



Fort Ord Reuse Authority

920 2nd Avenue, Ste. A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

BOARD OF DIRECTORS MEETING

Friday, September 16, 2011

4:00 p.m. *(time certain or close of joint meeting)*
910 2nd Ave, Marina (on the former Fort Ord)

AGENDA

1. **CALL TO ORDER AND ROLL CALL**
2. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**
3. **PUBLIC COMMENT PERIOD:** Members of the audience wishing to address the Fort Ord Reuse Authority ("FORA") Board on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to a maximum of three minutes. Public comments on specific agenda items will be heard at the time the matter is under Board consideration.
4. **CONSENT AGENDA** ACTION
 - a. June 10, 2011 FORA/MCWD Joint Board meeting minutes
 - b. July 8, 2011 FORA/MCWD Joint Board meeting minutes
 - c. August 12th, 2011 FORA Board meeting minutes
5. **OLD BUSINESS**
 - a. Preston Park INFORMATION
 - i. Budget/Audited Financial Statements
 - ii. September 9, 2011 – tour
 - b. California Central Coast Veterans Cemetery INFORMATION
 - i. Memorandum of Understanding - status report
 - ii. AB 629 – update on legislative process
6. **NEW BUSINESS** - none
7. **EXECUTIVE OFFICER'S REPORT**
 - a. Outstanding Receivables INFORMATION
 - b. Administrative Committee – report INFORMATION
 - c. Habitat Conservation Plan – status report INFORMATION
 - d. Fort Ord Reuse Authority extension – background and schedule INFORMATION
 - e. Travel report INFORMATION
8. **ITEMS FROM MEMBERS** INFORMATION
9. **CLOSED SESSION**
 - a. Builder's Exchange vs. FORA – threatened litigation
10. **REPORT OUT OF CLOSED SESSION**
11. **ADJOURNMENT**



DRAFT



**JOINT MEETING OF THE
FORT ORD REUSE AUTHORITY AND
MARINA COAST WATER DISTRICT
BOARDS OF DIRECTORS**

**3:00–3:30 PM, Friday, June 10, 2011
Carpenters Union Hall * 910 2nd Avenue * Marina, CA 93933**

MINUTES

1. Call to Order and Roll Call of Both Boards

FORA Chair, Supervisor Dave Potter called the meeting to order at 3:00 p.m. on June 10, 2011.

Fort Ord Reuse Authority Board of Directors:

Voting members present (Quorum present at call to order)

Chair/Supervisor Potter (County of Monterey)
1st Vice Chair/Mayor Edelen (City of Del Rey Oaks)
Mayor Pendergrass (City of Sand City)
Mayor Pro-Tem Kampe (City of Pacific Grove)
Supervisor Parker (County of Monterey)
2nd Vice Chair/Mayor Pro-Tem O'Connell (City of Marina)
Mayor McCloud (City of Carmel-by-the-Sea)
Councilmember Selfridge (City of Monterey)
Councilmember Oglesby (City of Seaside)

Arriving after the roll: Councilmember Brown (City of Marina), Jim Cook (County of Monterey), Mayor Bachofner (City of Seaside)

Absent: Councilmember Barrera (City of Salinas).

Ex-Officio members present:

Dr. Margon (University of California Santa Cruz ("UCSC"))
Kevin Saunders (California State University Monterey Bay ("CSUMB"))
Bill Collins (Base Realignment and Closure ("BRAC"))
Ken Nishi (Marina Coast Water District ("MCWD"))

Arriving after the roll: Pamela Von Ness (United States Army), at 3:30 p.m., - Debbie Hale (Transportation Agency for Monterey County ("TAMC")), Hunter Harvath (Monterey Salinas Transit), Dr. Doug Garrison (Monterey Peninsula College ("MPC")), Dan Albert, Jr., (Monterey Peninsula Unified School District), Alec Arago (17th Congressional District).

Absent: Representation from the 15th State Senate District and 27th State Assembly District.

Marina Coast Water District Board Members Present:

Dan Burns – Vice President
Howard Gustafson
Ken Nishi – President
Jan Shriner

Absent: Bill Lee – President

2. Pledge of Allegiance

FORA Chair Potter asked MCWD Director Gustafson to lead the Pledge of Allegiance.

3. Acknowledgements

There were no acknowledgements made.

4. Public Comment Period

Ms. LeVonne Stone, Fort Ord Environmental Justice Network, reminded the Marina Coast Water District Board members that there was a past agreement with the Monterey County Court concerning the people of Preston Park and other housing areas in Fort Ord. She added that the agreement was to have those areas voted into the District's jurisdiction thus allowing them a voice on the Board in the decision making process. Ms. Stone stated that as of this day, these items have not been rectified and she would like to know what is being done.

5. Old Business - None.

6. New Business

- a. Ord Community and Marina Water/Wastewater Systems Proposed Budget and Rates for FY 2011-2012:

- (1) Presentation by Marina Coast Water District

Ms. Kelly Cadiente, MCWD Director of Administrative Services, gave a PowerPoint presentation (copy attached) regarding the proposed fiscal year 2011/2012 operating and capital budgets for the water, recycled water and wastewater collection systems, and corresponding customer rates for water and wastewater collection systems for the Ord Community.

2nd Vice Chair/Mayor Pro-Tem O'Connell questioned why the sewer rates in Ord Community were higher than Central Marina. Ms. Cadiente answered that the rate has to support a large, aged system, compared to the number of connections. 2nd Vice Chair/Mayor Pro-Tem O'Connell asked if the District looked into a different rate between residential and commercial so as to reduce the rate of residential. Ms. Cadiente answered that she would have to research that and provide an answer later. Mayor Pro-Tem O'Connell asked if the Ord Community water rates were slightly higher for the similar reason of not as many connections. Ms. Cadiente answered affirmatively. MCWD Director Gustafson commented that CSUMB receives a 25% discount that needs to be absorbed by the other ratepayers and that no other entity receives discounts. Kevin Saunders commented that CSUMB receives a 25% discount on connection fees only, not water or sewer rates.

Supervisor Parker commented that on page 11 of the proposed budget, Exhibit W-4, the breakpoint for tiers was a lot higher for MCWD than other agencies. She asked if the District had looked into updating the tier breakpoints to improve conservation. Chair Potter informed the Directors and the public that Mr. Heitzman was caught in traffic and would answer the question when he arrived.

Mayor McCloud asked if the protests were due today. Ms. Cadiente answered affirmatively. Mayor McCloud commented that about 25% of the ratepayers protested and asked if the District was concerned with that response. She also asked if Attorney Bowden (FORA counsel) approved of the Resolutions that would be voted on. Mr. Bowden answered affirmatively.

Mayor McCloud commented that she would have liked the presentation to show an indication of the expenses involved on how the District is justifying the increase.

Mr. Jim Heitzman, MCWD General Manager, and Mr. Lowrey, MCWD Legal Counsel, arrived at 3:17 p.m.

Mayor Pro-Tem Kampe asked what the expense drivers were that caused the increase in rates. Mr. Heitzman answered that the cost of power and labor were some factors in the increase. Mayor Pro-Tem Kampe commented that he would have liked to see a narrative summary that showed what is pushing the rates up 4.9%. Ms. Cadiente pointed out that Exhibits W-1 and WW-1 show the proposed expenses. Mayor Pro-Tem Kampe asked how the 4.9% compare to the other cost centers that are also getting rate adjustments. Ms. Cadiente answered that all cost centers are getting a proposed increase of 4.9%, to include the Central Marina cost centers. Mayor Pro-Tem Kampe then asked if the cost centers had an allocation of common expenses and asked what the allocation process was for determining a fair allocation. Ms. Cadiente stated the allocations were based on the previous audited fiscal year's expenditures.

Mayor McCloud clarified that the District is proposing a 4.9% increase next year. Ms. Cadiente answered that it was a proposed 5% increase.

Supervisor Parker reiterated her earlier question of the breakpoint for tiers and asked if the Board had talked about updating the trigger points to be more in line with other areas of the community to encourage conservation. Mr. Heitzman commented that Cal Am has five tiers and is more aggressive. He added that the District takes what an average household uses and tries not to be punitive to that group. Mr. Heitzman said that as the usage rises, it is more punitive to those higher users. He added that the District has had discussion on adjusting the tiers to increase conservation, but that would increase the rates on the small households and the Board decided not to do that at this time. Mr. Carl Niizawa, Deputy General Manager/District Engineer, commented that adjusting the tiers would cause higher rates to people that are supplied by a master meter and many of those people are of lower income living in apartments and mobile homes. Supervisor Parker noted that the lowest tier in Cal Am starts at 40 and the Districts lowest tier is 800 and Seaside is 400. Mr. Heitzman said that there may be a difference in how the units are calculated and that he would research further.

MCWD Director Nishi commented that the Marina Coast Water District started billing by tiers to promote conservation before any other agency on the Peninsula. He stated that the District and Cal Am tiers are not "apples to apples" comparison. Director Nishi said he believed that Cal Am is conditioning their ratepayers to be prepared if the Cease and Desist Order (CDO) kicks in, and if the CDO doesn't kick in, the new rates for the Regional Desalinated Water would be astronomically high. He stated that he did not think it is fair to compare MCWD to Cal Am.

1st Vice Chair/Mayor Edelen commented that page 7 of the packet, Exhibit W-1, shows interest expenses almost doubling from the current budget and asked what the anticipated increase for the interest was attributed. Ms. Cadiente answered that it was debt service interest for the 2006 Bonds. Mr. Heitzman said the 2006 Bonds were for Capital Improvements and asked Mr. Niizawa to elaborate. Mr. Niizawa answered that when the District took over the Ord Community, they took over a comprehensive Capital Improvement Program to improve the Ord system infrastructure which creates the debt service. Mayor McCloud asked if the District has taken on more debt over the course of the last year. Mr. Niizawa answered that the General Jim Moore Blvd., project was recently completed and the District was substantially financially involved in that project.

(2) Public Hearing – Proposition 218 Notice:

Chair Potter opened the Public Hearing at 3:31 p.m.

Ms. Paula Pelot, Preston/Abrams Park Tenant Association, said that with the proposed two-year increase, the cost for an average family's water and wastewater usage had increased by 156% since 2004 while the CPI had only increased 14.9%. Ms. Pelot stated that she was told there were 2,876 accounts in the Ord Community, but Exhibit W-3 showed there were 2,808. She said she was also concerned over the high interest expense, along with high personnel and labor costs. Ms. Pelot asked what the District was doing to decrease personnel costs and said other government agencies are experiencing furloughs. She asked to see an independent fiscal analysis showing that the charges are actually covering costs and not just projecting forward and collecting funds. Ms. Pelot also commented that the public notice was put on the District's website very late and the notice was not bilingual. She suggested the next time a Prop 218 notice was mailed it should be printed on the envelope stating that it is for the rate increase and protest. Ms. Pelot also suggested that more work be done to encourage people to understand the information. She noted that in 2002 the courts asked Marina Coast Water District to actively pursue annexation of the Ord Community to allow those residents representation.

Ms. Stone commented that Preston Park residents started out with a \$50 a month water bill and were told that the bill would cover the infrastructure on the Ord Community. She said that in this economic situation everyone is complaining and there needs to be a way out that is sustainable for everyone. Ms. Stone commented that a plan needs to be developed to alleviate the dollars that are being pushed on the backs of people who are already in a very dire situation. She said that there was a rate increase last year and asked when it is going to stop. She stated that everyone needs to come up with a different plan.

With no further public comment, Chair Potter closed the Public Hearing at 3:38 p.m.

(3) FORA Board Approval of Resolution Nos. 11-03 and 11-04 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-Wide Water, Recycled Water and Sewer Services on the Former Fort Ord:

Mayor Pro-Tem Kampe commented that he was unarmed on reaching a conclusion on this item. He congratulated the District on tackling some deferred maintenance and improvements on the Ord Community. Mayor Pro-Tem Kampe said that he found the doubling of debt a red flag. He said that he felt that the increases in the cost centers might have differential increments instead of a flat 4.9%, further stating that he did not have enough information to form a vote on this item. Mr. Heitzman stated that the original proposed increase for the Ord Community of 10% was greater than the one for Central Marina at 7.8%, but the District's Board decided on their own to lower them both to 4.9%.

Mayor McCloud commented that according to the last WHEREAS in Resolution No. 11-03, "FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community..." and stated that any complaints will be directed at FORA instead of MCWD. She would like to see more detail on the expenses and didn't think that enough information was given to vote on this item.

Chair Potter commented that under the heading of meeting management, there were two ways to continue this item, 1) a motion for continuance; or, 2) a motion for approval. He said that if it fails approval it continued automatically for a month. Chair Potter suggested that more diplomatic way would be to move for a continuance of this item.

Mayor McCloud made a motion to continue the item to the July 8, 2011 board meeting, seconded by Councilmember Oglesby. Discussion of the Board: Chair Potter urged that any questions or clarity needed by individuals be forwarded through the FORA Board or the Marina Coast Water District. Mayor McCloud commented that at this time with everything that is going on with water, the Board has to be very careful of how the information is presented to the public. She added that for everyone's safety, it needs to be done with due diligence for all the information that is needed. Chair Potter asked for clarification if the motion was for a one month continuance and asked if that was adequate time for Marina Coast Water District to prepare. There was concurrence from Mayor McCloud and Mr. Heitzman. Mayor Edelen commented that TAMC has a great way of showing budgets with the numbers side-by-side and a column showing the percentage increase/decrease from year to year and it is easier for staff to identify and explain those changes. He suggested the next version show percentage increases and/or decreases. **The motion was approved unanimously.** Director Nishi commented that he hoped to get input from the Board on their questions before the next meeting. He suggested that for the future, if there are questions and clarifications on the budget, they be made before the Board meeting. Supervisor Parker suggested that in the future a sub-committee be designated to work with the District in advance of the Board meeting to make sure the messages get carried.

Executive Officer Houlemard commented that the FORA Board had appointed the Water/Wastewater Oversight Committee (WWOC), which has representatives from the jurisdictions that actively engage with MCWD leading up to the rates, fees, and charges that are presented to the Board. He said it sounded like Supervisor Parker was suggesting a policy level discussion before the full Boards met. Supervisor Parker asked if the WWOC meetings were staff to staff. Mr. Houlemard answered affirmatively. Supervisor Parker suggested that since many of the questions were coming from policy making parties, the meeting be held with full Board members. Chair Potter said that maybe it could be at the Finance Committee or Executive Committee and that would answer Director Nishi's suggestion of advance communication.

MCWD Director Burns commented that this had happened previously where the FORA Board has had questions about the budget increase. He reminded everyone that this was the fourth year of a five year rate increase and the District is moving along to accomplish the mission for the Ord Community. Director Burns said that there were questions like this at a previous meeting and the questions were sent back to staff and then when the Boards came together again a decision was made. Chair Potter agreed. Director Gustafson commented that there were five years in early 2000's that the Ord Community went without a rate increase and three years for Central Marina. He stated that after that, the increases were incremental.

Councilmember Oglesby commented that some questions can only be asked after the presentation is given. He added that he agreed with Mayor McCloud that the FORA Board needs to be comfortable and fully understand the increased rates.

- (4) MCWD Board Consider Adoption of Resolution Nos. 2011-36 and 2011-37 (Ord Community Budget and Compensation Plan):

Director Nishi made a motion of continuance for one month. Director Gustafson seconded the motion. The motion passed.

Director Shriner	-	Yes	Vice President Burns	-	Yes
Director Gustafson	-	Yes	President Lee	-	Absent
Director Nishi	-	Yes			

7. Announcements and Correspondence - none

8. Adjournment

The meeting of the joint boards was adjourned at 3:48 p.m.

Minutes prepared by Daylene Alliman Deputy Clerk FORA Board.

Approved by _____
Michael A. Houlemard, Jr., Executive Officer/Clerk



**CONTINUED FROM ADJOURNED JOINT MEETING OF THE
FORT ORD REUSE AUTHORITY AND
MARINA COAST WATER DISTRICT
BOARDS OF DIRECTORS FROM JUNE 10, 2011
3:00–3:30 PM, Friday, July 8, 2011
Carpenters Union Hall * 910 2nd Avenue * Marina, CA 93933**



MINUTES

1. Call to Order and Roll Call of Both Boards

1st Vice Chair/Mayor Edelen called the July 8, 2011 Boards of Directors meeting to order at 3:00 p.m. on July 8, 2011.

Fort Ord Reuse Authority Board of Directors:

Voting members present (Quorum present at call to order)

1st Vice Chair/Mayor Edelen (City of Del Rey Oaks)
Mayor Pendergrass (City of Sand City)
Mayor Pro-Tem Kampe (City of Pacific Grove)
Supervisor Parker (County of Monterey)
2nd Vice Chair/Mayor Pro-Tem O'Connell (City of Marina)
Mayor McCloud (City of Carmel-by-the-Sea)
Councilmember Selfridge (City of Monterey)
Councilmember Oglesby (City of Seaside)

Arriving after the roll: Councilmember Brown (City of Marina), Jim Cook (County of Monterey), Mayor Bachofner (City of Seaside)

Absent: Chair/Supervisor Potter (County of Monterey) and Councilmember Barrera (City of Salinas).

Ex-Officio members present:

Dr. Margon (University of California Santa Cruz ("UCSC"))
Kevin Saunders (California State University Monterey Bay ("CSUMB"))
Bill Collins (Base Realignment and Closure ("BRAC"))
Ken Nishi (Marina Coast Water District ("MCWD"))

Arriving after the roll: Pamela Von Ness (United States Army), at 3:30 p.m., - Debbie Hale (Transportation Agency for Monterey County ("TAMC")), Hunter Harvath (Monterey Salinas Transit), Dr. Doug Garrison (Monterey Peninsula College ("MPC")), Dan Albert, Jr., (Monterey Peninsula Unified School District), Alec Arago (17th Congressional District).

Absent: Representation from the 15th State Senate District and 27th State Assembly District.

Marina Coast Water District Board Members Present:

Dan Burns – Vice President
Howard Gustafson - Director
Ken Nishi – President
Jan Shriner - Director

Absent: Bill Lee – President

2. Pledge of Allegiance

FORA 1st Vice Chair/Mayor Edelen led the Pledge of Allegiance.

3. Continued New Business

a. Ord Community and Marina Water/Wastewater Systems Proposed Budget and Rates for FY 2011-2012:

- (1) FORA Board Approval of Resolution Nos. 11-03 and 11-04 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-Wide Water, Recycled Water and Sewer Services on the Former Fort Ord

MCWD Deputy General Manager/District Engineer Carl Nizawa discussed the questions regarding last year and this year's proposed rate increase. Mr. Nizawa explained that when the District took over service operations from the former Fort Ord it encountered infrastructure that needed improvement. Mr. Nizawa provided a PowerPoint presentation example showing the DE tank site. He said this site has a pump station with two tanks and one was structurally deficient and leaked. He said the Health Department said that the facility needed a major overhaul. Mr. Nizawa said that the District took on the project of revising the facility and provided a new two-million gallon tank. He said this was an example of what the district has done in taking responsibility for the new system. Mr. Nizawa reported that although there are not a lot of users on Fort Ord, only at Fitch Park, but the district ensures the proper operation of the system. (Mr. Nizawa showed pictures of the pumps and backup generators in PowerPoint attached). Mr. Nizawa said the District took on debt with a large bond \$26.5M of which is Ord Community debt and it has been expended. It was specifically to meet the needs of the current use and the jurisdictional needs in accordance with the base reuse plan. The District was to be reimbursed through its rates, capacity fees, and surcharges for new users. The current surcharge is \$20.00 per month in addition to the capacity fee. Because of the recession, all of the Fort Ord development stopped and we are now in a different situation. In 2008, the District undertook a new rate study knowing that development had stopped. Bartle Wells, in consultation with the local jurisdictions, recommended a new financing plan for the District which included five (5) consecutive periods of rate increases including 7.8% increases for the next two years. The rate plan was implemented per the recommendations of Bartle Wells. We are in the first of the 7.8% increases. The previous increases were 10%. This year staff went to the Board with the proposed 7.8% increase and the Board directed staff to decrease the proposed increase. Staff looked at operational and engineering costs and reduced the proposed increase to 4.9%. The debt service and proposed rate plan is the reason to trigger the rate increase for this year. Revenue is flat despite the 7.8% increase last year due to lower water use. Cost for the Ord Centers and labor rate has dropped. Interest costs have increased due to new debt because of an accelerated payment plan.

Supervisor Parker asked about the interest cost and if it is up because of an accelerated payment plan on the debt. Mr. Nizawa replied that there is new debt beyond the \$26.5M because of the purchase of Armstrong Ranch. Supervisor Parker asked if the infrastructure investment payment could be spread out over a longer period of time so that current people are not burdened with the cost and people that come along later to help pay for that. Mr. Nizawa said that Kelly Cadiente could answer that question. Ms. Cadiente said that the new debt issued last year was due to a refinance of the promissory note used to purchase Armstrong Ranch and it was a 10 year promissory note. When the District refinanced (to avoid the interest rate risk) the same debt schedule was maintained.

Mayor McCloud asked how many years are left on the note. Ms. Cadiente said that FY 11-12 is the second year of ten years on the note. Ms. Cadiente confirmed that the bond and the promissory note had been merged and refinanced the promissory note with the bonds.

Director Shriner commented on the questions Paula Pelot (noting she was not in attendance) had stated at the previous meeting of the Boards (on June 10). Mr. Nizawa said that the questions had been received just prior to the meeting. Ms. Cadiente clarified that two of the questions on the interest expense Mr. Nizawa had just addressed. She said the increase to maintenance expenses for both the water and wastewater and primarily it's all for equipment O&M valve replacement, property maintenance - stating it was aged and needs to be kept up even though there are future plans to tear down, fleet maintenance, and lab contract services are required to increase lab testing for permits. She said while it was a small amount it was a large increase to the budget which is why it was 71%. Mr. Nizawa answered the last question relative to annexation. He said the District has been addressing this issue and the next MCWD Board meeting will include an update regarding annexation. He said that the Board has already approved the consultant.

Director Gustafson commented that there is an agreement between the City of Marina and MCWD, done in 1975 or 1976, that requires a vote of the people in order for MCWD to annex. 1st Vice Chair/Mayor Edelen asked for any further questions of the Board. Supervisor Parker requested having an independent consultant audit the rate structure and the distribution of expenses to the different cost centers and suggested staff provide for next years' process. Ms. Cadiente stated that the District performs an annual independent financial audit which includes policies and rate structure and asked if Supervisor Parker was suggesting an additional audit be performed. Supervisor Parker answered affirmatively and suggested that often it is customary to have an independent audit and requested it be part of the board packet when looking at potential rate increases.

Councilmember Oglesby asked for clarification that Supervisor Parker was looking for a separate audit from the independent audit. Supervisor Parker answered that she was suggesting having an independent auditor look at the agency and analyze the rate structure in addition to the accounting structures and the way expenses are allocated to the cost centers. She said not that the agency wasn't doing its job but a separate look into financing strategies could also be helpful.

Mayor Pro-Tem Kampe made a motion to approve Resolution Nos. 11-03 and 11-04 adopting a Compensation Plan and setting rates, fees and charges for base-wide Water, Recycled Water and Sewer Services on the Former Fort Ord. Graham Bice seconded the motion. Mr. Michael Houlemard, FORA Executive Officer, commented that everyone had Resolution Nos. 11-03 and 11-04 in front of them with a revised date and noted that nothing else had changed in the Resolution.

The motion failed, with the following vote:

1 st Vice Chair/Mayor Edelen	- Yes
2 nd Vice Chair/Mayor Pro-Tem O'Connell	- No
Mayor Pendergrass	- No
Mayor Pro-Tem Kampe	- Yes
Councilmember Brown	- No
Supervisor Parker	- No
Mayor McCloud	- Yes
Councilmember Selfridge	- No
Councilmember Oglesby	- No
Jim Cook	- Yes

Mayor McCloud asked about the Marina Councilmember's concerns. 1st Vice Chair/Mayor Edelen asked anyone who voted "no" to voice their concerns. Supervisor Parker commented that she would like an independent analysis done sooner rather than later. Councilmember Oglesby agreed with Supervisor Parker stating that he needed more information. Councilmember Selfridge commented that they need more information. 2nd Vice Chair/Mayor Pro-Tem O'Connell said he had the same concern as Supervisor Parker. Mayor McCloud asked if those who want the independent study done would be willing to put the motion forward again with that contingency and a date certain. Supervisor Parker clarified mayor McCloud's request and said that with the level of concern and question, she would rather see the analysis first. 1st Vice Chair/Mayor Edelen commented that after conferring with

Mr. Houlemard, an analysis may take approximately sixty days and come back in two months. Supervisor Parker clarified that the date certain will be put on the analysis and staff to return in September with that analysis. Mayor Pro-Tem Kampe suggested that whoever makes the motion be sufficiently specific about what they want the analysis to provide; and that when a rate analysis is done there is the possibility that the cost basis is higher than anticipated. He asked if the analysis validates a potentially higher rate, will the Board members be prepared to accept that rate and approve it? 1st Vice Chair/Mayor Edelen confirmed that FORA staff would provide the questions from the board and answers as part of the analysis.

The Board further discussed the item and members stated their concerns that the analysis may validate a higher rate; precedence may be set; delays could produce serious consequences and be potentially financially destructive; and who would conduct the audit. Executive Officer Houlemard assured the Board that FORA and MCWD would work together to facilitate the hiring of an independent consultant.

1st Vice Chair/Mayor Edelen commented that he was hearing a desire for an independent audit, joint teamwork between MCWD and FORA Board, and getting specific information from those that voted no and asked if there was a motion.

Supervisor Parker moved for an independent audit, joint teamwork between MCWD and FORA Board, and getting specific information from those that voted no, and clarified that FORA would conduct the independent analysis by hiring an independent auditor and return in sixty days with the analysis. Councilmember Oglesby seconded the motion.

Mayor Pro-Tem Kampe inquired how much the FORA Board was committing to spend on the study. Mr. Houlemard suggested an amount not-to-exceed \$15,000 for the audit noting that it is possible it could be completed for a lot less. **Mayor Pro-Tem Kampe made a motion to amend the previous motion to include an amount not-to-exceed \$15,000. Supervisor Parker seconded the amended motion.** Councilmember Oglesby asked why MCWD was not required to pay for the audit. Director Nishi commented that it was up to the MCWD Board. **Councilmember Oglesby then amended the already amended motion to require MCWD to pay half the cost of the audit with the total not-to-exceed \$15,000.** Director Nishi commented that he is only one member of the Board, but he would agree to pay for half of the audit if the FORA Board agreed to pay whatever comes out of the audit. He referenced Mayor Pro-Tem Kampe's earlier comment regarding the rate increase and if the numbers show that the correct rate increase according to the study should be 7.8%, he would like the FORA Board to agree to that increase. **Mayor Pro-Tem Kampe made a motion to amend his previously amended motion to require MCWD to jointly pay half of the cost of the audit, a 50/50 split.**

2nd Vice Chair/Mayor Pro-Tem O'Connell asked if the motion included Director Nishi's comment regarding the higher rate increase. Mayor Pro-Tem Kampe stated his motion did not include Director Nishi's comment and stated that as a Board we cannot bind ourselves to a decision based on the outcome until we see it. He said that it is a fair question if we are prepared to do that.

1st Vice Chair/Mayor Edelen stated that there was an amendment to the motion for MCWD to pay half of the study and asked for a **second which was made by Councilmember Oglesby. The motion carried unanimously.**

Mr. Houlemard commented that in addition to the independent analysis confirming the work that Bartle and Wells performed, as part of the complete packet, information will be brought back to the FORA Board prior to sixty days and staff would provide the specific questions and answers that were provided to the individual Board members. Supervisor Parker affirmed.

1st Vice Chair/Mayor Edelen stated that what was presented today was a qualitative presentation for the most part however quantitative numbers of all the inputs, throughputs and outputs may have provided a different outcome.

4. Announcements and Correspondence - none

5. Adjournment

The meeting of the joint boards was adjourned at 3:58 p.m.

Minutes prepared by Daylene Alliman Deputy Clerk FORA Board.

Approved by _____

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



Fort Ord Reuse Authority

100 12th Street, Building 2880, Marina, CA 93933
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BOARD OF DIRECTORS MEETING

Friday, August 12, 2011

3:30 p.m. Carpenters Union Hall

910 2nd Ave, Marina (on the former Fort Ord)

DRAFT

MINUTES

1. CALL TO ORDER AND ROLL CALL

Chair/Supervisor Potter called the August 12, 2011 Board of Directors meeting to order at 3:30 p.m.

Voting members present (Quorum present at call to order)

Mayor Pendergrass (City of Sand City)
Mayor ProTem Kampe (City of Pacific Grove)
Councilmember Brown (City of Marina)
Supervisor Parker (County of Monterey)
Mayor McCloud (City of Carmel-by-the-Sea)

Councilmember Selfridge (City of Monterey)
Councilmember Oglesby (City of Seaside)
2nd Vice Chair/Mayor Pro-Tem O'Connell
(City of Marina)
Mayor Donohue (City of Salinas)

Arriving after the roll call: Mayor Bachofner (City of Seaside).

Ex-Officio members present:

Graham Bice (University of California Santa Cruz ("UCSC")), Dr. Garrison (Monterey Peninsula College ("MPC")), Bill Collins (Base Realignment and Closure ("BRAC")), COL Clark (United States Army), Dan Albert, Jr., (Monterey Peninsula Unified School District), Mike Gallant (Monterey Salinas Transit), Ken Nishi (Marina Coast Water District ("MCWD")), and Nicole Charles (27th State Assembly District).

Arriving after the roll call: Alec Arago (17th Congressional District) Absent: Kevin Saunders (California State University Monterey Bay ("CSUMB")), Debbie Hale (Transportation Agency for Monterey County ("TAMC")), and representation from the 15th State Senate District.

2. **PLEDGE OF ALLEGIANCE** – Chair Potter asked FORA Assistant Executive Officer, Jim Feeney, to lead the Pledge of Allegiance.
3. **ACKNOWLEDGEMENTS/ANNOUNCEMENTS/CORRESPONDENCE** – Mr. Houlemard announced the first meeting COL Joel Clark as the Commandant of the Presidio of Monterey. Mr. Houlemard announced the retirement of Assistant Executive Officer Jim Feeney. Chair Potter requested a motion to award Mr. Feeney with a plaque. **A motion was made by Mayor McCall and seconded by Mayor ProTem Kampe, and the motion carried unanimously.** Mr. Houlemard reported that Mr. Feeney recommended Director of Planning & Finance, Steve Endsley to become the Assistant Executive Officer since he did such a fine job as interim during Mr. Feeney's absence. Mr. Houlemard announced that he has asked Steve step into the role and Steve is considering the position. Chair Potter welcomed Mayor Donohue to the Board. Mr. Houlemard reported that there were copies of the correspondence regarding FORA Master Resolution/Whispering Oaks from the City of Marina and the response from FORA.
4. **PUBLIC COMMENT PERIOD** – Director Garrison announced that MPC August 22nd opening of education center at Marina. Holding a grand opening on September 23.

5. CONSENT AGENDA

- a. July 8, 2011 FORA Board meeting minutes
- b. Kutak Rock – Attorney Contract Waiver – Water Service Agreement

Supervisor Parker asked for a correction to the minutes her comments are inaccurate – would like the minutes to read as follows: Item 6b, second paragraph – “Supervisor Parker encouraged the City of Seaside not to limit its options on the endowment parcel by committing it to Monterey Downs.” Mayor Bacofner abstained from the vote on the motion to correct as he was not in attendance at the July meeting. Mayor ProTem O’Connell asked for clarification of the Kutak Rock Waiver, asking if we waiving the potential conflict or the actual conflict? He said “secondly, are we giving FORA Counsel the authority to terminate the attorney/client relationship if the potential conflict does not become “actual”.” Counsel Bowden said the recommendation was to waive potential conflicts and request for authority to terminate if the request becomes necessary. **Upon a motion made by Supervisor Parker to accept the items on the consent agenda with noted corrections and seconded by Mayor ProTem Kampe, the motion passed.**

6. OLD BUSINESS

- a. California Central Coast Veterans Cemetery (CCCVC) – update
 - i. Citizens’ Advisory Committee Report
 - ii. Memorandum of Understanding Approval

Members of the Citizens’ Advisory Committee introduced themselves - Janet Parks – President of the Central Coast State Veterans Cemetery Foundation, Bill Nye – Representative of Veterans of the 5th District Cemetery Advisory Committee, Ralph Larr - Representative of District 1, Leonard Ortiz – Representative of the 3rd District, Tom Mancini representative on behalf of FORA. Edith Johnson introduced herself as the liaison on behalf of the 501c3 to fundraise for the endowment. She announced a community Golf Tournament called “Heroes’ Open” and said there were different events for non-golfers being held on November 12th at the Blackhorse Bayonet to raise funds for the cemetery. Brochures regarding the event were given to each Board member. Executive Officer Houlemard gave a brief presentation and asked the Board to consider the MOU between FORA, California Central Coast Veterans Cemetery Foundation, the County of Monterey, and the City of Seaside. The MOU defines parcels and remediation work of the area of the Veterans Cemetery and will continue post transfer of property, access issues, fundraising, and the cooperation between the parties involved to complete the CCCVC. Mr. Houlemard showed a power point slide map of the location of the cemetery. Mr. Houlemard asked for the Board’s authorization for the Executive Officer to sign the MOU. **A motion was made, for the authorization of the Executive Officer to move ahead with the execution of the MOU, by Supervisor Parker, seconded by Mayor Bachofner.** A comment was made by Supervisor Parker encouraging Seaside to move forward with the new partner and keep their options open.

- b. Preston Park
 - i. Receive a report on the Fiscal Year 11/12 Preston Park Budget
 - ii. Extend FY 10-11 approved budget and continue July 2011 rent schedule for all tenants to January 1, 2012, reiterating that Capital Expenditures and Reserve Account activities must be approved by Fort Ord Reuse Authority (“FORA”) on a case by case basis.
 - iii. Receive a report on the disposition of Preston Park and provide direction to staff

Mr. Endsley gave a brief report on the staff recommendation and requested the Board’s direction regarding budgets and rents for the Preston Park tenants. Staff recommended extension of the fiscal year 10/11 and rescission of the previously proposed 1.7% increase, for all tenants to January 1, 2012, reiterating that Capital Expenditures and Reserve Account activities must be approved by Fort Ord Reuse Authority (“FORA”) on a case by case basis. Previously FORA recommend health and safety capital expenditures only, but willing to work with Marina/Alliance to ensure the property is well maintained. **Mayor ProTem O’Connell made a motion to extend the rent schedule through June 30, 2012 seconded by Councilmember Brown.** Mr. Houlemard clarified no other action with respect to rents would be taken for new “move-ins”. Mayor ProTem O’Connell said that needed to go back to

the City Council for vote and come back to FORA with. Chair/Supervisor Potter opened the floor for public comment. Ms. Pelot commented on the capital expenditures and deferred maintenance and annual rent increases and the property has been allowed to degrade. She said that window and door replacements are needed and the management company has identified and the repairs shouldn't be held up due to negotiations on the property. Denise Charley reported that there are tenants wished for the windows, doors, roofs, paint to preserve the asset and asked that simple things like exterior lighting be provided. Supervisor Potter closed the public comment period and Chair/Supervisor Parker asked how FORA and Marina and the management company are going to identify what are the maintenance projects that go forward and what are the criteria for that? Mr. Endsley said that FORA, the City and Alliance would work together and the City would present a list of capital expenditures and staff would come back with a common recommended approach for the Board. Mr. Houlemard asked for the Board to give the Executive Officer the authority to work with the City of Marina to address these questions. Councilmember Oglesby requested that the Board have an independent look to see what the tenants request need fixing. The residents and the Board should have a say in what need to be fixed. Mayor Bachofner requested a site visit be coordinated and that he would like to see what the conditions are at the facility. **Chair/Supervisor called for a vote which was unanimously approved by the Board.** Chair/Supervisor Potter gave a brief report on the disposition Preston Park mediation stating that the negotiating members met on August 2nd with Judge Silver and significant progress was made. The City of Marina expect a closed session (council meeting) on the 17th and open session on the 23rd. Councilmember Selfridge thanked the City of Marina for their participation.

- c. Creegan + D'Angelo Professional Services – Contract Amendments
 - i. Amendment #22 to Master Agreement 12-02 - Service Work Orders 3, 4 and 9
 - ii. Amendment #1 to Service Agreement 12-09

Mr. Arnold gave a brief update on the construction at General Jim Moore Blvd. and Eastside Parkway and modifications were made due to requests made by land use jurisdictions and the public. **Upon a motion made by Mayor Edelen to approve the two amendments, seconded by Councilmember Oglesby, the motion carried.**

7. NEW BUSINESS

a. Consistency Determination: City of Marina Zoning Ordinance Amendments – Steve Endsley said that the amendment is non-controversial and reviewed by the Administrative Committee and staff and the recommended action is to find for consistency and approve resolution 11-06. Ms. Symanis, Planning Services Manager, City of Marina explained that the package added definition to the zoning ordinance amendment for the Fort Ord Base Reuse plan for supportive, transitional and emergency shelters and allow for them to be built without any use permits. **Motion to approve the Consistency Determination was made by Supervisor Parker, seconded by Mayor ProTem O'Connell, and carried unanimously.**

8. EXECUTIVE OFFICER'S REPORT - Executive Officer Houlemard stated that most items were for informational purposes and highlighted the following: Item 8a. Outstanding Receivables – Mr. Houlemard stated there was almost \$800k in outstanding receivables and FORA is working favorably with the cities. Item 8b Administrative Committee – report and Item 8c. Habitat Conservation Plan – Mr. Houlemard said there are no significant changes and the working drafts of the document can be reviewed at the US Army and FORA websites. Item 8d. Marina Coast Water District Ord Community Budgets and Rates – An independent entity has been hired to look at the rates issues and a report should be available at the Joint MCWD meeting on September 16th. Item 8e. Distribution of FY 2011/12 through 2021/22 Capital Improvement Program – FORA staff member Crissy Maras distributed and it is also available on the FORA website. Item 8f. Executive Officer's Travel Report - Mr. Houlemard reported on his trip to Washington, DC at the Office of Economic Adjustment regarding building removal and FORA is working with CSUMB. Mr. Houlemard also noted his and Doug Yount's attendance at the ADC conference held in Norfolk, VA. 1st Vice Chair/Mayor Edelen thanked the FORA staff and MCWD regarding providing all questions and answers asked by Board members on Item 8e. Supervisor Parker

requested a copy of the scope of services be provided to the Board. Councilmember Oglesby requested it be posted on the FORA website.

9. ITEMS FROM MEMBERS – Councilmember Selfridge reported that she has been taking the AG-knowledge 5 course and encouraged other members to take course 6.

10. CLOSED SESSION – Chair/Supervisor Potter noted that there was no need for a closed session.

11. ADJOURNMENT - Chair Potter adjourned the meeting at 4:42 p.m.

Minutes prepared by Daylene Alliman, Deputy Clerk

Approved by _____

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

DRAFT

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Preston Park

Meeting Date: September 16, 2011

Agenda Number: 5a

INFORMATION

RECOMMENDATION(S):

- i. Budget/Audited Financial Statements
- ii. September 9, 2011 tour

BACKGROUND/DISCUSSION:

On July 8, 2011, the Fort Ord Reuse Authority (FORA) Board approved staff's recommendation to extend the prior FY 10/11 budget terms (line items and rents) until June 30, 2012 and to implement several budget/management items including: a) Alliance distribution of accumulated FY 08-11 excess revenue 50/50 to FORA and Marina, b) FORA/Marina staff and Alliance to prepare a list of capital expenditures/improvements for the Board's consideration. In May 2011, Marina hired new auditors, Mann Urrutia Nelson CPAs of Sacramento, California, to perform independent audit engagements, including the Preston Park audit. During the month of August, the firm performed an audit of the Preston Park financial statements for fiscal years ended June 30, 2010 and June 30, 2011. FORA staff received and reviewed draft reports and provided feedback regarding several items, particularly the cash operating account that has not been reimbursed from other cash accounts as required, and the excess revenue that appear to be about \$700K for the last two years (total). A copy of the final audited financial statements should be available at the October Board meeting.

Board members expressed interest in touring the Preston Park complex to have a better understanding of the property condition and the need for immediate improvements. The tour is scheduled for September 9th, which occurs post-finalization of this report. The outcome of the tour, including items requiring Board action, will be delivered orally at the September Board meeting.

FISCAL IMPACT:

The audit cost for Preston Park is \$6,150 paid 50/50 by FORA and Marina.
Staff time for organizing the tour is included in the approved FY 11-12 operating budget.

COORDINATION:

Alliance Residential Company, City of Marina, Executive Committee

Prepared by 
Ivana Bednarik

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT**OLD BUSINESS****Subject:** Veterans Cemetery – update**Meeting Date:** September 16, 2011**Agenda Number:** 5b**INFORMATION****RECOMMENDATION(S):**

- i. Receive a status report summarizing modifications to the Veterans Cemetery Memorandum of Understanding (“MOU”) (**Attachment A**).
- ii. Receive an update on AB 629 (Monning).

BACKGROUND/DISCUSSION:

The City of Seaside, County of Monterey, and Fort Ord Reuse Authority (“FORA”) previously entered into an MOU in support of the future California Central Coast Veterans Cemetery (“CCCVC”) on April 28, 2009. Through this previous MOU, the parties committed the sale proceeds of an Endowment Fund parcel to fund the state-held Veterans Cemetery Endowment. The attached MOU updates and reaffirms commitments made in the previous MOU to coordinate completion of the Veterans Cemetery.

The City of Seaside, County of Monterey, FORA, Central Coast Veterans Cemetery Foundation (“CCVCF”), and others have recently discussed possible solutions to fund the Veterans Cemetery Endowment. The MOU would allow flexibility for these entities to work together on a near-term funding strategy for the Veterans Cemetery Endowment fund. The FORA Board authorized the Executive Officer to execute the MOU at its August 12, 2011 meeting. Since the Parties were stilling reviewing the draft MOU, the Board requested an opportunity to see the final version in September.

The State Assembly and Senate passed AB 629 earlier this summer. Governor Brown signed AB 629 into law on September 7, 2011, allowing the California Department of Veterans Affairs (“CDVA”) to contract directly with FORA to conduct veterans cemetery design, potentially reducing the Endowment Fund requirement by \$500,000.

FISCAL IMPACT:Reviewed by FORA Controller 

Staff time related to this item is included in FORA's annual budget.

COORDINATION:

City of Seaside, County of Monterey, CCVCF, Executive Committee, and Administrative Committee.

Prepared by


 Jonathan Garcia

Reviewed by


 Steve Endsley

Approved by


 Michael A. Houlemard, Jr.

MEMORANDUM OF UNDERSTANDING BY AND AMONG COUNTY OF MONTEREY, CITY OF SEASIDE, CENTRAL COAST VETERANS CEMETERY FOUNDATION, AND FORT ORD REUSE AUTHORITY REGARDING CALIFORNIA CENTRAL COAST VETERANS CEMETERY PLANNING

This MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") regarding the development of the California Central Coast Veterans Cemetery (hereinafter "Cemetery") is entered into by and among COUNTY OF MONTEREY, a political subdivision of the state of California (hereinafter "County"), CITY OF SEASIDE, a municipal corporation, (hereinafter "Seaside"), the CENTRAL COAST VETERANS CEMETERY FOUNDATION, a non-profit corporation (hereinafter "Foundation"), and the FORT ORD REUSE AUTHORITY, a public corporation of the State of California (hereinafter "FORA") (each individually referred to hereinafter as a "Party," and collectively referred to hereinafter as "Parties." This MOU is dated for reference on _____, 2011.

RECITALS

1. On April 28, 2009 the County, Seaside, and FORA entered into a Memorandum of Understanding to cooperate in processing the Cemetery Plan (hereinafter "Plan") and to establish an Endowment Fund (hereinafter "Endowment") for the Cemetery's continued operation as required by the California Department of Veterans Affairs (hereinafter "CDVA").
2. Since the enactment of that planning agreement, the Plan has evolved and the Foundation has desired to become a Party.
3. The Parties have all agreed and/or adopted planning documents that confirm the Cemetery will be located on the former Fort Ord. The Cemetery site is identified in Exhibit 1. The Cemetery Parcel is both within the jurisdiction of Seaside and the County.
4. The Proposed Project. The Plan envisions development of a 178 gross acre site (hereinafter "Project") into six planned land use areas. These areas include: 1) the approximately 78.7-acre Cemetery, 2) three separate parcels for ancillary use, 3) habitat mitigation areas, and 4) two development parcels referred to as the Northern Endowment Opportunity Parcel and the Southern Development Area along with related rights-of-way and 5) other public improvement areas. The Project's areas are defined on the attached Exhibit 2 and are described as follows:
 - a. Cemetery Burial Grounds including Ancillary Uses:
 - i. Approximately 31.1 acres with Seaside
 - ii. Approximately 47.6 acres within County
 - b. Ancillary Uses Adjacent to Burial Grounds:
 - i. Approximately 1.8 acres in the northwestern border of the Cemetery
 - ii. Approximately 1.1 and .9 acres on the south border of the Cemetery
 - c. Northern Endowment Fund Opportunity Parcel:
 - i. Approximately 28.7 acres within Seaside.
 - ii. Approximately 1.7 acres within County
 - d. Southern Development Area with Habitat Restoration Opportunity Area:
 - i. Approximately 30.4 acres within Seaside.
 - ii. Approximately 15.5 acres within County
5. State Cemetery Grant. Construction of the Cemetery is anticipated to be funded through a grant from the State Cemetery Grant Program offered by the U.S. Department of Veterans Affairs under its National

Cemetery Administration. The grant can finance administration and design costs, cemetery features, and related equipment. The State Cemetery Grant Program requires that assurance of on-going operational funding for the cemetery be in place prior to grant submission.

6. The Parties agree to work toward State of California legislation that would create a mechanism for the CDVA to reimburse local private and public contributions to the Endowment when the operations and maintenance purpose of the endowment is fulfilled.
7. In addition to establishing an endowment fund for the operation of the Cemetery, this MOU establishes a mechanism to facilitate the design, construction and operation of the Cemetery.
8. The Parties concur that near-term cemetery endowment funding strategy be established.
9. Upon consensus, additional parties may be added to this Agreement to facilitate the Project as described in this Agreement.

This MOU should be interpreted to carry out these goals.

AGREEMENT

1. Use of Proceeds from sale of Development Parcels. The Parties collectively commit up to \$1.9 million required to a) submit an application for the design and construction grant and b) to fund an endowment for the long term operation and maintenance of the Cemetery, through the sale of either the Northern Endowment Fund Opportunity Parcel by the Parties or portions of the Southern Development Area with Habitat Restoration Opportunity Area within Seaside.
 - a. The County and Seaside agree to work collaboratively to designate the Northern Endowment Fund Opportunity Parcel for future development.
 - b. Seaside endeavors to comply with the development milestones outlined in Section 11 of this MOU. Those milestones pertain to the Northern Endowment Fund Opportunity Parcel.
 - c. Seaside may transfer, sell, or otherwise encumber portions of the Southern Development Area with Habitat Restoration Opportunity Area within Seaside's jurisdiction upon the Endowment funding requirements and the off-set of habitat impacts of the Project and other adjacent Fort Ord projects, being met, as mutually agreed upon. Seaside may control the use of this portion of the Southern Development Area.
 - d. Additional parties may be added to this Agreement to facilitate the Project by mutual agreement of the parties.
2. Principles for near-term funding strategy. The Parties agree to the following principles in pursuing a near-term funding strategy for the Cemetery Endowment:
 - a. That all Parties be included, and that the Northern Endowment Fund Opportunity Parcel will continue to be a primary mechanism to provide Cemetery Endowment funding.
 - b. That the Cemetery Parcel be surveyed for transfer.
 - c. That the funding strategy be accomplished by October 1, 2011.
 - d. That the funding strategy may include other entities upon consensus agreement.
 - e. That the asset value of the Northern Endowment Fund Opportunity Parcel be the source of repayment if other collateral is used to secure Cemetery Endowment funding.
 - f. To the extent possible, the Parties will work toward State of California legislation that would create a reimbursement mechanism, so that local contributions to the Cemetery Endowment, in excess of required operations and maintenance funding would be reimbursed to the contributors.

- g. The Parties agree to cooperate in the processing, planning, and other promotional activities to accommodate and advance Cemetery development as designated in the Fort Ord Base Reuse Plan (“BRP”) and other planning documents.
3. Annexation. It is the intent of the Parties to cooperate fully to accomplish annexation of those portions of the Project site currently located within County territory and outside Seaside as defined on the attached Exhibit 2 in order to facilitate the development of the Cemetery. It is also the intent of the Parties to cooperate fully to accomplish the conveyance of the portions of the Project site currently owned by the County to Seaside as defined on the attached Exhibit 2 in order to facilitate the development of the Cemetery. Seaside and County agree that the Southern Development Area with Habitat Restoration Opportunity Area shall be used for habitat mitigation to offset impacts of the Project and other adjacent Fort Ord projects, as mutually agreed upon.
 4. Land Conveyance. At the direction of Seaside and with the cooperation of the Parties, FORA agrees to convey title to the land described in Exhibit 1 in multiple conveyance events as regulatory agencies have confirmed site closure for the removal of remnant hazards. The land will likely be conveyed with applicable conveyance documentation, land use controls and deed restrictions. These include, but are not restricted to Finding of Suitability for Early Transfer 5 (“FOSET 5”), Monterey County Ordinance Ordinance (Chapter 16.10 of the County Code), Seaside Ordinance Ordinance (Chapter 15.34 of the Seaside Municipal Code), and the Remedial Design/Remedial Action, Land Use Controls Implementation, and Operation and Maintenance Plan - Parker Flats Munitions Response Area Phase I. To reduce costs associated with land conveyance of the Cemetery to CDVA, County and Seaside may elect to direct FORA to transfer the approximately 78.7-acre Veterans cemetery parcel (31.1 acres within Seaside and 47.6 acres within the County) directly to CDVA or to the Foundation for Cemetery construction. The Foundation agrees to secure or pay for a property survey needed to complete the transfer. Such conveyance is not intended to include the Cemetery’s ancillary use parcels.
 5. Design and Construction of Cemetery. The CDVA will be the lead agency for the proposed Cemetery and may designate FORA to act on its behalf. The Parties support the transfer of responsibility for the design and construction of the Cemetery to FORA.
 6. Water Allocation. The Parties agree that FORA will take the lead to request that the U.S. Army and Department of the Defense convey, transfer, or otherwise re-allocate water rights and allocation in an amount determined sufficient [currently estimated to be up to 105 acre-feet per year (“AFY”) of potable water] by the Marina Coast Water District to develop the Cemetery, ancillary uses adjacent to the Cemetery, and the Northern and Southern Development Areas. The use of the Northern Endowment Parcel as the funding mechanism for the Endowment is conditioned upon Seaside receiving a minimum of 100 AFY of potable water to support future development. Water demand has been estimated to be 2.2 AFY for the Cemetery burial grounds. If necessary, the County agrees to allocate up to this amount of water (2.2 AFY) for the Cemetery burial grounds. Further, the Parties will work with the Marina Coast Water District and the Army to secure sufficient interim water necessary to establish Cemetery landscaping.
 7. Environmental Disclosures. The Agency for Toxic Substances and Disease Registry (“ATSDR”) was established under the mandate of the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) of 1980. CERCLA, also known as the “Superfund” law, authorized the U.S. Environmental Protection Agency (“EPA”) to conduct clean-up activities at hazardous waste sites. EPA was directed to compile a list of sites considered hazardous to public health. This

list is termed the National Priorities List (“NPL”). The 1986 Superfund Amendments and Reauthorization Act (“SARA”) directed ATSDR to perform a public health assessment for each NPL site. In 1990, federal facilities were included as sites to be proposed for or listed on the NPL. EPA placed Fort Ord on the NPL on February 21, 1990. The US Army, in consultation with EPA, is implementing groundwater and munitions and explosives of concern (“MEC”) remediation on former Fort Ord. FORA has entered into an Environmental Services Cooperative Agreement (“ESCA”) to complete a portion of the US Army's MEC remediation work on certain portions of former Fort Ord, which includes the Cemetery parcel, to be transferred from the US Army to FORA under the FOSET 5. As FORA completes former Fort Ord ESCA MEC remediation work and transfers property, groundwater and soil Land Use Covenants (“LUC”) restricting certain property uses will be recorded.

8. Munitions Response Sites. Based on the 1997 BRP designations, FORA is required under an Administrative Order on Consent with State and Federal regulators to achieve regulatory site closure before transferring any of the properties described herein to Seaside, the County, or others as may be directed. FORA anticipates the portion of the Veterans Cemetery site that was remediated by the US Army and has an approved Record of Decision will be transferred during calendar year 2012 - once appropriate surveys are completed and after the regulatory agencies have confirmed that site closure is complete. In addition, the Army must grant the CERCLA covenant..
9. Ongoing Remediation. The FORA ESCA will continue remediation adjacent to the Cemetery, which may require munitions removals or on-site detonation. This may impact Cemetery construction and/or operations. If intrusive activity is to occur in an area where MEC is expected, and for all MEC demolition operations, an exclusion zone will be established to ensure public safety. During any intrusive activity (e.g., excavations) in areas where MEC is likely to be present, only authorized personnel essential to the operation are permitted to be inside the exclusion zone. When an exclusion zone includes public roads, businesses, residences, or ongoing construction projects, the affected entities or individuals will be notified and asked to temporarily relocate outside the exclusion zone.
10. Environmental Review. Parties shall cooperate with Seaside as lead agency relating to the disposition of property to generate funds for the Endowment, including environmental review pursuant to a separate agreement.
11. Milestones. The Parties endeavor to comply with the following schedule and acknowledge the CDVA’s overall project schedule as currently described in **Exhibit 3**.

Task	Lead Agency	Completion Date
Approve Exclusive Negotiating Agreement (“ENA”) for Northern Endowment Fund Opportunity Parcel	Seaside	September 18, 2010
Conduct Environmental Review of Endowment Parcel use(s)	Seaside	November 1, 2011 to March 1, 2013
Complete Habitat Conservation Plan (HCP)	FORA	August 1, 2012
Complete Disposition and Development Agreement or other agreements for Northern Endowment Fund Opportunity Parcel	Seaside	April 1, 2013
Complete Annexation to Seaside	Seaside	April 1, 2013
Receive Regulator & U.S. Army approval	FORA	December 2014

to transfer property from FORA to Seaside		
Convey land FORA to Seaside or designee	FORA	March 1, 2015
Convey land/assets	Seaside	Late 2015

12. County Approvals. The County Director of Redevelopment and Housing, or his or her designee, is authorized to act on behalf of the County as to matters of administration and interpretation of this MOU, except for matters expressly required in this MOU to be acted upon by the County's Board of Supervisors. The Director of Redevelopment and Housing of the County of Monterey, or designee, at his or her sole discretion, may refer any matter under this MOU to the County Board of Supervisors for action in a timely manner under this MOU.
13. Seaside Approvals. Seaside City Manager, or his or her designee, is authorized to act on behalf of Seaside as to matters of administration and interpretation of Seaside's roles and responsibilities under this MOU, except for matters expressly required in this MOU to be acted upon by Seaside.
14. Additional Governmental Parties. The Parties acknowledge that additional governmental parties may be required to be added to this Agreement upon mutual agreement of the Parties in order for the Parties to fulfill their roles and responsibilities as outlined in this Agreement.
15. Termination. The purpose of this MOU is to facilitate the June 2012, funding of an endowment for the operation of the California Central Coast Veterans Cemetery. The endowment needs to be funded by this date in order to formally request funds for the construction of the cemetery under the State Cemetery Grant Program. If this purpose is frustrated by the failure to fund the endowment by the time stated, then this MOU may be terminated on thirty (30) days' notice by action of one or more of the legislative bodies of the County, Seaside or FORA.
16. Amendment by Written Recorded Instrument. This MOU may be amended or modified in whole or in part, only by a written instrument executed by all of the parties.
17. Governing Law. This MOU shall be governed by and interpreted by and in accordance with the laws of the State of California.
18. Entire MOU. This MOU, along with any exhibits and attachments hereto, constitutes the entire MOU between the parties hereto concerning the subject matter hereof.
19. Interpretation. It is agreed and understood by the parties hereto that this MOU has been arrived at through negotiation and that no party is to be deemed the party which prepared this MOU within the meaning of Civil Code Section 1654.

IN WITNESS WHEREOF, the Parties have executed this MOU on the day and year set out opposite their respective signatures.

By:

Date: _____

CITY OF SEASIDE,
a municipal corporation

As to Form

By:

COUNTY OF MONTEREY,
a political subdivision of the State of California

As to Form

By:

FORT ORD REUSE AUTHORITY
a public corporation of the State of California

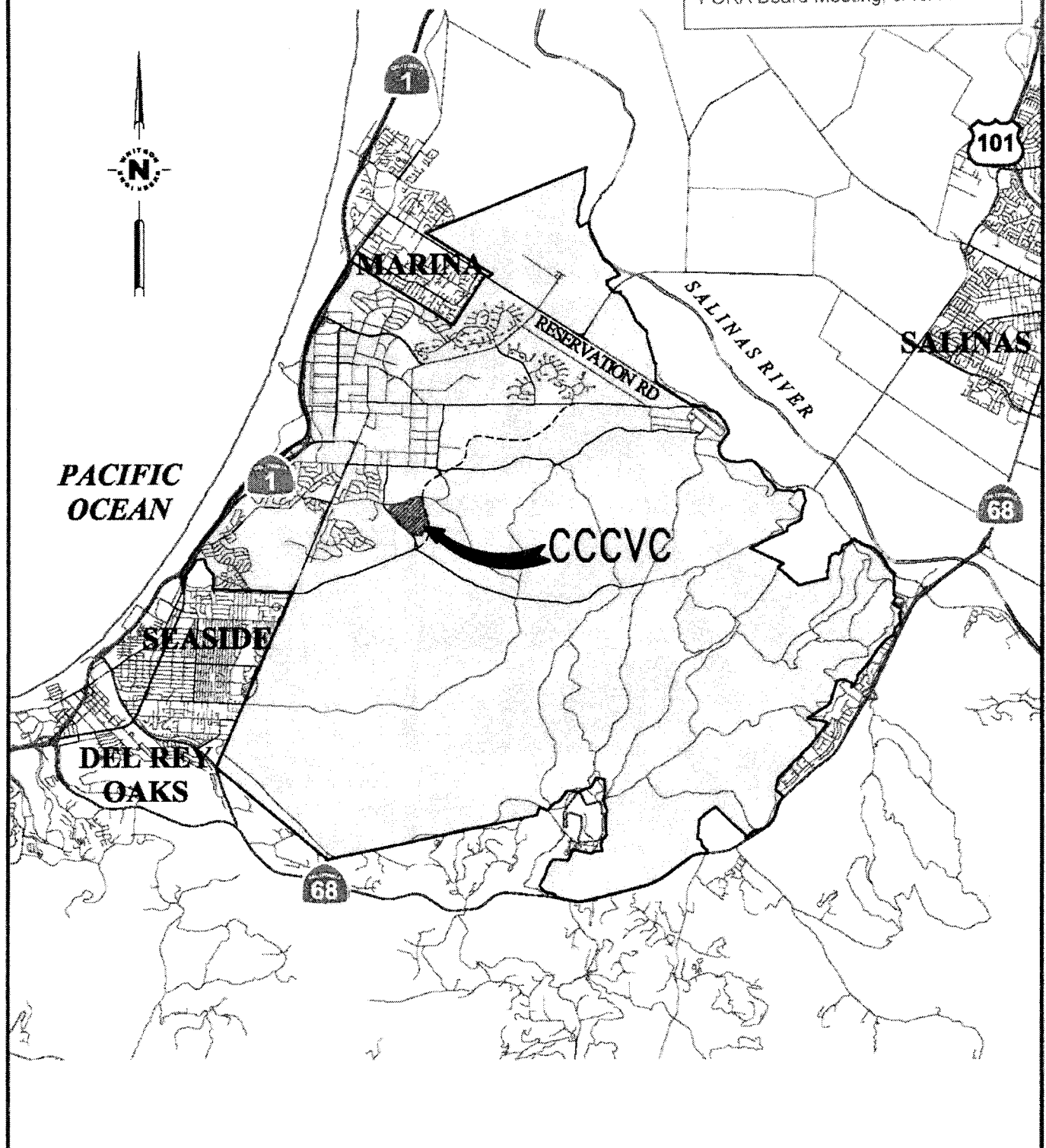
As to Form

By:

CENTRAL COAST VETERANS CEMETERY
FOUNDATION
a non-profit corporation

As to Form

EXHIBIT 1
 Attachment A to Item 5b
 FORA Board Meeting, 9/16/11



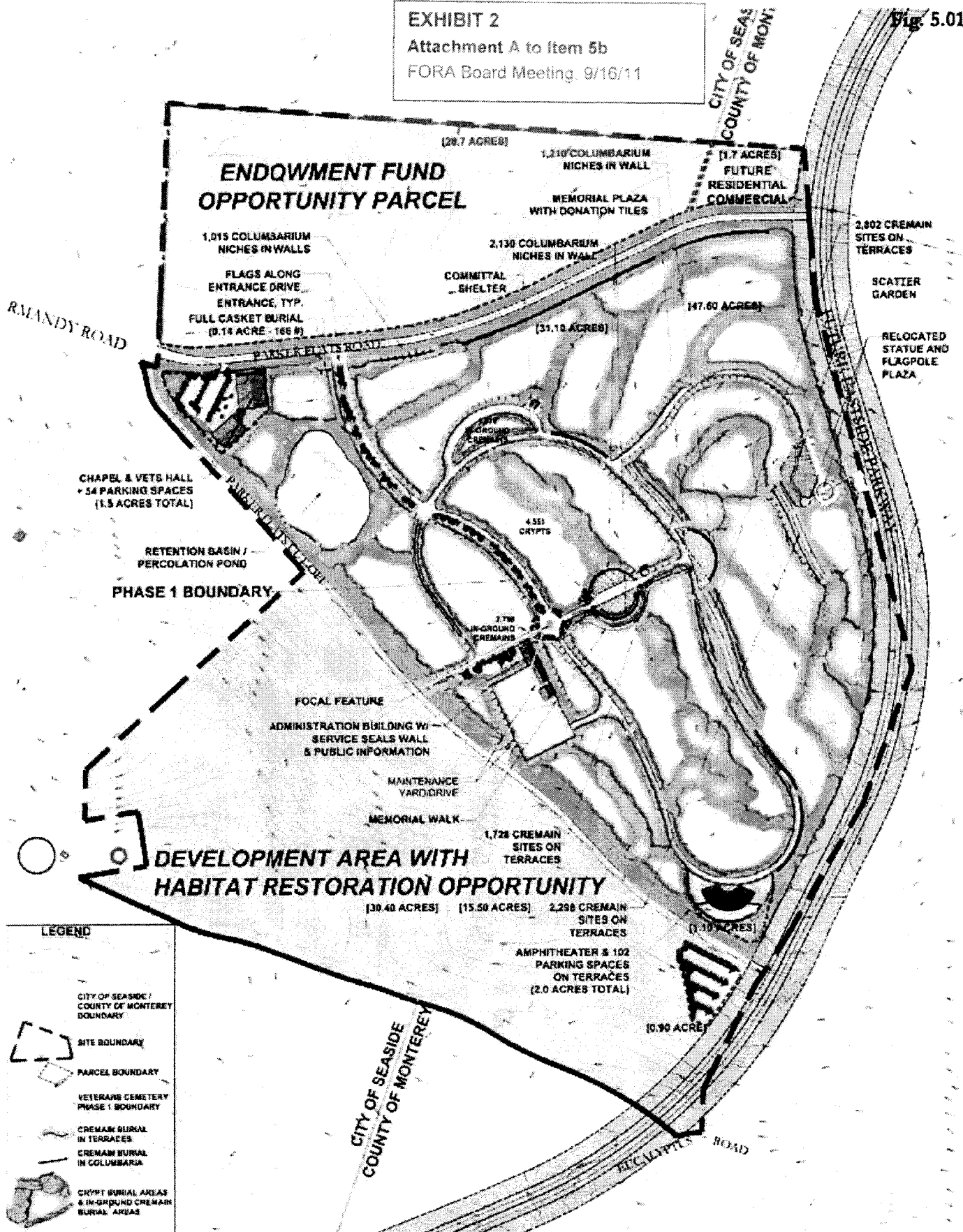
WE	CALIFORNIA CENTRAL COAST VETERANS CEMETERY VICINITY MAP		DATE: DEC. 16, 2010	FIGURE
	MONTEREY COUNTY	CALIFORNIA	SCALE: NTS	1
	BACKGROUND INFORMATION REPORT		DRAWN: APH	
	DRAWING PATH: T:\Monterey Projects\2232\223201\CAD\Exhibits\Background Info Report\Fig 1 - Vicinity Map		CHECKED: RPW	PROJECT No.: 2232.01

EXHIBIT 2

Attachment A to Item 5b

FORA Board Meeting, 9/16/11

Fig. 5.01



LEGEND

- CITY OF SEASIDE / COUNTY OF MONTEREY BOUNDARY
- SITE BOUNDARY
- PARCEL BOUNDARY
- VETERANS CEMETERY PHASE 1 BOUNDARY
- CREMATION BURIAL IN TERRACES
- CREMATION BURIAL IN COLUMBARIA
- CRYPT BURIAL AREAS & IN-GROUND CREMATION BURIAL AREAS

CENTRAL COAST VETERANS CEMETERY
 FORMER FORT ORD - CITY OF SEASIDE - MONTEREY COUNTY, CALIFORNIA

EXHIBIT 3

ID	Task Name	Start	Finish	Duration
	1 State Budget Process	12/29/2010	7/5/2013	658 Days
	Funding Letter of Assurance Preliminary			
2	Plans (PP)	12/29/2010	12/29/2010	0 Days
	Funding Letter of Assurance Working			
3	Drawings (WD)	9/5/2011	9/5/2011	0 Days
4	Full Funding Letter of Assurance	9/3/2012	9/3/2012	0 Days
	FY 11-12 Budget Process as Spring Finance			
5	Letter (SFL)	12/29/2010	7/1/2011	133 Days
6	FY 12-13 Budget Process	9/5/2011	7/6/2012	220 Days
7	FY 13-14 Budget Process	9/3/2012	7/5/2013	220 Days
8	Appropriation for PP	7/1/2011	7/1/2011	0 Days
9	Appropriation for WD	7/6/2012	7/6/2012	0 Days
10	Appropriation for Construction	7/5/2013	7/5/2013	0 Days
	12 Fund Raising	12/29/2010	8/30/2013	698 Days
13	Fund Raising to Support PP	12/29/2010	12/30/2011	175 Days
14	Fund Raising to Support WD	4/4/2011	4/3/2012	262 Days
15	Fund Raising to Support Full Need	4/4/2012	4/4/2013	262 Days
16	Deposit Funds for PP	12/30/2011	12/30/2011	0 Days
17	Department of Finance (DOF) Certification	1/2/2012	2/27/2012	40 Days
18	Deposit Funds for WD	4/3/2012	4/3/2012	0 Days
19	DOF Certification	4/4/2012	5/29/2012	40 Days
20	Deposit Full Endowment Requirement	4/4/2013	4/4/2013	0 Days
	State Controller's Office (SCO) Certification			
21	of Funding	7/1/2013	8/30/2013	45 Days
	23 Cemetery Construction Project	10/15/2010	2/29/2016	1960 Days
24	Project Budget Package	10/15/2010	5/16/2011	152 Days
25	Preliminary Plans	12/30/2011	1/25/2013	280 Days
26	Working Drawings	1/28/2013	2/24/2014	280 Days
27	Bidding Process	3/3/2014	7/7/2014	90 Days
28	Cemetery Construction	8/18/2014	2/29/2016	400 Days
	30 Federal Grant Process	12/30/2011	12/18/2015	1083 Days
	Design Coordination with National			
31	Cemetery Administration (NCA)	12/30/2011	4/22/2013	478 Days
32	Final Grant Application Submission	3/13/2014	4/14/2014	30 Days
33	Grant Award (If Funds Available)	4/14/2014	4/14/2014	0 Days
34	Grant Payout	8/18/2014	4/19/2016	450 Days

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Outstanding Receivables

Meeting Date: September 16, 2011

Agenda Number: 7a

INFORMATION

RECOMMENDATIONS:

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of August 31, 2011.

BACKGROUND/DISCUSSION:

FORA has several significant outstanding receivables. FORA Late Fee policy requires receivables older than 90 days be reported to the Board.

	Item Description	Amount Owed	Amount Paid	Amount Outstanding
1 City of Del Rey Oaks	PLL Loan Payment 09-10	182,874	0	182,874
	PLL Loan Payment 10-11	256,023	0	256,023
	PLL Loan Payment 11-12	256,023	0	256,023
	<i>DRO Total</i>			<u>694,920</u>
2 City of Marina	Tax Increment 08-09	108,862	52,400	56,462
	<i>*Amount not confirmed by Marina</i> Tax Increment 07-08	109,310 *		109,310
	<i>Marina Total</i>			<u>165,772</u>
3 City of Seaside	Tax Increment 03-10	358,830	180,000	178,830
	Total Outstanding Receivables			<u>\$ 1,039,522</u>

1. City of Del Rey Oaks (DRO)

- PLL insurance annual payments: In 2009, DRO cancelled agreement with its project developer who previously made the PLL loan payments. The FORA Board approved a payment plan for DRO and the interim use of FORA funds to pay the premium until DRO finds a new developer (who will be required by the City to bring the PLL Insurance coverage current). DRO agreed to make interest payments on the balance owed until this obligation is repaid, and they are current.

Payment status: First Vice Chair Mayor Edelen informed the Board and Executive Committee members about DRO plan to borrow or secure funds from new developer to pay off this obligation.

2. City of Marina (Marina)

- Tax increment (TI): In the fall of 2010, as directed by the FORA Board during the Capital Improvement Program review, FORA conducted an audit of TI revenue that FORA collects from Seaside, Marina and County of Monterey. The results indicated that FORA is owed property TI payments from Seaside and Marina. Both cities acknowledged the debt.

At the July 2011 meeting, FORA Board approved an MOA with Marina for a phased (2 payments) repayment of the FY 08-09 tax increment obligation.

In June 2011, FORA has received additional information from the County of Monterey demonstrating also FY 07-08 underpayment; based on the County information, that amount should be about \$109K. Marina staff acknowledged this fact, but they were not able to confirm amount or payment timing until review by Redevelopment Counsel; Marina staff indicated that FORA was to receive communication in late July or early August. On August 31, 2011, FORA received notification from Marina that the City Council will discuss this item in a closed session at their first meeting in September and will report to FORA after that meeting.

Payment status: Marina paid the first installment payment of the FY 08-09 underpayment on time; the next payment is due November 1, 2011. FY 07-08 TBD.

3. **City of Seaside (Seaside)**

- **Tax increment:** Please see paragraph 2 above regarding Seaside tax increment underpayment. At the February 2011 meeting, FORA Board approved an MOA with Seaside for a phased (4 payments) repayment of this obligation.

Payment status: Seaside paid the first and second installment on time. The next (third) installment payment is due January 31, 2012.

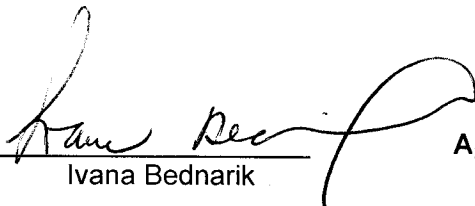
FISCAL IMPACT:

Negative. FORA expends its own resources until these receivables are collected.

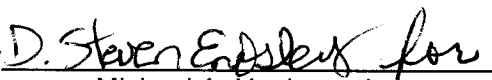
COORDINATION:

Executive Committee

Prepared by


Ivana Bednarik

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee Report	
Meeting Date: September 16, 2011	INFORMATION
Agenda Number: 7b	

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The FORA Administrative Committee met on August 3 and August 24, 2011. Approved minutes are attached.

FISCAL IMPACT:

Reviewed by FORA Controller

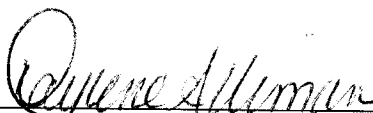


Staff time for this item is included in the approved FY 11-12 budget.


COORDINATION:

Administrative Committee

Prepared by


Daylene Alliman

Approved by


Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY

100 12th Street, Building 2880

Marina, CA 93933

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APPROVED

MEETING MINUTES OF THE FORT ORD REUSE AUTHORITY ADMINISTRATIVE COMMITTEE MEETING Wednesday, August 3, 2011

1. Call to order at 8:15 A.M. - Noting a quorum was present; Fort Ord Reuse Authority ("FORA") Assistant Executive Officer James A. Feeney called the meeting to order at 8:15 AM. The following people, as indicated by signatures on the roll sheet, were present:

Jim Feeney, FORA	Nick Nichols, Monterey County	Chuck Lande, Marina Heights
Diana Ingersoll, City of Seaside	Bob Schaffer, MCP	Beth Palmer, Monterey Downs
Jim Arnold, FORA	Patrick Breen, MCWD	Scott Hilck, MCP
Pat Ward, Bestor	Anya Spear, CSUMB	Steve Endsley, FORA
Graham Bice, MBEST	Carl Niizawa, MCWD	Elizabeth Caraker, City of Monterey
Theresa Szymanis, City of Marina	Ian Gillis, UCP	Daniel Dawson, City of DRO
Laura Cohan, FORA	Keith McCoy, UCP	Kathleen Lee, Monterey County
Vicki Nakamura, MPC	Tim O'Halloran, City of Seaside	Brian Boudreaux, Monterey Downs
Crissy Maras, FORA	Debby Platt, City of Marina	

2. Pledge of Allegiance – Administrative Committee Co-chair Daniel Dawson asked Bob Schaffer, who agreed, to lead the pledge of allegiance.

3. Acknowledgements, announcements and correspondence – 1) Mike Bittner, a former engineer with Creegan + D'Angelo, passed away. His services are scheduled for Thursday August 4th and anyone who knew Mr. Bittner is welcome to attend. 2) Mr. Feeney announced that he had officially submitted his resignation to FORA Executive Officer Michael Houlemard, with his last day of work being August 31st. He thanked members for their support and cooperation over the last sixteen years. Committee members offered their congratulations and well wishes.

4. Public comment period - none

5. Approval of the June 29, 2011 meeting minutes – On a motion made by Tim O'Halloran and seconded by Graham Bice, the minutes were approved as presented.

6. Old Business

a. California Central Coast Veterans Cemetery – update

i. Citizens' Advisory Committee Report

ii. Memorandum of Understanding Approval

Since FORA staff involved in the Citizens' Advisory Committee was not in attendance at this morning's meeting, the update on this item will be continued to a future Administrative Committee meeting. The Memorandum of Understanding is going to the FORA Board for approval on August 12th; to the Seaside City Council on August 18th; and the County Board of Supervisors on August 30th.

b. Habitat Conservation Plan ("HCP") – update

FORA Director of Planning and Finance Steve Endsley noted that a recent meeting with both consultants proved promising since the consultants feel that a couple of months could possibly be saved by compressing items within our control; however, items not in our control include statutory time limits and /or are controlled by the Department of Fish & Game ("DFG") or US Fish & Wildlife Service. FORA's consultant, Economic and Planning Systems ("EPS"), has been looking at the HCP endowment issue. There appears to be a lot of opportunity to bring a credible program to the DFG, although getting through the bureaucracy may be difficult. CSUMB representative Anya Spear asked when the draft would be available for review. Mr. Endsley responded that it would be available around the September 2011 time frame.

c. Capital Improvement Program (“CIP”) Phase II study update

EPS has begun looking at future revenues, in particular - Tax Increment (“TI”). EPS will perform an assessment of alternatives and will bring that information back to this Committee. At some point the information will be presented to the Board. Currently, FORA collects around \$1M in TI due to the special split provided by the Health and Safety Code. TI funds are used as a backstop on either the operating or capital budgets. The funds are important, but not essential to maintaining operations. A lawsuit filed by the League of California Cities and the California Redevelopment Association seeks to overturn the bill as a violation of Proposition 22 that protects local revenues. Mr. Endsley noted that it could be important to begin working with Monterey County, Seaside and Marina to coordinate on delineating existing projects that are eligible for continued redevelopment funds.

7. New Business

a. Consistency Determination – City of Marina Zoning Ordinance Amendments

City of Marina representative Theresa Szymanis noted that this Consistency Determination was necessary to implement Marina’s Housing element. They have added definitions that are consistent with State law. Mr. Endsley added that FORA staff reviews the submitted material and overlays their own checklist of consistency. This determination does not appear to be controversial and will be presented at the August Board meeting. Mr. Nichols made a motion to endorse the City of Marina Zoning Ordinance Amendments; which was seconded by Graham Bice and approved by the Committee.

8. Follow up to the July 8, 2011 FORA Board Meeting

The Preston Park item from July 8th will be on the August 12th agenda; the City of Marina approved a 1.7% increase in rent, which FORA staff concurred with and packaged to the Board for their approval. In the meantime, the City rescinded the increase for existing renters. FORA and the City are not in agreement over several issues and are now in mediation, and the first session- held August 2nd -went well. Mr. Dawson asked how this could not be considered a gift of public funds. City of Marina staff Debby Platt noted that she would attempt to address that in the City’s staff report to FORA. Bob Schaffer noted that this could harm other apartment / local business owners. Mr. Endsley stated that the issue lies with the fact that new tenants might be moving in about 15% lower than existing tenants which could be seen as unfair. These actions could also affect valuation of the property at a time when FOR A intends to sell it. The FORA Board must concur on Marina Council decisions so the new formula is not in place yet.

9. August 12, 2011 FORA Board Meeting – agenda review Staff will be updating the Board on the MCWD rate increase process they asked for in July by informing them of the vendor selection to perform the audit. EPS, the consultant currently under contract with FORA to work on the CIP review will perform the audit under a scope modification to their current contract. A presentation of the findings will be made in September at the joint FORA and MCWD Board meeting.

10. Items from Members – none

11. Adjournment - The meeting was adjourned at 9:00 AM.

Meeting minutes prepared by Crissy Maras, Administrative Coordinator

FORT ORD REUSE AUTHORITY

100 12th Street, Building 2880

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APPROVED

MINUTES OF THE FORT ORD REUSE AUTHORITY ADMINISTRATIVE COMMITTEE MEETING Wednesday, August 24, 2011

1. Call to order at 8:15 A.M. - Noting a quorum was present, Fort Ord Reuse Authority ("FORA") Executive Officer Michael A. Houlemard, Jr. called the meeting to order at 8:15 AM. The following people, as indicated by signatures on the roll sheet, were present:

Nick Nichols, Monterey County
Diana Ingersoll, City of Seaside
Jim Arnold, FORA
Pat Ward, Bestor
Anya Spear, CSUMB
Daniel Dawson, City of DRO
Keith McCoy, UCP
Crissy Maras, FORA

Steve Endsley, FORA
Bob Schaffer, MCP
Patrick Breen, MCWD
Jonathan Garcia, FORA
Elizabeth Caraker, City of Monterey
Anne Cribbs, MHP
Vicki Nakamura, MPC
Daylene Alliman, FORA

Michael Houlemard, FORA
Rob Robinson, BRAC
Doug Yount, City of Marina
Ray Corpuz, City of Seaside
John Marker, CSUMB
Kathleen Lee, Monterey County
Tim O'Halloran, City of Seaside

2. Pledge of Allegiance – Chair Houlemard asked FORA Senior Planner Jonathan Garcia, who agreed, to lead the pledge of allegiance.

3. Acknowledgements, announcements and correspondence – 1) Today is Mr. Garcia's first day back from paternity leave. Committee members congratulated Mr. Garcia on the new addition to his family. 2) Rob Robinson asked if the Committee would be getting a tour of FORA's new office. Chair Houlemard responded that members could take a tour of the new building after today's meeting and that additionally, a tour will be conducted prior to the September Board meeting. 3) Chair Houlemard noted that several new Facebook pages have recently come online, including pages like Fort Ord No More and Say No to Eastside Parkway. He advised members to look for these and other pages, which appear to spread misinformation regarding Fort Ord development, projects, history, etc. FORA staff will be looking into how to put out accurate information using various types of media, including social networking, not previously used for this type of effort.

Jim Cook, Monterey County, noted his opinion that during a recent public meeting, it seemed that a strategic effort would be made once the Base Reuse Plan ("BRP") is opened for reassessment to add more environmental uses into the Plan. Chair Houlemard responded that as a "no-growth" plan, the BRP is already very environmentally friendly.

Acting Assistant Executive Officer Steve Endsley added that it was important to get information out to the public that explains Eastside Parkway is a specific CEQA mitigation that came from withdrawing the originally planned Highway 68 bypass / Fort Ord Expressway. In order to mitigate base reuse, Eastside Parkway must be built. The people who want to add environmental uses to the Plan may not realize that there is no way to fund those uses until FORA receives fees from development projects.

Kathleen Lee, aide to Supervisor Potter, suggested that the public seems to have an opinion that there are backroom deals being made, causing a lack of public trust. She added that it could be beneficial for FORA to discuss the various opportunities made available to the public to weigh in on different processes, or become more involved in planning efforts. For example, Eastside Parkway has been discussed in a number of different venues; however the public did not show up to voice their concerns. Doug Yount, City of Marina, agreed and noted that it will be important to be proactive in outreach, particularly when the BRP is reassessed.

Keith McCoy, Urban Community Partners, asked if the CEQA process had begun for Eastside Parkway. Jim Arnold, FORA Senior Project Manager, stated that there are approximately 10 months remaining of a 12 month design period. After the design is set, getting to a draft EIR will take approximately 12 months.

John Marker, CSUMB, added that public outreach should involve information on the accomplishments since base closure in a graphic way. Chair Houlemard agreed and noted that FORA would be hiring an assistant planner whose job description will include knowledge in social media.

Mr. Cook added that showing how everything is connected – how not moving forward on one thing causes ripple effects into other categories of base reuse – would be important. The public should know FORA and the jurisdictions are moving forward with base reuse collaboratively to ensure the right decisions are made to start the economic engine, providing funds for habitat management, jobs, housing, roads, etc.

Mr. Houlemard explained that the Executive Committee requested a presentation to the Board giving the background/history of FORA's accomplishments to date. That presentation will be given at the Administrative committee meeting prior to the September board meeting and will be sent to members in advance to provide an opportunity for comments.

Anya Spear, CSUMB, reported that she has heard people question why development is allowed to occur on land that was not previously developed in the past. Chair Houlemard responded that a 1997 agreement called for development to continue in a sustainable way. The best habitat, including contiguous acres of habitat, would be saved, the scale of buildings would be low, there would be setbacks from the beach and nothing developed on the coast to protect visual impacts to Monterey Bay communities. These requirements mean that development would have to spread out a little further to areas that were not previously developed. For example, the Whispering Oaks project is proposed on a site containing habitat lands that were once a landfill, former corp yard and former staging area. This site is leaking methane gas and is some of the worst habitat land on the base. That message needs to get out to people who believe that site is pristine habitat.

4. Public comment period - none

5. Approval of the August 3, 2011 meeting minutes – Two minor corrections to the roll call section were requested. On a motion made by Diana Ingersoll and seconded by Jim Cook, the minutes were approved as corrected.

6. Old Business

a. California Central Coast Veterans Cemetery – update

i. Citizens' Advisory Committee Report

ii. Memorandum of Understanding Approval

The Veterans Cemetery Citizens' Advisory Committee is collecting necessary funds and the Central Coast Veterans Cemetery Foundation has scheduled a golf tournament fundraiser. Additionally, if AB629 is passed, FORA would prepare the design work for the cemetery, saving the State approximately \$.5M. The MOU is being finalized and is close to being circulated for signature.

b. Habitat Conservation Plan ("HCP") – update

FORA consultants will be releasing the last internal review of the draft HCP within 7-10 days. FORA and the jurisdictions must now work to confirm their previously completed review of the JPA agreement and HCP implementing agreement documents which must be circulated with the HCP EIR/EIS. The US Fish and Wildlife Service and California Department of Fish and Game will not accept an application without these governing documents. The deadline to complete that work effort is the end of September.

c. Capital Improvement Program ("CIP") Phase II study update

The FORA consultant (EPS) is currently focused on the habitat endowment. They have explored some interesting ideas which will be shared at an upcoming Administrative Committee meeting. Mr. Yount asked what EPS would be looking at next. Mr. Endsley responded that EPS will review the possibility of tax increment being removed. The EPS scope of services is available upon request. Mr. Cook requested that

FORA set up a meeting with its jurisdictions and EPS to discuss impacts to Tax Increment. Mr. Endsley responded that the request seemed reasonable and FORA staff would coordinate a meeting.

d. MCWD water rates – review

FORA amended EPS' contract to include review of the water rates. FORA expects material back from EPS within a week. This material will be presented to the FORA Board at their joint meeting with the MCWD Board in September. The FORA Board received a comprehensive list of questions asked at their last board meeting, including corresponding answers. Since the Administrative Committee does not recommend to the Board on water issues, there will be no Administrative Committee action on this item prior to the September Board meeting.

7. New Business – none

8. Follow up to the August 12, 2011 FORA Board Meeting

1) A tour of Preston Park, requested by Board member Mayor Felix Bachofner, will be arranged for September 9th. Board alternate Nicole Charles lives in Preston Park and will allow the tour to stop by her residence, 2) The Board requested more information on the scope of work for the EPS phase II CIP study, and 3) The MOU for the veterans cemetery will be returned to the Board in its final state.

9. Items from Members – none

10. Adjournment - The meeting was adjourned at 9:30 AM.

Meeting minutes prepared by Crissy Maras, Administrative Coordinator

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Habitat Conservation Plan – status report

Meeting Date: September 16, 2011
Agenda Number: 7c

INFORMATION

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority (“FORA”), with the support of its member jurisdictions and consultant team, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2013, concluding with the US Fish and Wildlife Service (“USFWS”) and California Department of Fish and Game (“CDFG”) issuing crucial federal and state permits.

ICF International (formerly Jones & Stokes), FORA’s HCP consultant, completed a administrative draft HCP on December 4, 2009. FORA member jurisdictions completed a comment and review period, which ended February 26, 2010. In April 2011, USFWS finished comments on all draft HCP sections, while CDFG provided limited feedback. As a result of these comments, ICF International completed a 3rd Administrative Draft HCP for review (dated September 1, 2011). The 12 Permittees (County, Cities of Marina, Seaside, Del Rey Oaks, and Monterey, Monterey Peninsula Regional Park District, Marina Coast Water District, State Parks, Monterey Peninsula College, California State University Monterey Bay, University California Monterey Bay Education, Science, and Technology Center, and FORA) and Cooperating Entity (Bureau of Land Management) have until Friday, September 30, 2011 to submit their comments on the draft HCP to remain on schedule to submit a final draft to USFWS/CDFG by October 31, 2011. This review includes the draft HCP Implementing Agreement and Ordinance/Policy, which are appendices to the draft HCP and are being prepared separately by FORA. These documents were thoroughly reviewed by Permittees several years ago and now require final approval by the jurisdictions.

At the September 7, 2011 FORA Administrative Committee, Jamie Gomes, Principal, from EPS presented information related to Economic and Planning Systems’ (“EPS”) review of HCP costs and endowment investment strategy. EPS will provide a memorandum detailing an HCP endowment investment strategy that will be incorporated into the draft HCP scheduled to be submitted to USFWS and CDFG on October 31, 2011.

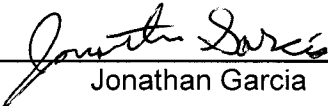

FISCAL IMPACT:

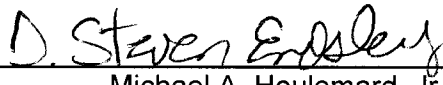

Reviewed by FORA Controller 

ICF International and Denise Duffy and Associates’ (FORA’s NEPA/CEQA consultant) contracts have been funded through FORA’s annual budgets to accomplish HCP preparation.

COORDINATION:

Executive Committee, Administrative Committee, Legislative Committee, HCP working group, FORA Jurisdictions, USFWS and CDFG personnel, ICF International, Denise Duffy and Associates, and various development teams.

Prepared by  Jonathan Garcia Reviewed by  Steve Endsley

Approved by  Michael A. Houlemard, Jr. 

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Fort Ord Reuse Authority extension – background and schedule

Meeting Date: September 16, 2011

Agenda Number: 7d

INFORMATION

RECOMMENDATION(S):

Receive a report regarding background on the Fort Ord Reuse Authority's ("FORA") legislated sunset of June 30, 2014 and legislative effort to extend FORA for a fixed period.

BACKGROUND/DISCUSSION:

FORA's enabling legislation set FORA's dissolution at one of the following events: 1) the Board determines that 80 percent of former Fort Ord territory designated for development or reuse in the Base Reuse Plan has been developed or reused in a manner consistent with the plan or 2) June 30, 2014, whichever occurs first.

In creating FORA, the State legislature created the federally required Local Reuse Authority ("LRA") and charged it with addressing the unique and special reuse problems in the Fort Ord area of Monterey County. Given that 80 percent of the territory will not be reused or developed before June 30, 2014, without additional legislation, the dissolution date gives FORA approximately 34 months to complete its mission. This would be difficult given that FORA has numerous ongoing and fixed term obligations/responsibilities either derived from the Authority Act/State law or that have been authorized by the Board to complete remediation or financing demands.

Ongoing obligations that survive the June 30, 2014 sunset/transition:

- FORA-Marina Coast Water District (MCWD) Fort Ord water purveyor service agreement and the associated water allocations made by FORA but carried out by MCWD.
- FORA/US Army Economic Development Conveyance deed restrictions/compliance, including endangered species' habitat management responsibilities.
- Environmental Liability Insurance: current coverage terminates in 2014, but the risk for which coverage was obtained continues and coverage should be replaced or extended.
- Administrative Order on Consent (AOC) with EPA, DTSC and RWQB: termination of this agreement is tied to a performance standard (completion of MEC related remedial activities), not a fixed date.
- FORA is designated by US EPA as Hazardous Waste Generator for purposes of WWII contaminated building debris. Changing this designation could cost the City of Marina several hundred thousands of dollars.

Fixed term responsibilities that extend beyond the State Law June 30, 2014 sunset/transition:

- The FORA Community Facilities District (CFD) sunsets when FORA sunsets.
- Base Reuse Plan (BRP) compliance (subject to results of BRP reassessment prior to 6/30/14).
- FORA/US Army Environmental Services Cooperative Agreement (ESCA) in munitions/explosives remediation completion (2015) and Army 5-year review in 2017-18.

- Regional Urban Water Augmentation Program (RUWAP) implementation funding (2015-2017).
- Habitat Conservation Plan (HCP) implementation funding.
- FORA Capital Improvement Program California Environmental Quality Act (CEQA) mitigation measures/projects and other obligations (2022).
- Economic Development Administration (EDA) grant compliance (2018).
- Miscellaneous contract obligations (e.g. UCSC, MPC, etc.)
- Post FORA employee retirement/health provisions (2040-2060).
- CA Department of Toxic Substances Control monitoring/reporting (Post-2014, County assumes).

FORA's enabling legislation designated the Monterey County Local Agency Formation Commission to provide for an orderly dissolution of FORA. However, since former Fort Ord reuse is still ongoing and a number of fixed-term obligations could be completed in the next 8-9 years, it appears that extending FORA for a fixed number of years would allow FORA to effectuate additional base reuse and result in a more orderly dissolution. Attached is a schedule detailing how obtaining a FORA extension through the State legislative process could occur (**Attachment A**). This report is provided for information purposes. Staff will include this proposed legislative process with the FORA Legislative Agenda for Board consideration at the November 18, 2011 meeting.

FISCAL IMPACT:

Reviewed by FORA Controller _____ *JG*

Staff time related to this item is included in FORA's annual budget.

COORDINATION:

Executive Committee, Administrative Committee, Legislative Committee, State & Federal legislative offices.

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

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



Fort Ord Reuse Authority

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LEGISLATIVE COMMITTEE

FORA Extension Schedule

September 16, 2011 – Board Briefing on Transition Issues/Legislative Options

October/November 2011 – Meetings in Sacramento with Assembly Committee on Local Government and Senate Committee on Governance & Finance

November 2011 – Legislation written and reviewed

December 2011 - Legislation presented for review to State Legislators

January 2012 – Reviewed by Legislative Council

January 2012 – Legislative Agenda introduced

Spring 2012 – Assembly/Senate consideration

Summer 2012 – Assembly/Senate adoption

September 2012 – Gubernatorial signing

FORT ORD REUSE AUTHORITY BOARD REPORT**EXECUTIVE OFFICER'S REPORT****Subject:** Executive Officer's Travel Report**Meeting Date:** September 16, 2011**Agenda Number:** 7e**INFORMATION****RECOMMENDATION(S):**

Receive a report from Fort Ord Reuse Authority ("FORA") Executive Officer regarding the 2011 Federal Facility Cleanup Dialogue Meeting September 21-22, in Arlington, Virginia.

BACKGROUND/DISCUSSION:

The Executive Officer regularly submits reports to the Executive Committee providing details of travel requests, including those by the FORA Board members and Executive Officer. Travel expenses may be paid or reimbursed by FORA, outside agencies/ jurisdictions/organizations, or a combination of these sources. The Executive Committee reviews and approves these requests, accordingly, and the travel information is reported to the Board as an informational item.

Invitation from Mathy Stanislaus, Assistant Administrator for the Office of Solid Waste and Emergency Response of the Environmental Protection Agency (EPA), to participate in the 2011 Federal Facility Cleanup Dialogue meeting. The Dialogue will focus on the topics of Five-Year Reviews, long-term stewardship and environmental justice, particularly in regard to the cleanup of Department of Energy (DoD) and Department of Defense Superfund sites (DOE). EPA, DoD and DOE are collaborating on improvements to several aspects of the cleanup program, and would like stakeholder input before continuing to move forward.

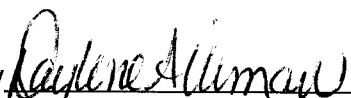
FISCAL IMPACT:Reviewed by FORA Controller 

EPA will be reimbursing non-federal meeting participants for their travel costs. Travel incidentals will be covered according to FORA's travel policy.

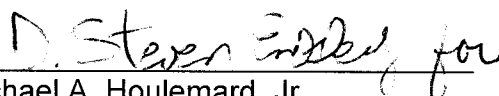
COORDINATION:

Executive Committee.

Prepared by


 Daylene Alliman

Approved by


 Michael A. Houlemard, Jr.