside)
Mayor McCloud (City of Carmel-by-the-Sea)	Mayor Mettee-McCutchon (City of Marina)
Councilmember Wilmot (City of Marina)	Mayor Della Sala (City of Monterey)
Supervisor Salinas (County of Monterey)	Supervisor Calcagno (County of Monterey)
Supervisor Potter (County of Monterey)	Mayor Pendergrass (City of Sand City)
Councilmember Mancini (City of Seaside)	Councilmember Davis (City of Pacific Grove)

Absent at this time was Councilmember Barnes (City of Salinas).

Ex-officio members present:

Rito Guerra (15 th State Senate District)	Craig O'Donnell (27 th State Assembly District)
Steve Reed (CSUMB)	Vicki Nakamura (Monterey Peninsula College)
Don Bachman (TAMC)	Graham Bice (UC Santa Cruz)
COL Pamela Martis (U.S. Army)	Karen Fisbeck (BRAC Office)
Hunter Harvath (Monterey/Salinas Transit)	Kenneth K. Nishi (Marina Coast Water District)

Absent was a representative from the 17th Congressional District. Representing MPUSD at the dais as an observer was Charles Van Meter.

A quorum was present.

2. PLEDGE OF ALLEGIANCE

Chair Russell asked Mayor Rubio to lead all present in the Pledge of Allegiance.

4. ACKNOWLEDGEMENTS

Chair Russell acknowledged the presence of Supervisor Potter.

5. PUBLIC COMMENT PERIOD

Sue McCloud, speaking as a private citizen, stated that she is aware of 11 hotel projects slated for construction on former Fort Ord. She asked that someone (FORA) call the jurisdictions together to talk about this increase in the number of hotel rooms in the area and their impact on the local economy, and she questioned whether this was the highest and best use of land on former Fort Ord.

6. CONSENT AGENDA

There was one item on the Consent Agenda: Item 5a – Action Minutes of the April 13, 2007 Board Meeting. **Motion to approve the April 13, 2007 board minutes was made by Mayor McCloud, seconded by Councilmember Mancini, and carried.** Councilmember Wilmot and Supervisor Potter abstained due to absence.

7. OLD BUSINESS

Item 7a – Imjin Office Park: (i) Progress Report and (ii) Authorization to Execute Subdivision Improvement Agreement: Real Property and Facilities Director Stan Cook provided a brief update summary of the subdivision improvement agreement. Mayor McCloud asked if FORA counsel had approved the agreement as to form (yes) and requested that a signature block be added for him to indicate his approval. There were no public comments. **Motion to authorize the Executive Officer to execute the Imjin Office Park Subdivision Improvement Agreement (Escrow Agreement Guaranteeing Deferred Subdivision Improvements) and the associated Subdivision Map was made by Mayor Mettee-McCutchon, seconded by Supervisor Potter, and carried.**

Item 7b – Habitat Conservation Plan (“HCP”) Approval Process: Executive Officer Houlemard said that this item was a priority item in the recent meetings in Sacramento attended by FORA’s State Legislative Mission team. He provided a brief HCP update. There were no board or public comments. After brief summary remarks about the staff requests, **a motion to (1) direct staff to redesignate line item “NEPA”CEQA Consulting Firm: \$150,000” in the current 2006-07 fiscal year HCP budget to read “HCP Consulting Firm: \$150,000” and (2) approve an HCP Consultant contract, not to exceed \$150,000, for the HCP consulting firm to be selected on May 9, 2007 to respond to agency comments and complete an Administrative Draft State HCP was made by Mayor Rubio, seconded by Councilmember Wilmot, and carried.**

Item 7c – Water Augmentation Program: Allocation of Recycled Water: Executive Officer Houlemard summarized the issues related to this allocation of recycled water and the accompanying resolution. Board discussion followed. Councilmember Davis asked about the legality of allocating paper water from an unproven source, and Authority Counsel Bowden responded that legal precedence indicates that “reasonable assurance” of the water’s being available would probably be adequate, all other things being equal. Mayor McCloud asked if a jurisdiction cannot use, or decides to return part of all of, its allocation, how is this water reallocated. The response was that if a jurisdiction is not using all its recycled water, it could be used for other jurisdictions’ projects. The question of whether jurisdictions can negotiate recycled water among themselves was raised. Authority Counsel responded that he doubted that situation would arise, primarily because the water will be costly. Supervisor Potter stated that the County and others deferred access to water resources in the mid 1990’s but the County expects its fair share of water. He further noted that water resources that were promised earlier are not essential for the County to move forward with its projects. Monterey Regional Water Pollution Control Agency (“MRWPCA”) General

Manager Keith Israel commented on the future supplies of augmented water, noting that newer technologies tend to be costly but greater use will likely bring economies of scale. He said delivery distance would also be a cost factor, but MRWPCA is committed to serve, and meet all the needs of, its members.

Public comments included the following: Sheri Damon suggested two additions to the draft resolution: (1) a time frame for acceptance of a recycled water allocation and (2) a time limit for returning unused water back to FORA. Executive Officer Houlemard stated that the rate study still needs to be completed, along with some contractual agreements, and a progress report will be brought back to the Board in the spring of 2008. He said the costs should be available later this year.

Further board comments: Mayor Mettee-McCutchon remarked that the allocation of recycled water is vital to the Del Rey Oaks and the County projects. She added that Marina's negative vote at a recent Administrative Committee meeting came out of its concern about careful monitoring of recycled water. She asked how Phase Two of the augmentation project (desalinated water) would be aligned with the recycled water project. Executive Officer Houlemard replied that this issue would be included in the contractual agreements.

A motion to adopt Resolution #07-10, allocating 1,427 acre-feet per year of recycled water to former Fort Ord land use jurisdictions, was made by Mayor Mettee-McCutchon and seconded by Mayor Rubio. Board questions and comments followed. Mayor McCloud asked if there were any prohibitions on the sale of water after FORA sunsets, and Executive Officer Houlemard said the question has multiple answers, depending on the source of the water. If the water comes from the Salinas Valley Ground Water Basin, the water must remain within former Fort Ord boundaries. He said there are still questions about recycled and desalinated water. Mayor McCloud asked that recycled water usage be monitored. Mayor Rubio said that Seaside is ready to accept additional water but cost effectiveness will determine usage. Councilmember Davis asked if the jurisdictions receiving water contribute to development and the enhancement and distribution of this water, and Executive Officer Houlemard replied "yes" because it is included in FORA's Capital Improvement Program and called attention to #5 in the draft resolution. Marina Coast Water District ("MCWD") and FORA board member Ken Nishi remarked that the cost of recycled water is certainly a factor in usage and potable groundwater water is now the cheapest water. However, if the water from the aquifer can only be supplied by digging deeper wells, potable water will also rise in price. He said that current reports from water engineers estimate desalinated water will cost between \$3,100 and \$3,400 per acre-foot. He added that MCWD has an informal policy that wastewater returned for recycling by a jurisdiction is the amount of recycled water the jurisdiction will get back.

A call for the vote was made, and the **motion carried unanimously.**

Item 7d – FORA's 2007 State Priority Legislative Matrix: Executive Officer Houlemard called attention to the recent changes made in the matrix. There were no public comments. Mayor McCloud said that changes to SB 964 (Brown Act - Romero) had been changed the last two days and Mr. Houlemard said he would check on this. **Motion to receive the changes in the updated matrix, including any changes to SB 964, was made by Mayor McCloud, seconded by Supervisor Calcagno, and carried.**

8. NEW BUSINESS

Item 8a – FORA FY 07-08 Preliminary Budget (Action in June): Executive Officer Houlemard gave a brief informational report. Finance Committee Chair Mayor McCloud announced that Councilmember Wilmot has been appointed to serve on the FORA Finance Committee.

Item 8b – Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2007-2008: Executive Officer Houlemard reported that there were no changes to the rates or budget, so no presentation is probably necessary. Mayor Rubio asked about the ownership of the expanded water system onto former Fort Ord, and Assistant Executive Officer Jim Feeney explained that MCWD owns and operates the existing and any expansion of the system. **A motion to approve Resolution Numbers 07-8 and 07-9, adopting a compensation plan and setting rates, fees and charges for basewide water, recycled water and sewer services for FY 2007-08 on former Fort Ord was made by Mayor Mettee-McCutchon and seconded by Mayor McCloud.** There were several clarifying questions from the Board and no public comments. **The motion carried unanimously.**

9. EXECUTIVE OFFICER’S REPORT

There were four items in the Executive Officer’s Report: Item 9a (Administrative Committee Report), Item 9b (Legislative Committee Report), Item 9c [Federal Legislative Mission to Washington, DC (April 16-17, 2007) – Report], and Item 9d (Executive Officer’s Travel Report). All were informational.

10. ANNOUNCEMENTS AND CORRESPONDENCE

Item 10a – FORA’s Appointments to the Fort Ord Cemetery Citizen’s Advisory Committee: A letter dated 5/3/07 to Jim Cook from Mr. Houlemard reporting FORA’s two appointments was attached. Seaside Councilmember Tom Mancini will be the primary representative and Mayor Ila Mettee-McCutchon will serve as the alternate.

Mayor McCloud asked about the Supreme Court Writ, which had been distributed to the Board. Executive Officer Houlemard responded that several board members had requested it when it was available. He said it had been issued on May 2nd and FORA had received a copy just yesterday. Mr. Houlemard stated that it describes the work to be done and the path forward regarding the court’s recent decision on City of Marina, et al, v. CSU.

11. ADJOURNMENT: Chair Russell adjourned the meeting at 4:50 pm.

Minutes prepared by Linda Stiehl, Deputy Clerk

Approved by _____

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