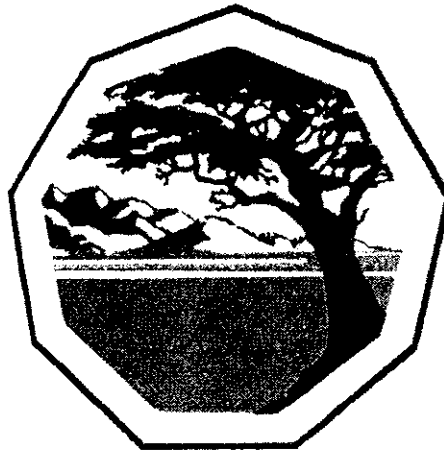


Fort Ord Reuse Authority



Board Packet
For
Board Meeting
August 8, 2008



Fort Ord Reuse Authority

100 12th Street, Building 2880, Marina, CA 93933

Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

BOARD OF DIRECTORS MEETING

Friday, August 8, 2008, at **3:30 pm**

FORA Conference Facility/Bridge Center

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

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ACKNOWLEDGEMENTS
4. PUBLIC COMMENT PERIOD: Members of the audience wishing to address the Board on matters within the jurisdiction of the Authority but not on the agenda may do so during the Public Comment Period. You may speak for a maximum of three minutes on any subject. Public comments on specific agenda items will be heard at the time the matter is being considered by the Board.
5. CONSENT AGENDA ACTION
 - a. July 11, 2008 FORA board & joint FORA/MCWD board meeting minutes
 - b. FY 08-09 Imjin Office Park budget and amendment to FORA/Carpenters' Reimbursement Agreement
 - c. Approve Denise Duffy and Associates consulting contract amendment for completion of Habitat Conservation Plan (HCP)
6. OLD BUSINESS INFORMATION
 - a. Habitat Conservation Plan approval process
 - b. Ord Community Water/ Wastewater Systems Proposed Budgets and Rates for FY 2008-2009:

SECOND VOTE - Resolution No. 08-06 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-Wide Water, Recycled Water and Sewer Services on former Fort Ord ACTION
 - c. Environmental Services Cooperative Agreement (ESCA) Remediation Program - status report INFORMATION
7. NEW BUSINESS ACTION
 - a. City of Del Rey Oaks' Pollution Legal Liability insurance payment plan
8. EXECUTIVE OFFICER'S REPORT INFORMATION
 - a. Administrative Committee report
 - b. Executive Officer's travel report INFORMATION
9. ANNOUNCEMENTS AND CORRESPONDENCE
10. ADJOURNMENT

**ACTION MINUTES
OF THE
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
August 8, 2008**

APPROVED

1. CALL TO ORDER

Chair/ Mayor Joe Russell called the meeting to order at 3:30 p.m. and requested a roll call:

Voting members:

Chair/Mayor Russell (City of Del Rey Oaks)	1 st Vice Chair/Mayor Rubio (City of Seaside)
Mayor Wilmot (City of Marina)	Councilmember Mancini (City of Seaside)
Councilmember McCall (City of Marina)	Councilmember Cohen (City of Pacific Grove)
Jim Cook (County of Monterey)	Mayor Pendergrass (City of Sand City)
Mayor McCloud (City of Carmel-by-the-Sea)	

Arriving after the roll call were Mayor Della Sala (City of Monterey) and Supervisor Mettee-McCutchon (County of Monterey). Supervisor Calcagno (County of Monterey) was represented by alternate Jim Cook. Supervisor Potter (County of Monterey) and Councilmember Barnes (City of Salinas) were absent.

Ex-officio members:

Gail Youngblood (BRAC)	Kenneth K. Nishi (Marina Coast Water District)
James Main (CSUMB)	Colleen Freeman (27 th State Assembly District)

Absent were representatives from the 17th Congressional District, the 15th State Senate District, Monterey Peninsula Unified School District and Transportation Agency for Monterey County. Arriving after the roll call were Graham Bice (UC Santa Cruz), Dr. Douglas Garrison (Monterey Peninsula College), Hunter Harvath (Monterey-Salinas Transit) and COL Pamela Martis (U.S. Army).

With a quorum present, Chair Russell opened the meeting.

2. PLEDGE OF ALLEGIANCE

Chair Russell asked Councilmember Mancini, who agreed, to lead the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS

Chair Russell welcomed Alan Cohen, the alternate representative from the City of Pacific Grove.

4. PUBLIC COMMENT PERIOD - none

5. CONSENT AGENDA

There were three items on the Consent Agenda: Item 5a (July 11, 2008 FORA board and joint FORA/MCWD board meeting minutes), Item 5b (FY 08-09 Imjin Office Park budget and amendment to

FORA/ Carpenters' Reimbursement Agreement), and Item 5c [Approve Denise Duffy and Associates consulting contract amendment for completion of Habitat Conservation Plan (HCP)]. Mayor Rubio recused himself from Item 5b due to a conflict of interest, and Councilmembers McCall and Cohen recused themselves from Item 5a due to absence. There were no public comments. **Motion to approve Items 5a, 5b and 5c on the Consent Agenda was made by Councilmember Mancini, seconded by Mayor McCloud, and carried.**

6. OLD BUSINESS

Item 6a - Habitat Conservation Plan ("HCP") approval process: Director of Planning and Finance Steve Endsley reported that he had attended meetings where development of the Federal NEPA and State CEQA processes were being hammered out. The encouraging news was that the Bureau of Land Management and U.S. Fish & Wildlife had come to agreement on most of the mitigation cost factors, which should reduce the HCP costs. There were no board or public comments regarding this informational item.

Item 6b - Ord Community Water/ Wastewater Systems Proposed Budgets and Rates for FY 2008-2009: SECOND VOTE - Resolution No. 08-06 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-Wide Water, Recycled Water and Sewer Services on former Fort Ord: Executive Officer Houlemard introduced the item. **Motion to adopt Resolution No. 08-06 adopting a compensation plan and setting rates, fees and charges for base-wide water, recycled water and sewer services on the former Fort Ord was made by Mayor Rubio and seconded by Councilmember Mancini.** Mayor McCloud asked for a clarification of terms in the resolution, naming the following: capacity charges and connection charges, capital surcharges and capital charges and capital facilities fees. **Executive Officer Houlemard suggested that the motion be amended to include a request that FORA's and MCWD's counsels work together to provide the necessary clarification of terms in the resolution, and Mayor Rubio and Councilmember Mancini had no objections to this amendment.** Supervisor Mettee-McCutcheon asked for confirmation that all connection fees have remained unchanged from the previous budget (yes). There were no public comments. **The motion carried by a vote of ten to one; Mayor Pendergrass opposed.**

Item 6c - Environmental Services Cooperative Agreement (ESCA) Remediation Program - status report: Executive Officer Houlemard reported that the ESCA remediation program work had received a considerable amount of acclaim from the regulators and there has been active support from the Users' group, which meets monthly at FORA. He complimented FORA ESCA Program Manager Stan Cook and his team for their efforts. Mr. Cook summarized the board report and attachments and followed with a PowerPoint presentation. Topics covered were an overview of the project; a map of the ESCA Munitions Response Areas (MRA's) by group; a field update of the Seaside 1-4 Special Case Area and remediation activities; photos of the sifting operation, the soil stockpiles and some typical munitions found on the sites; a map of the Parker Flats MRA and future uses of this area; the 2008 document schedule; upcoming meetings and events; and a list of the ESCA sources of information. Executive Officer Houlemard commented that detonations are not always non-events, since the noise sometimes carries and road closures do occasionally occur. He mentioned the mobile tour of former Fort Ord this Sunday, August 10th. Attendees of the Association of Defense Communities Annual Conference ("ADC") being held in Monterey may sign up for this tour. He said Kristie Reimer (the LFR/ ESCA Program Director and ADC conference chair) and her team would provide the technical aspects of the ESCA cleanup program during the tour and many board members and FORA staff will also be participating. Ms. Reimer clarified that notification of detonations is usually done through a telephone tree, which enhances the safety concerns, and not by a general public announcement. She said that work in the Seaside MRA is moving ahead and has extended beyond these boundaries; no road closures are anticipated and the project is on schedule. Mayor Russell asked what the piles of dirt were going to be used for, and Mr. Houlemard replied that some of the dirt is

used onsite and the rest is Army property. Supervisor Mettee-McCutchon asked for a comparison of the volume of the current sifting and the sifting on the small arms range near the dunes, and BRAC Environmental Coordinator Gail Youngblood replied 140,000 yards were sifted in the beach ranges, compared with 80,000 yards in the current work area. Councilmember Mancini complimented Mr. Cook and the LFR team for keeping the area veterans updated about the Parker Flats area, which is the primary site for the veterans cemetery.

7. NEW BUSINESS

Item 7a – City of Del Rey Oaks' Pollution Legal Liability insurance payment plan: Chair/ Mayor Russell recused himself from the discussion due to conflict of interest, so 1st Vice Chair/ Mayor Rubio served as the chair for this item. Executive Officer Houlemard summarized the board report and the proposed letter agreement (revised draft). Mayor McCloud asked why there was no default clause in the agreement, and Executive Officer Houlemard responded that any defaulted portion of this insurance will be assigned to another party requesting additional coverage. Authority Counsel Bowden replied that a default will not be waived, but if a default occurs, FORA can rescind for breach or waive the breach and the insurance will be assigned. Chair/ Mayor Rubio asked about the impact of a default on FORA's obligations and its cash flow, and Mr. Houlemard replied that there is none. **Motion to authorize the Executive Officer to execute the City of Del Rey Oaks' Pollution Legal Liability insurance payment structure proposal for FY 2008-09 was made by Councilmember Mancini, seconded by Mayor Della Sala, and carried.**

8. EXECUTIVE OFFICER'S REPORT

There were two items in this report: Item 8a (Administrative Committee report) and Item 8b (Executive Officer's travel report). Both were informational and there were no board or public comments.

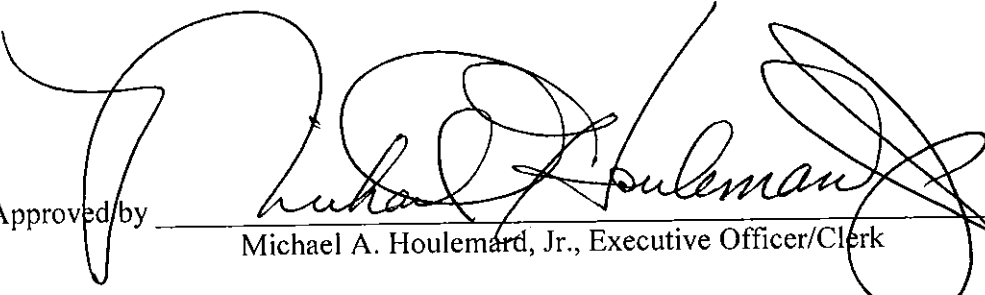
9. ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Houlemard announced that a signing ceremony has been planned to celebrate Governor Schwarzenegger's concurrence with the Covenant Deferral Request and will bring together representatives from the U.S. Army, the U.S. Environmental Protection Agency ("EPA"), the CA Department of Toxic Substances Control ("DTSC"), and FORA. The ceremony will take place at 5:15 pm on August 12th in the Marriott Hotel Ballroom. He said media releases from EPA and DTSC have already been released in the Bay Area. He also mentioned that the annual conference of the Association of Defense Communities will begin on Sunday, August 10th. It is being held at the Monterey Convention Center and Portola Plaza Hotel

13. ADJOURNMENT

There being no further business, Chair Russell adjourned the meeting at 4:08 p.m.

Minutes prepared by Linda Stiehl, Deputy Clerk.

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

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	FY 08-09 Imjin Office Park budget and amendment to FORA/ Carpenters' Reimbursement Agreement	
Meeting Date:	August 8, 2008	ACTION
Agenda Number:	5b	

RECOMMENDATION(S):

1. Approve the attached revised Imjin Office Park ("IOP") budget (**Attachment A**),
2. Authorize the Executive Officer to execute the attached amendment to the reimbursement agreement between the Fort Ord Reuse Authority ("FORA") and Carpenters Local 605 (**Attachment B**), consistent with the revised IOP budget.

BACKGROUND/ DISCUSSION:

The revised IOP budget continues line-items from the FY 07-08 budget and incorporates \$300,000 in additional funds from the FY 08-09 budget to accommodate changes to the Marina Coast Water District fees, reserves for additional fees and/or site work, and amendments to the FORA-Carpenters reimbursement agreement described below. The revised IOP budget limits project expenses to completion of building plans, site grading, and required permit, inspection, and other project fees.

The amendment to the FORA-Carpenters reimbursement agreement allows FORA to pay for its share of site work change order #001 (\$3,670.80) and a required site grading special inspection contract (\$5,250.00) for a total increase of \$8,920.80.

FISCAL IMPACT:


Reviewed by FORA Controller 


1. Revised IOP budget: The revised IOP project budget would limit project expenses to \$1,173,69.22 of which 303,342.75 is reimbursable from AMBAG, Builders Exchange, and Carpenters, for a total cost to FORA of \$870,353.47, significant portions of which are current contractual obligations of FORA. Funding for this amount is designated in the FY 07-08 and 08-09 budgets.

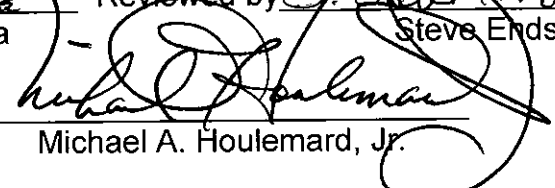
2. FORA-Carpenters reimbursement agreement amendment: FORA's costs related to the reimbursement agreement amendment would increase by \$8,920.80, resulting in a total amount billable to FORA of \$221,276.80. Funding for this amount is designated in the FY 07-08 and 08-09 budgets.

COORDINATION:

Carpenter Local 605, Authority Counsel, Executive Committee, and Administrative Committee

Prepared by  Jonathan Garcia

Reviewed by  Steve Endsley

Approved by  Michael A. Houlemard, Jr.

DRAFT

DRAFT

Revised IOP Budget	Total Budget	Reimbursable Amounts from IOP Partners
Design work & fee agreements		
PDP - Building Design Work (2 contract amendments)	\$215,859.50	
Enovity - IOP LEED Commissioning	\$20,415.50	
PDP - Site Design Work (contract amendment)	\$55,828.50	
FORA-AMBAG interim financing agreement for site grading	\$150,000.00	(\$150,000.00)
FORA-Marina Subdivision Improvement Agreement - Escrow check to Stewart	\$111,000.00	(\$77,700.00)
Tree Removal contract (estimate):	\$4,000.00	(\$2,800.00)
<i>Design work & fee agreements</i>	\$557,103.50	
City Plan Check and Inspection Fees		
Tree Removal Permit and Inspection	\$1,380.00	(\$966.00)
Building Permit Coordination	\$1,400.00	(\$980.00)
Construction Plan Check/Inspection	\$8,080.00	(\$5,656.00)
Fire Plan Check/Inspection	\$8,280.00	(\$5,796.00)
Infrastructure and Grading Permit and Inspection	\$8,080.00	(\$5,656.00)
<i>City Plan Check Fees Subtotal</i>	\$27,220.00	
Building Plan Check Fees	\$8,904.72	
<i>City Fees Subtotal</i>	\$36,124.72	
Other Fees		
MCWD Inspection & Review (estimate)	\$34,020.00	(\$25,515)
MCWD Connection Fees (estimate)	\$12,500.00	
PG&E Connection Fees (estimate)	\$40,000.00	(\$28,000.00)
State Water Resources Control Bd NOI	\$365.00	(\$273.75)
<i>Other Fees Subtotal</i>	\$86,885.00	
FORA-Carpenters Reimbursement Agreement		
Reimburse Carpenters for Ausonio - Preconstruction Services	\$4,375.00	
Reimburse Carpenters for Ausonio - Site Work (FORA's 30%) (estimate):	\$207,981.00	
Reimburse Carpenters for Site Grading special inspection contract:	\$5,250.00	
Reimburse Carpenters for Ausonio - Site Work change order #001:	\$3,670.80	
<i>FORA-Carpenters Reimbursement Agreement Subtotal</i>	\$221,276.80	
Reserve for additional fees and/or site work		
	\$272,306.20	
Total Proposed Budget	\$1,173,696.22	
Eligible Reimbursements from IOP Partners		(\$303,342.75)
Total cost to FORA	\$870,353.47	
Funding: FY 07-08 budget (approved 1/11/08 and attached)	\$570,353.47	
Additional funding in FY 08-09 budget (approved 6/13/08)	\$300,000.00	
Total funding	\$870,353.47	

FY 07-08 IOP Budget	Total Budget	Contract Signed
Previously authorized 07-08 budget items		
PDP - Building Design Work (2 contract amendments)	\$215,859.50	yes
Enovity - IOP LEED Commissioning	\$20,415.50	pending
PDP - Site Design Work (contract amendment)	\$55,828.50	yes
FORA-AMBAG interim financing agreement for site grading	\$150,000.00	yes
FORA-Marina Subdivision Improvement Agreement - Escrow check to Stewart	\$111,000.00	yes
Reimburse Carpenters for Ausonio - Preconstruction Services (FORA's 25%)	\$4,375.00	authorized
<i>Previous 07-08 budget items subtotal:</i>	\$557,478.50	
City Plan Check and Inspection Fees		
Tree Removal Permit and Inspection	\$1,380.00	yes
Demolition Permit and Inspection	\$0.00	yes
Building Permit Coordination	\$1,400.00	yes
Construction Plan Check/Inspection	\$8,080.00	yes
Fire Plan Check/Inspection	\$8,280.00	yes
Infrastructure and Grading Permit and Inspection	\$8,080.00	yes
<i>City Plan Check Fees Subtotal</i>	\$27,220.00	yes
Building Plan Check Fees	\$8,904.72	
<i>City Fees Subtotal</i>	\$36,124.72	
Other Fees		
MCWD Connection Fees (estimate)	\$6,128.00	
PG&E Connection Fees (estimate)	\$40,000.00	
State Water Resources Control Bd NOI	\$365.00	
Other Fees Subtotal	\$46,493.00	
Site Improvements/Construction		
Tree Removal contract (estimate):	\$4,000.00	
Reimburse Carpenters for Ausonio - Site Work (FORA's 30%) (estimate):	\$207,981.00	
Site Improvements Subtotal	\$211,981.00	
Total Proposed Budget	\$852,077.22	
Eligible Reimbursements from IOP Partners	(\$281,723.75)	
Total cost to FORA	\$570,353.47	

FORA - Carpenters Local 605 Reimbursement Agreement – Amendment #1

This is an Amendment #1 to FORA – Carpenters Local 605 Reimbursement Agreement (“AGREEMENT”) between the Fort Ord Reuse Authority, a political subdivision of the State of California (hereinafter referred to as “FORA”), and the United Brotherhood of Carpenters Local 605, an unincorporated association (hereinafter referred to as “Carpenters Local 605”).

All terms and conditions in the AGREEMENT remain the same except for the following adjustments:

Recital 1.6 now reads:

“1.6 The purpose of this MOA is to ensure that FORA will reimburse Carpenters Local 605 for FORA’s share of preconstruction services (not to exceed \$4,375.00), ~~and Phase I site work (not to exceed \$207,981.00), Phase I change order #001 (not to exceed \$3,670.80), and site grading special inspection contract (not to exceed \$5,250.00).~~”

Term and Condition 2.1 now reads:

“2.1 Reimbursable Amount. Carpenters Local 605 will submit monthly invoices to FORA for FORA’s portion of: 1) preconstruction services not to exceed a total of \$4,375.00, ~~and 2) Phase I Site Work up to completion of site grading, not to exceed a total of \$207,981.00, 3) Phase I change order #001 not to exceed a total of \$3,670.80, and 4) site grading special inspection contract not to exceed \$5,250.00.~~ The aggregate total for these items may not exceed ~~\$212,356.00~~ \$221,276.80. FORA agrees to pay these invoices within thirty days of receipt.”

IN WITNESS WHEREOF, FORA and Carpenters Local 605 execute this Agreement as follows:

FORA

Carpenters Local 605

By _____
Michael A. Houlemard, Jr. Date
Executive Officer

By _____
John Anzini Date
President

Approved as to form:

Gerald Bowden
Authority Counsel

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	Approve Denise Duffy and Associates consulting contract amendment for completion of Habitat Conservation Plan (HCP)	
Meeting Date:	August 8, 2008	ACTION
Agenda Number:	5c	

RECOMMENDATION(S):

Authorize the Executive Officer to execute the National Environmental Policy Act ("NEPA")/ California Environmental Quality Act ("CEQA") consultant contract amendment (**Attachment A**) with Denise Duffy & Associates ("DD&A"), not to exceed \$228,470.00 in additional budget authority, for completion of the Habitat Conservation Plan ("HCP") Environmental Impact Statement/ Environmental Impact Report ("EIS/EIR") documents.

BACKGROUND/DISCUSSION:

The FORA Board authorized the original NEPA/CEQA consultant contract in October 2004 to coordinate draft HCP document revisions with the HCP consultant and initiate preparation of Federal EIS and State EIR documents. It is noted that, whereas the Fort Ord Reuse Authority ("FORA") is the Lead Agency in preparation of the EIR document and is responsible for funding the consultant contract for EIR preparation, US Fish and Wildlife Service ("USFWS") is the EIS Lead Agency and controls much of that process. USFWS staff is currently engaged and informed DD&A on May 5, 2008 that they were comfortable with the current project description, which enabled DD&A to proceed to drafting several EIS sections. Approval of the attached contract amendment, primarily adjustments to the scope of services, allows DD&A to complete the HCP EIR and EIS documents, which are necessary for HCP approval.

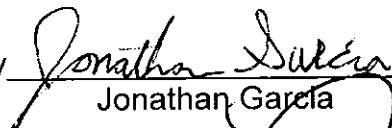

FISCAL IMPACT:

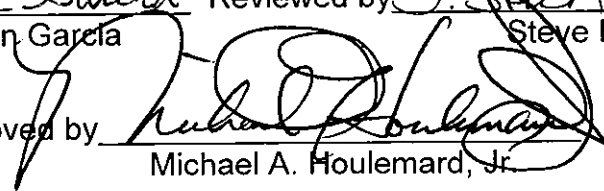
Reviewed by FORA Controller 

In October 2004, the FORA Board authorized a \$179,945 contract to initiate EIR/EIS document preparation. If the Board approves the above recommendation, this contract's budget authority will be increased by \$228,470.00, resulting in a combined budget authority not to exceed \$408,415.00. Funding for this contract was designated in the FY 04-05, 05-06, and 07-08 budgets, so it does not constitute new spending but, rather, reorganization of existing line-items.

COORDINATION:

Administrative Committee, Authority Counsel, USFWS and California Department of Fish and Game personnel, and DD&A.

Prepared by  Jonathan Garcia Reviewed by  Steve Endsley

Approved by  Michael A. Houlemard, Jr.

Agreement No. FC-020905 - 1

Agreement for Professional Services – Amendment #1

This is amendment #1 to Agreement No. FC-020905 ("AGREEMENT") between the Fort Ord Reuse Authority, a political subdivision of the State of California (hereinafter referred to as "CLIENT"), and Denise Duffy & Associates, Inc. (hereinafter referred to as "CONSULTANT").

All terms and conditions in the AGREEMENT remain the same except for the following adjustments:

The "Scope" section of the Service Agreement now reads:

"By this agreement, the scope of Denise Duffy & Associates, Inc. services on Project is limited to: Environmental consulting services for work associated with Ft. Ord HCP NEPA/CEQA Documentation as detailed in the attached Scope of Work (Exhibit "A") and revised Scope of Services (Exhibit "D").

The "Contract" section of the Service Agreement now reads:

The following documents further describe the scope and conditions of Denise Duffy & Associates, Inc. services: Exhibit "A": Scope of Services and Exhibit "D" revised Scope of Services.

In case of conflict or inconsistency between the provisions of this Service Agreement (together with the attached General Conditions) and the provisions of any other contract documents, the provisions of this Service Agreement and General Conditions shall control.

The "Fee" section of the Service Agreement now reads:

"Denise Duffy & Associates, Inc. agrees to provide services covered by this Agreement on a fixed fee basis according to Exhibit "A", Scope of Services and Exhibit "B", Budget and Exhibit "D", revised Scope of Services and Exhibit "E", additional Budget.

This fee quotation is effective provided that Denise Duffy & Associates, Inc. receives Client's authorization to proceed within 10 days of the date of this proposal.

If the project requirements expand beyond the scope of services covered by this Agreement, an additional Service Agreement or a written addendum to this Agreement shall be entered into to cover the revised scope and fee. Should Client authorize a revision in the scope of services without a revision to this agreement, Denise Duffy & Associates, Inc. shall be compensated for the services actually performed, based on the current Schedule of Rates."

IN WITNESS WHEREOF, CLIENT and CONSULTANT execute this Agreement as follows:

CLIENT

CONSULTANT

By _____ Date _____
Michael A. Houlemard, Jr.
Executive Officer
FORA, Building C

By _____ Date _____
Denise Duffy
President
Denise Duffy & Associates

Approved as to form:

Gerald Bowden
Authority Counsel

Exhibit D
Revised
SCOPE OF WORK
for the
FORT ORD HCP
Environmental Impact Statement/Environmental Impact
Report

July 21, 2008

Denise Duffy & Associates, Inc. (DD&A) has prepared a revised Scope of Work that assumes preparation of a joint NEPA/CEQA environmental document. This scope of work outlines the tasks DD&A will undertake to successfully complete the NEPA/CEQA documentation now that the level of NEPA documentation has been determined (Environmental Impact Statement) and scoping under NEPA and CEQA has been completed. Some of the tasks in the scope of work will be performed throughout the entire environmental process (e.g., coordination with the U.S. Fish and Wildlife Service, California Department of Fish and Game, Fort Ord Reuse Authority, and Jones & Stokes Associates).

TASK 1. REVIEW REVISED HCP AND RECENT EXAMPLES OF HCP EIS/EIR DOCUMENTS

DD&A will review the revised HCP prepared by Jones & Stokes Associates (JSA). Previous discussions with JSA indicate that a complete Second Administrative Draft HCP will be available summer 2008. JSA will be providing key chapters to DD&A as they become available prior to the release of the complete draft, including the project description, take assessment, conservation strategy, and alternatives. DD&A will review the revised HCP chapters to determine if there are any critical information gaps that need to be filled for the environmental analysis. It is during this early step it is important to clearly define the actions to be covered, species to be included, and the baseline conditions in order to have a comprehensive understanding of the impacts resulting from the issuance of the permit, including the implementation of the HCP and habitat management requirements proposed to reduce the impacts.

After the review of the revised HCP, DD&A will provide a memorandum outlining any unresolved issues that are critical for the NEPA/CEQA analysis.

Responsibility: DD&A and JSA

Deliverable(s): Memo on Revised HCP Review (prepared by DD&A)

TASK 2. PREPARE SCHEDULE FOR PUBLIC DRAFT EIS/EIR

Currently, DD&A is drafting the “foundation” chapters of the EIS/EIR (e.g., Introduction, Proposed Plan and Alternatives, and Affected Environment) in coordination with the U.S. Fish and Wildlife Service (Service), Fort Ord Reuse Authority (FORA), and JSA. DD&A has established internal deadlines for the submittal of drafts of these three chapters and also the return of comments from the Service. However, it is difficult to estimate the timeframe for the Public Draft EIS/EIR beyond these chapters without receipt of the specific chapters from the HCP needed for the environmental analysis, specifically the take assessment and alternatives chapters. Therefore, when these HCP chapters are available, DD&A will coordinate with the Service, FORA, and JSA to establish the schedule for the Public Draft EIS/EIR, focusing on establishing deadlines up to the end of the public review period of the EIS/EIR. During this task, it is important to identify which entities will be participating in each of the review processes of the various internal drafts of the EIS/EIR document in order to allow for adequate review time for all entities.

Responsibility: DD&A, Service, FORA, and JSA

Deliverable(s): Public Draft EIS/EIR Schedule

TASK 3. AGENCY COORDINATION AND MEETINGS

Early and continuing agency involvement will be important throughout the process. The goal of the agency coordination and meetings is to clearly define the scope and the appropriate environmental documentation as well as to understand the project, environmental implications of the action, review project components with the agencies to determine appropriate avoidance and minimization of environmental impacts, and determine a clear direction on alternatives analysis.

Draft versions of documentation will be provided for early insight and comments to be incorporated into subsequent versions of the EIS/EIR. DD&A anticipates submitting sections for review as they are completed to streamline the review process. Agency coordination will occur at several key points throughout the process. It will initially occur early in the initiation of the project and it is anticipated that there will be a second round of regulatory input during preparation of the Administrative Draft of the EIS/EIR.

In addition, DD&A will attend and participate in a variety of meetings as necessary throughout the project either in person or on telephone conferences, including regular communication with the Service to address key issues and confer on environmental impacts and what types of actions are suitable for avoidance, mitigation or conservation measures. For meetings where DD&A is the lead, we will prepare agendas and minutes with the action items, give presentations and provide presentation materials as needed. A log of all action items will be maintained to ensure that the required actions occur.

Meetings will be an ongoing effort for the FORA HCP process. DD&A anticipates that attendance will be required at the HCP Working Group meetings held by FORA and the

CRMP. These meetings occur monthly and will run for the duration of the HCP process. These meetings provide an opportune time to meet with the Service, FORA, and JSA.

In total, this scope of work assumes that DD&A will attend the following meetings: four public meetings on the EIS/EIR, 15 HCP Working Group Meetings, and five meetings with FORA and the Service throughout the duration of the project. Any request(s) for meeting attendance by DD&A not provided for within this scope will be billed on a time and materials basis. This task includes the preparation of agendas, meeting minutes, and action item lists, as needed.

Responsibility: DD&A

Deliverables: Agendas, Meeting Minutes, Log of Action Items (task assumes 15 meetings @ 6 hours each and five meetings @ 4 hours each)

TASK 4. PREPARE DRAFT EIS/EIR OUTLINE

DD&A will develop a detailed draft outline for the Draft EIS/EIR. The purpose of the outline is to provide the team with an early understanding of the final work product. The outline will guide the incorporation of technical data into the draft document and also state the appropriate significance thresholds assumed for each environmental impact category so there is a clear understanding of the criteria for evaluation. DD&A will coordinate with the Service to ensure that the outline corresponds to the example outlines in their NEPA Reference Handbook.

Responsibility: DD&A

Deliverable: Draft NEPA/CEQA Outline including appropriate significance thresholds

TASK 5. PREPARE FIRST ADMINISTRATIVE DRAFT EIS/EIR

DD&A will prepare an Administrative Draft EIS/EIR for the project, in accordance with NEPA/CEQA requirements. The First Administrative Draft EIS/EIR will include complete, thorough, accurate, and objective analyses of all relevant topics. The topics expected to be addressed, a description of the analyses to be conducted, and the contents of those sections are discussed below. In addition, the significance of the impacts after implementation of the mitigation measures will be included in the analysis. Impacts considered would include the following: direct, indirect, construction/short-term, operational/long-term, growth inducing, cumulative, and irreversible. The First Administrative Draft EIS/EIR will identify and summarize significant impacts and whether they can or cannot be avoided, and will also identify any beneficial environmental impacts of the project, if any. The format of the document will be consistent with the format and outline determined in **Task 4**, but will include all topics discussed below.

Introduction, Purpose and Need of the Action, Objectives and Issues: This section will indicate that the documentation has been prepared for the Service and California Department of Fish and Game (CDFG) pursuant to the NEPA and CEQA to evaluate the

effects of issuing an Incidental Take Permit under Section 10(a)(1)(B) of the Endangered Species Act and an Incidental Take Permit under Section 2081 of the California Endangered Species Act. The Service's purpose for this action is to respond to the Applicants' Incidental Take Permit application and proposed HCP implementation. If granted, the proposed incidental take permit would allow for incidental take of the federally listed Plan Species, and would require implementation of an HCP to minimize and mitigate the take of the Plan Species to the maximum extent possible.

The HCP is expected to contain the mandatory elements of Section 10(a)(2)(A) identified below:

1. The impact that will likely result from the taking;
2. What steps the applicant will take to monitor, minimize, and mitigate such impacts, the funding available to implement such steps, and the procedures to be used to deal with unforeseen circumstances;
3. What alternative actions to such taking the applicant considered, and the reasons why such alternatives are not proposed to be used, and
4. Such other measures that the Director may require as being necessary or appropriate for the purposes of the plan.

Proposed Action and Alternatives: The Proposed Action and all other reasonable alternatives to the proposed action must be defined and discussed, including the No Project alternative. CEQA Guidelines Section 15126.6 requires the consideration of a range of reasonable alternatives to the proposed plan that could feasibly obtain most of the basic objectives of the proposed project. Generally, the Alternatives section of a NEPA document is also governed by the rule of reason, but NEPA requires a more rigorous exploration and comparison of all reasonable alternatives, explanation of why certain alternatives were eliminated, and description of mitigation measures. DD&A will coordinate with FORA, Service, CDFG, and JSA to determine a range of feasible alternatives. The alternatives section will address the following:

- Qualitatively analyze a range of feasible alternatives.
- Summarize other alternatives identified during the scoping process which are not feasible, with rationale for rejection (i.e., size, access, etc.).
- Identify an environmentally superior alternative, based on the number and degree of associated environmental impacts.

Affected Environment: Existing information from the HCP, Fort Ord Reuse EIR, and other relevant environmental documents will be used to describe the baseline conditions within the boundaries of the HCP in the EIS/EIR. We will review the HCP, as well as materials and information collected by the Army, Bureau of Land Management (BLM), Service, CDFG, other regulatory agencies, and HCP participants.

This chapter describes those aspects of the environment at the former Fort Ord that would be affected by issuance of an incidental take permit authorizing project actions that could result in take of covered species. This chapter focuses on existing conditions within and surrounding the former Fort Ord with specific reference to the following topics:

- Physical environment – visual resources; air quality; geology, soils, seismic hazards, and mineral resources; hydrology and water quality; and hazardous materials.
- Biological environment – vegetation and wildlife, including migratory birds
- Social environment – cultural resources; land use; noise; population and housing; public health hazards; public services and recreation; socio-economic impacts; and transportation and traffic.

Environmental Consequences: Issuance of the Section 10(a)(1)(B) Incidental Take Permit constitutes a major federal action by the Services and is thus subject to NEPA, which requires that the environmental effects of all federal agency actions be evaluated. This section analyzes the environmental effects that could result from implementing the Proposed Action. It also describes the potential environmental effects of the other alternatives.

Specific Sections to be Addressed

The EIS/EIR will evaluate the impacts that will likely result from take under the Proposed Action; address the requirements to monitor, minimize, and mitigate such impacts; the impacts of the alternatives and the reasons why such alternatives are not proposed to be used. The EIS/EIR will describe in detail the proposed HCP, the existing environmental conditions on the former Fort Ord, and assess potentially significant impacts associated with the issuance of the HCP. The impact analysis will apply specific criteria for determining the significance of impacts, consistent with criteria set forth in NEPA and CEQA and applicable professional and local standards. Mitigation measures will be identified for significant environmental impacts identified in the EIS/EIR. The major issues to be addressed in the environmental document are described below.

- Land Use/Planning
- Traffic and Circulation
- Air Quality
- Biological Resources
- Hazardous Materials

- Cultural Resources
- Geology/Soils
- Hydrology/Water Quality
- Aesthetics/Visual
- Public Services
- Utilities and Service Systems/Water Supply

- Noise
- Population and Housing

Per the request of the Service, we have included a detailed scope of the air quality analysis that will be conducted for the EIS/EIR. The air quality specialists have not yet been selected to perform the tasks outlined below. In addition to the air quality analysis, DD&A is anticipating the need to update the traffic analysis for the former Fort Ord. The traffic engineers to conduct the analysis have not yet been selected and a scope of work has not been defined at this time. It is possible that FORA may need a revised cumulative analysis that only takes into account the developments that require federal and state incidental take permits. With the exception of the air quality and traffic analyses, this scope of work assumes that no additional technical analyses will be required and that existing documentation will be sufficient for the preparation of the EIS/EIR. If additional technical analyses are determined necessary during the preparation of the environmental documentation, an amendment to the contract will be requested.

Air Quality

The EIS/EIR will describe the air quality of the area and provide an assessment of the potential air quality impacts of the project, based on an air quality analysis. This scope and budget assumes that the Affected Environment chapter will be prepared by DD&A in coordination with the Monterey Bay Unified Air Pollution Control District (MBUAPCD) and peer reviewed by the air quality consultant. The air quality consultant will perform a comprehensive review of the existing technical reports analyzing the impacts of the Army vegetation burns. They will determine whether these reports also adequately address the potential impacts of the habitat burn requirements of the HCP. In addition, they will analyze the habitat burn program on a regional scale at full build-out of the former Fort Ord to ensure that the cumulative effects of the burn program are adequately addressed. This analysis may require air quality modeling. The analysis will include the following:

- Evaluation of potential toxic air contaminants (TACs) from the project and certain management activities, including prescribed habitat burn requirements. This will be conducted by performing a screening health risk assessment.
- Address short- and long-term air quality impacts associated with implementation of the HCP, including habitat burn requirements under the proposed burn program. Impact assessment will be based on build-out scenarios coupled with appropriate air quality models.
- Comprehensive analysis of global warming issues including qualitative and quantitative approaches where appropriate; and identification of impacts and mitigation measures, as necessary. Global warming impacts to the project will also be discussed in the applicable environmental topics (e.g., wildfire safety, flooding, habitat reduction, etc.)
- Identify mitigation for significant impacts, if necessary.

Other Statutory Sections: Above and beyond the analysis of topical issues in the Environmental Setting, Impacts, and Mitigation Measures sections,¹ CEQA requires that an EIR contain specific discussions, which include, but are not limited to, those listed below. In addition, NEPA requires specific sections within EISs that are similar to those required by CEQA, but may require more detailed analyses. The DD&A team will assure that the EIS/EIR complies with all local, state, and federal environmental requirements.

Indirect Impacts of Growth/Growth Inducement: DD&A recognizes that this is a key issue to the local community. CEQA requires an EIR to discuss the ways in which a project could promote or induce economic or population growth, either directly or indirectly, in the surrounding area. NEPA requires federal agencies to also consider the indirect effects of the proposed action, including growth inducement. This section will address the potential growth inducement effects of the project based on the assessment of the potential new growth that could be fostered by implementation of the project. This section will also review the proposed project, and the environmental and physical constraints to additional growth. The growth inducing analysis will describe components of the project and why they are or not considered to be growth inducing.

Cumulative Impacts: This section will discuss potential significant cumulative impacts to which the project would contribute. A region-wide review of the impacts will be considered. The section will address the potential cumulative effects of the project in conjunction with other land uses, resource management and development actions recently enacted or proposed in the project area. DD&A will work with FORA and the Service to identify potential future regional growth to be considered in this analysis. DD&A will consult and utilize the CEQ *Considering Cumulative Effects under the NEPA Handbook* and EPA memo *Consideration of Cumulative Impacts in EPA Review of NEPA Documents* to aid in the evaluation of cumulative effects of the proposed action. This section will discuss cumulative impacts relating to the project if and when they are significant.

Unavoidable Significant Adverse Impacts: The unavoidable significant adverse impacts identified in the above analyses, if any, will be summarized in this section. The purpose of this discussion is to call out any permanent or significant degradation in the quality of the environment, or the destruction of important natural and cultural resources, which cannot be prevented by the incorporation of mitigation measures. In addition, irretrievable commitments of resources should be evaluated to assure that such use is justified.

Environmental Justice: In accordance with Presidential Executive Order 12898 dated February 11, 1994 the proposed action/project is consistent with the guidelines established for federal actions to address environmental justice in minority and/or low-

¹ The CEQA content requirements of the Environmental Setting, Impacts, and Mitigation Measures sections will be included in the EIS/EIR as part of the "Affected Environment" and "Environmental Consequences."

income populations. Principles set forth in the report on the National Performance Review require the action/project will not result in a “disproportionately high and adverse human health or environmental effects of its programs, policies, activities on minority populations and low-income populations...”

Socio-Economic Impacts: The economic and social effects will be discussed in the EIS/EIR. Although not required by CEQA, NEPA requires that the effects be discussed when they are interrelated with natural or physical effects. In addition, the document will evaluate the extent to which the proposed action would have an adverse impact on low-income and minority populations. The EIS/EIR will address economic issues, based on recent studies describing jobs/housing balance, regional economy, social service, and other socio-economic issues (e.g., from recent AMBAG and City of Marina reports).

Section 4(f) Evaluation and Consultation Process: A Section 4(f) evaluation shall be prepared, if necessary, as a separate section of the EIS/EIR. It is assumed that this has been completed through the Army’s EIS process and the information will be incorporated into the EIS/EIR accordingly. This section will address potential impacts to public parks, recreational lands, wildlife and waterfowl refuges, and historic sites. Avoidance alternatives and measures to minimize harm will be included as part of the evaluation. Potential Section 4(f) resources will be identified as early as possible in the study process so that avoidance alternatives can be fully considered in the document.

DD&A will submit the First Administrative Draft to FORA, Service, CDFG, and JSA for review and comment.

Responsibility: All parties

Deliverables: First Administrative Draft EIS/EIR

TASK 6. PREPARE SECOND ADMINISTRATIVE DRAFT EIS/EIR

Upon conclusion of the review of the First Administrative Draft EIS/EIR, DD&A will revise the document based on comments, as appropriate, and submit the Second Administrative Draft for final comments before publishing the document for public review. The Second Administrative Draft will be sent to a larger list of interested parties as established in Task 2 (i.e., all HCP participants).

Responsibility: DD&A

Deliverables: Second Administrative Draft EIS/EIR

TASK 7. PREPARE PUBLIC REVIEW DRAFT EIS/EIR DOCUMENTATION

Following receipt of all comments, DD&A will prepare the Draft EIS/EIR for formal public review. We will provide copies of the document on CD-ROM and in a pdf file so that it can be posted on the FORA, Service, and CDFG websites upon publication of the Federal Register notice. DD&A will be responsible for circulating the public review

draft to the approved distribution list. The Public Review Draft EIS/EIR will be submitted to the Service with the permit application (including the Public Review HCP).

During the public review phase, DD&A will attend two public meetings in the project area. The FORA, Service, and CDFG (as needed) will be responsible for facilitating the public meetings. DD&A will prepare comprehensive documentation of the public meeting(s) and the Draft EIS/EIR circulation. This will include preparation of the Record of Public Meeting (including a certified transcript of the public meeting proceedings) and a Record of Draft EIS/EIR Circulation.

Responsibility: DD&A, Service, and FORA

Deliverables: Public Review Draft EIS/EIR (hard copy, CD-ROM, and pdf file), Record of Public Meeting, and Record of Draft EIS/EIR Circulation

Billing Title	Principal	Project Manager	Senior Planner	Senior Environmental Specialist	Assoc Planner or Biologist	Assist Planner	Word Processing	Graphics/GIS	Hours Per Task	Cost Per Subtask	Cost Per Task
1 Review Revised HCP and Environmental Documentation	4	40	10	16	32	12			114	\$12,365.00	\$12,365.00
2 Prepare Schedule for Public Draft EIS/EIR	2	4				4	2		178	\$1,280.00	\$1,280.00
3 Agency Coordination and Meetings	110			8	52	4	4		178	\$19,770.00	\$19,770.00
4 Prepare NEPA/CEQA Outline	2	10			12				24	\$2,670.00	\$2,670.00
5 Prepare First Admin Draft EIS/EIR											\$106,980.00
Intro, Purpose and Need	4	8	18		8	12	1		51	\$5,175.00	
Proposed Action and Alternatives	4	16	44	12	32	8	1	16	133	\$13,060.00	
Affected Environment/Environmental Consequences											
Specific Sections anticipated:											
Aesthetics	2	4	4		4	6	1	6	27	\$2,545.00	
Air Quality	2	14	32		40	8	1		97	\$9,410.00	
Biological Resources	2	12	16	32	80	32	1	32	207	\$19,040.00	
Cultural Resources		4	6		4	6	1	1	22	\$2,020.00	
Geology and Soils		1	2		6	1	1	1	11	\$905.00	
Hazards and Hazardous Materials		4	2		6	8	1	2	23	\$2,030.00	
Hydrology and Water Quality	1	4	2		4	12	1	2	26	\$2,350.00	
Land Use and Planning	2	4	16		6	2	1	2	33	\$3,300.00	
Noise	1	2	8		8	2	1		22	\$2,120.00	
Population and Housing	1	2	6		4	6	1		20	\$1,885.00	
Public Services	2	4	8		4	6	1		25	\$2,515.00	
Traffic and Circulation	6	20	24		14	8	6	4	82	\$8,375.00	
Utilities and Service Systems/Water Supply	1	4	18		16	4	1		44	\$4,200.00	
NEPA/CEQA Statutory Sections:											
Indirect Impacts/Growth Inducement	4	14	20		16	4	1	1	60	\$6,270.00	
Cumulative	4	12	40		32	6	1	4	99	\$9,735.00	
Unavoidable Significant Adverse Impacts	2	4	16		10	2	1		35	\$3,510.00	
Environmental Justice	2	4	6		16	2	1		31	\$3,060.00	
Socio-Economic	2	4	6		16	2	1		31	\$3,060.00	
Section 4(f) Evaluation and Consultation	2	6	4		8	2	1		23	\$2,415.00	
6 Prepare Second Admin Draft EIS/EIR	8	24	32	10	48	10	6	4	142	\$14,355.00	\$14,355.00
7 Prepare Public Review Draft EIS/EIR	6	16	24	6	32	8	6	3	101	\$10,100.00	\$10,100.00
Total Hours	66	351	364	84	504	182	44	78	1673		
Hourly Rate	\$185.00	\$125.00	\$97.50	\$120.00	\$87.50	\$77.50	\$50.00	\$70.00			
Total Labor	\$12,210.00	\$43,875.00	\$35,490.00	\$10,080.00	\$44,100.00	\$14,105.00	\$2,200.00	\$5,460.00		\$167,520.00	\$167,520.00
Subconsultants:											
Air Quality Analysis											
Traffic Analysis											
TOTAL SUBCONSULTANTS											
Expenses:											
Printing/Xerox											
Mileage/Communications											
Miscellaneous											
TOTAL EXPENSES											

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Habitat Conservation Plan approval process	
Meeting Date:	August 8, 2008	INFORMATION
Agenda Number:	6a	

RECOMMENDATION(S):

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

BACKGROUND/DISCUSSION:

Recent Developments:

1. On March 28, 2008, California Resources Secretary Mike Crisman met with the Fort Ord Reuse Authority's ("FORA") legislative representatives and confirmed prior commitments to employ sufficient staff and resources within California Department of Fish and Game ("CDFG") to meet review schedules and resolve outstanding HCP issues.
2. On April 21, 2008, U.S. Fish and Wildlife Service ("USFWS") Assistant Director Brian Arroyo gave assurances that he would apply his resources to resolve funding issues between USFWS and the Bureau of Land Management ("BLM") and to meet HCP review schedules for the HCP and HCP National Environmental Policy Act ("NEPA") documents.
3. On May 5, 2008, Denise Duffy & Associates ("DD&A"), NEPA/ California Environmental Quality Act ("CEQA") consultant, held a conference call meeting of the principals to schedule final Environmental Impact Statement ("EIS")/ Environmental Impact Report ("EIR") document processing.
4. On June 18, 2008, the HCP working group reviewed the revised Monitoring Chapter and provided feedback to Jones & Stokes on the Implementation and Funding Chapters.
5. The next HCP working group meeting will be held later this month.

Past Actions:

FORA completed a Draft HCP on January 23, 2007 covering topics necessary to submit the HCP to CDFG and an application for a basewide State 2081 ITP. The Draft HCP was circulated to USFWS, CDFG, FORA's land use jurisdictions, and other prospective habitat managers participating in the program. USFWS provided written comments on the Draft HCP in March 2007, July 2007, and February 2008. CDFG provided written comments in April 2007.

To define necessary steps to obtain CDFG approval of a basewide State 2081 Permit, FORA's legislative representatives met with key stakeholders in CDFG, California Department of Parks and Recreation ("State Parks"), and the Governor's Office on April 30, 2007. Subsequent meetings were held with Mike Crisman, State of California Resources Secretary, and John McCamman, CDFG Chief Deputy Director (at the time). These discussions identified several steps for FORA and CDFG to take to secure a

successful 2081 permit. The representatives and stakeholders identified a need for a larger scope for the HCP consultant work, requiring FORA to redistribute a Request for Qualifications ("RFQ") containing a larger budget than previously included in the March 2007 RFQ. In return, key stakeholders in Sacramento gave assurances they would perform required work on their end and support a "final" process. In response to the need for an expanded scope of work, at its May 11, 2007 meeting, the FORA Board directed staff to redesignate unused HCP funds in Fiscal Year ("FY") 06-07 for HCP consultant work and directed staff to enter into a contract, not to exceed \$150,000, with an HCP consultant to conduct the increased scope of work.

FORA staff received several responses to its RFQ and selected Jones & Stokes, Inc. ("Jones & Stokes") for the contract, which gives FORA the expertise to respond to USFWS and CDFG comments on the draft HCP. Jones & Stokes successfully completed comparable HCP's in Northern California and is the author of the 1997 Fort Ord Habitat Management Plan. The initial contract was for \$85,445 and covers revisions to Draft HCP chapters, resulting from agency comments and FORA staff concurrence. An amendment to this contract for additional tasks and budget to recombine State and Federal HCP's was approved on September 14, 2007. The approved FY 06-07 and FY 07-08 budgets included additional funding for this purpose.

Jones & Stokes have identified a window of opportunity to expedite permit issuance. As noted, Jones & Stokes have proposed recombining the truncated State and Federal HCP processes into one HCP document and one combined public review period, which would result in a shorter timeframe for Federal and State permit issuance and a stronger HCP document. Significant progress on the State HCP made in the last year should allow Jones & Stokes to complete the necessary Federal HCP chapters on an expedited basis. This allows FORA to use the HCP document for both Federal NEPA and State CEQA permit applications.

On May 23, 2007, FORA hosted an HCP working group meeting among Jones & Stokes, FORA, CDFG, USFWS, University of California ("UC"), BLM, and State Parks to discuss agency comments on the Draft HCP Funding Chapter. The HCP working group identified issues and discussed probable solutions to improve the Draft HCP funding section. A follow-up conference call occurred on May 31, 2007. To expedite agency review of the Draft HCP, Jones & Stokes suggested that USFWS and CDFG prepare comment letters on Draft HCP chapters reviewed to date and that the agencies offer oral comments on the remaining chapters. This approach was well received and was discussed in further detail during a strategy session among FORA, USFWS, and CDFG held in early June. On July 12, 2007, the HCP working group met, reviewed past comments received from USFWS and CDFG, reviewed Jones & Stokes' technical memo proposing revisions to the draft HCP, and reviewed Jones & Stokes' draft costing model. On August 29, 2007, the HCP working group held another meeting, in which the group: provided additional feedback on the draft costing model, requested feedback from working group members on Draft HCP sections, addressed questions on the Early Transfer/ Environmental Services Cooperative Agreement, and asked for feedback from USFWS and CDFG on inclusion of the proposed alignment of the Multi-Modal Corridor along Intergarrison Road in lieu of a previous alignment bisecting the UC Fort Ord Natural Reserve. On November 15, 2007, the working group reviewed a draft HCP Implementing Agreement, a required HCP document.

On October 1, 2007, Mayor Joe Russell, then Marina Mayor Ila Mettee-McCutchon, and Mayor Ralph Rubio met with State of California Resources Secretary Crisman and CDFG Interim Director McCamman and, as a consequence, a letter was drafted demonstrating CDFG support for FORA's Early Transfer/ Environmental Services Cooperative Agreement activities. In December 2007, Jones & Stokes personnel met with USFWS in Ventura regarding staff transition and other issues. Jones & Stokes presented the revised draft HCP Funding Chapter, costing model assumptions/inputs, and HCP development schedule to the HCP working group on April 10, 2008 to generate feedback from working group members.

FISCAL IMPACT:

Reviewed by FORA Controller 

In September 2007, the FORA Board amended the initial \$85,445 Jones & Stokes Contract resulting in a combined budget authority not to exceed \$236,550. Funding for this contract was designated in the FY 06-07 and 07-08 budgets.

COORDINATION:

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

Prepared by 

Steve Endsley

Approved by 

Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2008-2009: <u>SECOND VOTE</u> - Resolution No. 08-06 Adopting a Compensation Plan and Setting Rates, Fees and Charges for Base-Wide Water, Recycled Water and Sewer Services on former Fort Ord	
	Meeting Date: August 8, 2008 Agenda Number: 6b	ACTION

RECOMMENDATION:

Fort Ord Reuse Authority ("FORA") staff recommends that the FORA Board of Directors take a second vote on the following motion:

- Approve Resolution #08-06 (**Attachment A**) adopting a compensation plan and setting rates, fees and charges for base-wide water, recycled water and sewer services on the former Fort Ord.

BACKGROUND/DISCUSSION:

The July 2008 board report (**Attachment B**) is included as reference.

FISCAL IMPACT:

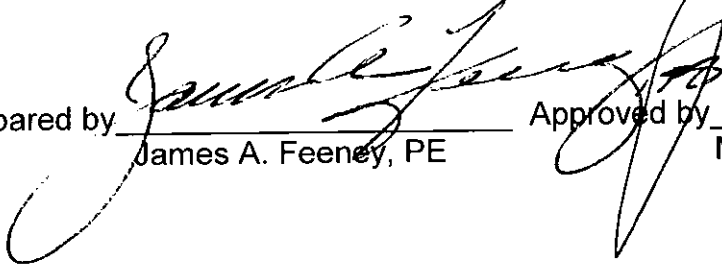
Reviewed by FORA Controller 

It is anticipated that the compensation plan will be in effect August 13, 2008, should the FORA Board act to approve Resolution #08-06. The rates and fees will support the provision of water/wastewater services on the former Fort Ord. Staff time and support for this item are included in the Fiscal Year 2007-2008 and 2008-2009 budgets.

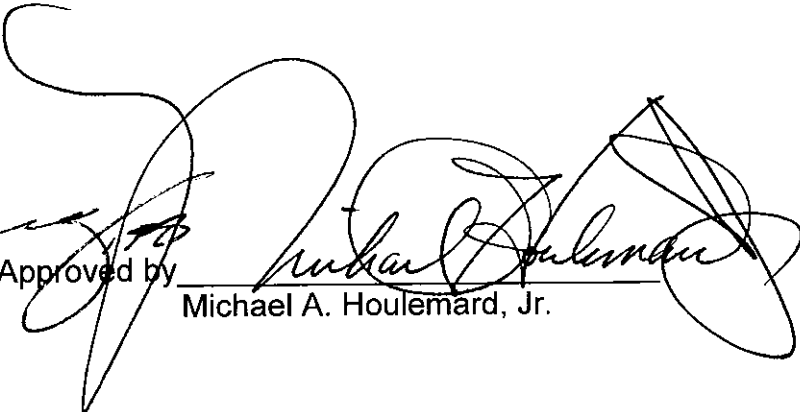
COORDINATION:

Water/Wastewater Oversight Committee, Administrative Committee, Executive Committee, MCWD.

Prepared by


James A. Feeney, PE

Approved by


Michael A. Houlemard, Jr.

DRAFT

Resolution No. 08-06
Resolution of the Board of Directors
Fort Ord Reuse Authority

Attachment A
To Item 6b
FORA Board Meeting, August 8, 2008

Adopting the Budget and the Ord Community Compensation Plan for FY 2008-2009

August 8, 2008

RESOLVED by the Board of Directors ("Directors") of the Fort Ord Reuse Authority ("FORA"), at a regular meeting duly called and held on August 8, 2008 at the business office of FORA 100 12th St., Bldg. 2880, Marina, California as follows:

WHEREAS, Marina Coast Water District ("District") Staff prepared and presented the draft FY 2008-2009 Budget (**Exhibit A**) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of FORA and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA created under Title 7.85 of the California Government Code, Chapters 1 through 7, inclusive, commencing with Section 67650, *et seq.*, and selected provisions of the California Redevelopment Law (the FORA Act), is authorized to, particularly Government Code 67679(a)(1), to arrange for the provision of water and wastewater services to the Ord Community; and

WHEREAS, the District and FORA, entered into a "Water/Wastewater Facilities Agreement" ("the Agreement") on March 13, 1998, and have subsequently duly amended the Agreement; and

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, short-term and long-term costs, including capital costs, to furnish the water and wastewater facilities; and

WHEREAS, the Agreement, as amended, provides that FORA and the District will each adopt the annual Budget and Compensation Plan by resolution; and

WHEREAS, the proposed Budget and Compensation Plan for 2008-2009 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable MCWD to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA for water and wastewater services apply only to the area within FORA's jurisdictional boundaries; and,

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

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

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

WHEREAS, MCWD has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army; and

Attachment A
To item 6b
FORA Board Meeting
August 8, 2008

WHEREAS, FORA and MCWD have agreed that water conservation is a high priority, and have implemented a water conservation program in the Ord Community service area that includes public education, various incentives to use low-flow fixtures, and water-conserving landscaping. The rates, fees and charges adopted by this Resolution 08-06 are intended to support the water conservation program and encourage water conservation, pursuant to sections 375 and 375.5 of the California Water Code. This conservation program and these rates, fees and charges are in the public interest, serve a public purpose, and will promote the health, welfare, and safety of Ord Community, and will enhance the economy and quality of life of the Monterey Bay community; and

WHEREAS, monthly service fees or charges are imposed as a condition of service to customers, and monthly water quantity and sewer rates are imposed on the basis of the amount of water used or consumed by the customer, and any customer may avoid payment of the quantity rates and the service fees or charges by disconnecting from the facilities; and

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

WHEREAS, a five-year water and wastewater financial plan and rate study prepared by Bartle Wells Associates in 2008 for the District recommended increase in rates, fees, charges and capacity charges (connection fees) for water and wastewater services to the Ord Community; and

WHEREAS, the capacity charges (connection fees) and capital surcharges continue in effect unchanged from prior fiscal year and no action is being taken by this Resolution to change the capacity charges (connection fees) and capital surcharges; and

WHEREAS, after a public meeting based upon staff's recommendations, the Board has determined that the Budget and Compensation Plan, including the rates, fees and charges therein, should be adopted as set forth on Exhibit A to this Resolution; and

WHEREAS, Government Code Section 54999.3 requires that before imposing certain capital facilities fees on certain educational and state entities, any public agency providing public utility service must negotiate with the entities receiving the service; and

WHEREAS, Capacity Charges (connection fees) and Capital Surcharges for the FY 2008-2009 will continue in effect unchanged from FY 2007-2008; and

WHEREAS, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in approving rates, fees and charges for the area of Ord Community within the jurisdiction of the U.S. Army, the District is acting to provide continued water, recycled water and sewer service within existing service areas on the Ord Community, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS,

1. The Board of Directors of the Fort Ord Reuse Authority does hereby approve and adopt FY 2008-2009 Budget and Compensation Plan for water, recycled water and wastewater services to the Ord Community.

2. The District is authorized to charge and collect rates for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the rates, fees and charges set forth in Exhibit A. The District is further authorized to use the same rates, fees and charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The rates, fees and charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed.
4. The District will comply with Government Code Section 54354.5 in adopting the rates, fees and charges set forth in Exhibit A.
5. Capacity charges (connection fees) and capital surcharges remain in effect unchanged from prior fiscal year and no action is being taken by this Resolution to change the capacity charges (connection fees) and capital surcharges.

PASSED AND ADOPTED on August 8, 2008, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Joseph P. Russell, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 08-06 adopted August 8, 2008.

Michael A. Houlemard, Jr., Secretary

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Ord Community Water/Wastewater Systems

Compensation Plan

for FY 2008-2009

presented to

Fort Ord Reuse Authority

Board of Directors

August 8, 2008

by

Marina Coast Water District

Exhibit A
To Attachment A, Item 6b
FORA Board Meeting
August 8, 2008

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Draft FY 2008-2009 Ord Community Service Area Budget Summary

Introduction. The purpose of this summary is to provide an overview of the FY 2008-2009 Budget document and the key assumptions used in developing this Budget document.

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

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

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

Cost Centers:

- Marina Water
- Marina Wastewater Collection (Sewer)
- Ord Community Water
- Ord Community Wastewater Collection (Sewer)
- Regional Water Augmentation Project (RUWAP)

Assumptions:

- Revenues:
 - Ord Community Water \$4.824 million (proposed Consumer Price Index increase of 10%)
 - Ord Community Wastewater Collection \$1.624 million (proposed Consumer Price Index increase of 3.8%)
- New financing (use of 2006 Series Bond proceeds):
 - 2006 series bond proceeds to fund \$5.337 million for Ord Community Water, \$1.000 million for Ord Community Wastewater, and \$2.786 million for Regional Water Augmentation Project
- Expenses:
 - Ord Community Water \$3.872 million
 - Ord Community Wastewater Collection \$1.062 million
 - Regional Water Augmentation \$0.338 million
- Debt Service on existing loans (principal/interest):
 - Ord Community Water \$0.693 million
 - Ord Community Wastewater Collection \$0.366 million
 - Regional Water \$0.220 million

- Capital Replacement Reserve Fund:
 - Ord Community Water \$0.200 million
 - Ord Community Sewer \$0.100 million

Ord Community Water Rates (monthly):

	FY 2007-2008	FY 2008-2009
Meter Service Charge	\$12.50	\$13.75
First Tier (0-8 hcf)	1.70	1.87
Second Tier (8-16 hcf)	2.39	2.63
Third Tier (16+ hcf)	3.08	3.39
Flat Rate Billing	52.10	67.76
Average Monthly bill (13 units)	\$38.05	\$41.86

Ord Community Wastewater Collection Rates (monthly):

	FY 2007-2008	FY 2008-2009
Monthly Flat Fee Bill	\$20.20	\$20.97

Capacity Charge:

- Ord Community Water Capacity Charge \$2,800* per equivalent dwelling unit
- Ord Community Wastewater Collection Capacity Charge \$1,000 per equivalent dwelling unit
- * Ord Community water capacity charge includes future contributions from FORA towards RUWAP Project

Monthly Capital Surcharge*:

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

Capital Improvement Programs:

- Ord Community Water \$5.376 million
- Ord Community Wastewater Collection \$1.006 million
- Regional Water Augmentation Project \$2.488 million

District Overhead:

- Support for a staff of 40 positions:
 - Administration – 13
 - Operations & Maintenance – 15
 - Laboratory – 2
 - Conservation – 2
 - Engineering – 8

**ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2008 - 2009**

Water Consumption Charge

0 - 8 hcf	First Tier	1.87	per hcf
8 - 16 hcf	Second Tier	2.63	per hcf
16+ hcf	Third Tier	3.39	per hcf
	Monthly Capital Surcharge (New EDU)	20.00	per EDU
	Flat Rate	67.76	per unit

Monthly Minimum Water Charges

<u>Size</u>	<u>Fee</u>
5/8" or 3/4"	\$13.75 per month
1"	\$34.38 per month
1 1/2"	\$68.73 per month
2"	\$109.96 per month
3"	\$206.18 per month
4"	\$343.63 per month
6"	\$687.27 per month
8"	\$1,374.53 per month

Monthly Minimum Sewer Charges

Monthly Wastewater Charge	\$20.97 per EDU
Monthly Capital Surcharge (New EDU)	\$5.00 per EDU

Temporary Water Service

Meter Deposit Fee	\$650.00
Hydrant Meter Fee (Set/Remove Fee)	\$140.00 one time fee
Hydrant Meter Fee (Relocate Fee)	\$140.00 per occurrence
Minimum Monthly Service Charge	\$67.47 per month
Estimated Water Consumption Deposit	\$1,100.00 minimum

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

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

Water	\$2,800.00 per edu
Sewer	\$1,000.00 per edu

**MARINA & ORD COMMUNITY
WATER & WASTEWATER SYSTEM
RATES, FEES and CHARGES
FY 2008 - 2009**

Labor Charges

District Engineer	\$90.00 per hour
Capital Projects Manager	\$75.00 per hour
Operations Engineer	\$75.00 per hour
Projects Engineer	\$65.00 per hour
Associate Engineer	\$55.00 per hour
Engineering Administrative Assistant	\$40.00 per hour
Operations & Maintenance Superintendent	\$75.00 per hour
Operations & Maintenance System Operator 3	\$60.00 per hour
Operations & Maintenance System Operator 2	\$55.00 per hour
Operations & Maintenance System Operator 1	\$50.00 per hour

Equipment Charges

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

Miscellaneous Charges

Photocopy Charges	\$0.50 per copy
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Water Meter Installation Fee

(Includes box and meter)

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

Actual direct and indirect cost to district.

Advance payment to be based on estimated cost.

Other Fees and Charges

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

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Ord Community Water System

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

EXHIBIT W-1

	Adopted Budget Ord Community Water Expenses FY 2007-2008	Proposed Budget Ord Community Water Expenses FY 2008-2009
Administration/Management		
Personnel	\$418,420	\$656,490
Expenses	\$614,510	\$608,060
Insurance	\$41,750	\$47,650
Legal	\$37,950	\$42,640
Interest Expense	\$289,000	\$394,240
subtotal	\$1,401,630	\$1,749,080
Operations & Maintenance		
Personnel	\$530,970	\$667,560
Maintenance Expenses	\$124,690	\$152,100
Power Costs	\$473,500	\$428,500
Annual Maintenance	\$7,800	\$50,000
subtotal	\$1,136,960	\$1,298,160
Laboratory		
Personnel	\$122,400	\$140,850
Equipment/Expenses	\$34,670	\$33,415
Lab Contract Services	\$31,000	\$10,000
subtotal	\$188,070	\$184,265
Conservation		
Personnel	\$96,630	\$107,270
Equipment/Expenses	\$46,810	\$62,018
subtotal	\$143,440	\$169,288
Engineering		
Personnel	\$361,240	\$413,990
Equipment/Expenses	\$10,300	\$6,960
Outside Consultants	\$42,000	\$50,600
subtotal	\$413,540	\$471,550
Total Operating Expenses	\$3,283,640	\$3,872,343

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EXHIBIT 12

1 Marina Coast Water District																						
A	F	G	H	K	L	O	P	Q	R	S	T	U	V	W								
4	CIP #	Description	Reason/Funding	Original Cost	JAN 2008 Cost	FY 07/08 Budget	Previous FY Amendments	Previous FY Encumbered	Previous FY Remaining	FY 08/09 Proposed	FY 09/10 Proposed	FY 10/11 Proposed	FY 11/12 Proposed	FY 12/13 Proposed	OUT YEARS							
63	Ord Community Water	03-00-160-000																				
64	FY 2007/2008																					
65	OW-0116	Well No. 33, Well Field Reservoir & ASP Booster Station (Design) (CIP No. 4.01, 3.07)	R&R	CC	1,054,500	1,141,100		1,215,000	0													
66	OW-0116	Gen Jim Moore Blvd (Del Rey Oaks) (Design)	DEV	CC	725,000	784,500		25,500	0													
67	OW-0119	Replace D & E Reservoir (Construction/Design)	R&R	CC	8,326,680	8,326,680		8,975,000	0													
68	OW-0117	18' UCMBEST Mitigation Monitoring Program	R&R	CC	84,000	84,000	15,000	67,000	47,000													
69	OW-0118	"B" Zone Tank @ East Garrison (and demo travel Camp Tank) (Design)	R&R	CC	334,550	362,500	2,903,904		0													
70	OW-0122	Replace D & E Reservoir OR-Site Piping	R&R	CC	750,000	811,600		114,000	0													
71	OW-0128	Lighting "B" Zone Pipeline Extension (Design)	R&R	CC	75,000	81,200		66,000	80,300	0												
72	WD-0110	Asset Management Program - Phase I	OPS	OR	250,000	250,000		139,440	0													
73	WD-0115	SCADA System Improvements (planning/construction)	R&R	OR	337,500	337,500		188,000	105,000													
74		TOTAL 2007/2008			12,083,980	12,083,980		10,621,400	152,000	0	0	0	0	0								
75	FY 2008/2009																					
76	OW-0116	ASP Booster Station / Well 33 (Construction) (CIP No. 4.01, 1.04)	R&R	CC	1,332,940	482,400			501,696													
77	OW-0170	Well 34 (deep aquifer at Well 32 site) (Design/Construction)	R&R	OR	1,650,000	1,650,000			1,716,000													
78	OW-0128	Lighting "B" Zone Pipeline Extension (Construction)	R&R	CC	231,000	250,000			264,000													
79	OW-0124	Gen Jim Moore Blvd (Del Rey Oaks) (Construction)	DEV	CC	2,611,000	2,825,300	2,927,704		2,938,312													
80	OW-0124	Gen Jim Moore Blvd (Del Rey Oaks) (Construction)	OPS	CC	100,000	100,000	50,000		56,160													
81	OW-0124	Integrated Regional Water Management Plan - Update	R&R	OR	250,000	250,000	349,440		109,200													
82	WD-0115	SCADA System Improvements - Phase I	R&R	CC	17,000	17,000			5,000	5,000												
83	OW-0117	18' UCMBEST Mitigation Monitoring Program	R&R	CC	17,000	17,000			11,935	11,935												
84	NA	Basewide Environmental Insurance (50% OW, 50% OS)	OPS	CC	20,658	20,700	10,329		0	10,764	11,935	11,943	12,108	12,592								
85		TOTAL 2008/2009			5,595,400	4,879,169			264,000	5,337,132	208,595	18,604	32,108	12,592	0							
86	FY 2009/2010																					
87	OW-0115	SCADA System Improvements - Phase II	R&R	OR	250,000	250,000					113,568											
88	WD-0115	2010 - Urban Water Mgmt. Update	OPS	CC	300,000	300,000					175,219											
89		TOTAL 2009/2010																				
90	FY 2010/2011																					
91	OW-0115	Watkins Gate Well (Design)	R&R	OR	165,000	165,000					185,603											
92	OW-0115	SCADA System Improvements - Phase III	R&R	OR	100,000	100,000					27,244											
93		TOTAL 2010/2011																				
94	FY 2011/2012																					
95	OW-0115	Watkins Gate Well (Construction)	DEV	CC	1,650,000	1,650,000					1,930,267											
96	OW-0157	2nd Ave extension to Gilling Rd	R&R	CC	170,950	184,500	225,472				216,307											
97	OW-0117	Gilling Transmission from D Booster to JM Blvd	DEV	CC	93,960	112,300					131,375											
98	OW-0127	South Boundary Road Pipeline (DRG In-Track) (20% allocation for up-stang, if DEV)	DEV	CC	1,317,000	1,425,100					333,433											
99	OW-0127	Fire Flow Improvements - Commercial Flow (Design) on CSU	R&R	CC	73,200	87,500					102,963											
100	OW-0127	7th Avenue and Gilling Rd (Design)	DEV	CC	25,550	30,700					35,915											
101	OW-0127	2011 - Ord Water Master Plan	OPS	CC	200,000	200,000					233,972											
102		TOTAL 2011/2012			3,690,500	225,472			113,600	0	0	0	2,983,631	0								
103	FY 2012/2013																					
104	OW-0118	"B" Zone Tank @ East Garrison (and demo travel Camp Tank) (Construction)	R&R	CC	1,888,050	2,053,800				0				2,488,782								
105	OW-0118	2nd Ave connection, Reservoir to Imjin (2005)	DEV	CC	1,000,000	1,000,000				1,000,000				1,216,653								
106	OW-0118	Watkins Gate Well Transmission Mains (Design/Construction)	DEV	CC	1,300,000	1,300,000								1,581,649								
107	OW-0118	Demolish Bayview Reservoir (2010)	R&R	CC	150,000	179,300								218,146								
108	OW-0169	Intergration Road PRV	R&R	CC	122,000	132,100	138,864							160,720								
109	OW-0169	7th Avenue and Gilling Rd (Construction)	DEV	CC	145,350	173,700								213,333								
110	OW-0169	CSU Fireflow Improvements	R&R	DEV	96,000	103,900	107,744							126,410								
111	OW-0169	Fire Flow Improvements - Commercial Flow (Construction) on CSU	R&R	CC	414,800	455,700				454,500				603,095								
112	OW-0169	Fire Flow Improvements - Residential Fire Flow @ 3RD Ave (Vets Housing)	R&R	CC	27,500	32,900								40,028								
113	OW-0169	Fire Flow Improvements - Commercial Fire Flow to Shocks	R&R	CC	461,900	550,900								670,254								
114	OW-0169	Fire Flow Improvements - Residential Fire Flow between UV and Seaside Gt	R&R	CC	142,500	170,300								207,196								
115	OW-0164	Reservation Rd to Imjin Main Improvements (Construction) (2,900 ft of 12")	R&R	CC	322,150	348,800								424,125								
116	OW-0164	"A1/A2" Zone Tank & B/C Booster Sta @ CSUMB (Design)	R&R	CC	647,610	700,300	1,228,916			0				1,144,547								
117	OW-0112	Phase 1B - Well 33, Well Field Res & Booster Station (Design) (CIP No. 4.01)	DEV	CC	403,000	436,100								852,022								
118	OW-0123	"B2" Zone Tank @ CSUMB (Design)	R&R	CC	114,570	136,900	244,914							296,514								
119	OW-0123	Abrams Road Pipeline (Design) in CSU East Housing Area	R&R	CC	160,000	180,000	500,000							168,560								
120	OW-0110	Asset Management Program - Phase I	OPS	OR	250,000	250,000	109,200							81,750								
121	OW-0110	Asset Management Program - Phase II	OPS	OR	250,000	250,000								127,749								
122	WD-0110	Corp Yard (Design)	OPS	CC	500,000	600,000	222,000							306,597								
123	WD-0106	Corp Yard (demolition/construction)	OPS	CC	5,000,000	5,000,000	436,800							2,554,871								
124		TOTAL 2012/2013			15,585,600	2,986,437		454,400	0	0	0	0	0	13,479,085	0							
125	OUT YEARS																					
126	OW-0165	Rehabilitate/Replace Well 29 & TCE Treatment (Design/Construction)	R&R	CC	1,158,000	1,383,600								1,750,895								
127	OW-0122	"A2" Zone Tank @ CSUMB (Design/Construction)	DEV	CC	1,610,000	1,742,100								2,204,312								
128	OW-0123	"B2" Zone Tank @ CSUMB (Construction)	DEV	CC	1,610,000	1,742,100								2,204,312								
129	OW-0112	"A1/A2" Zone Tank & B/C Booster Sta @ CSUMB (Construction)	R&R	CC	5,074,000	5,499,400								3,751,438								

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EXHIBIT 100

Marina Coast Water District															Each Proposed FY Column is escalated for inflation at a rate of 4% / year									
A	F	G	H	K	L	O	P	Q	R	S	T	U	V	W										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15										
CIP #	Description	Reason	Funding	Original Cost	JAN 2008 Cost	FY 0708 Budget	Previous FY Amendments	Previous FY Encumbered	Previous FY Remaining	FY 0809 Proposed	FY 0910 Proposed	FY 1011 Proposed	FY 1112 Proposed	FY 1213 Proposed										
135	OW-0164	Reservation Rd to Injin Main Improvements (Design) (2.800 R of 12)	R&R	CC	56,850	61,600								77,944										
136	Sand Tank Demolition (Design/Construct)	R&R	DEV	288,000	311,700									394,400										
137	OW-0131	Alarms Road Pipeline (Construct) in CSU East Housing Area	R&R	DEV	114,570	135,900								173,222										
138	OW-0000	Reservoir A3 (1.6 MG) (Design / Construct)	DEV	2,301,000	2,483,800									1,701,211										
139	OW-0000	Excavate Road (D-Zone pipeline) (Design - cost earned from S-5.04)	DEV	345,000	345,000	558,800								436,535										
140	OW-0000	Surplus Area 2 Pipelines	R&R	OR	773,000	836,500								1,058,439										
141	OW-0129	Reservoir "D2" (Design/Construct) [2010]	DEV	CC	2,375,000	2,589,900								3,251,743										
142	OW-0129	Rehabilitate Well 31 (Design/Construct)	R&R	CC	1,177,500	1,405,900			0					1,780,177										
143	OW-0171	Eucalyptus Rd Pipeline	DEV	CC	1,735,000	1,877,400								2,375,510										
144	OW-0116	Phase 1B - Well 33, Well Field Res & Booster Station (Construct) [CIP No. 4.0 DEV	DEV		3,669,790	3,967,900								5,020,659										
145	OW-0121	"C2" to "B4" Pipeline and PRV Station	DEV		1,037,000	1,122,100								1,419,814										
146	OW-0121	Reservoir B4/S5 to East Garrison Pipeline	DEV		188,000	203,500								257,492										
147	OW-0121	Excavate Road (D-Zone pipeline) (construct-cost earned from S-5.04)	DEV		2,300,000	2,300,000								2,910,234										
148	OW-0121	Injin Road, Reservoir to Injin Pkwy, realignment in 2013 (Design Construct)	DEV											0										
149	OW-0164	Booster Station @ UMBEST Add'l Pump Cap. (Design)	DEV		171,000	185,100								234,211										
150	OW-0164	Booster Station @ UMBEST Add'l Pump Cap. (Construct) [2015]	DEV		296,500	320,900								406,041										
151	OW-0164	Booster Station @ UMBEST Add'l Pump Cap. (Construct) [2015]	DEV		963,000	1,048,600								1,326,814										
152	OW-0164	Injin Road @ Airport Area (Design/Construct) [2015]	DEV		100,000	108,300								137,034										
153	OW-0164	Golf Boulevard Transmission Line	DEV		796,000	861,400								1,089,946										
154	OW-0164	"B5" Zone Tank @ East Garrison [2011]	DEV		2,301,000	2,488,900								3,150,391										
155	OW-0164	Blanchefin Connector - road project pending change	DEV		473,000	473,000								596,486										
156	OW-0164	Reservoir B Supply Line (Design/Construct) [2015]	R&R		134,490	232,400								294,060										
157	OW-0164	Eastern Well Field - ROLLUP thru well 39 (includes Well 33 Phases 2 and 3) [W&E]	DEV		32,794,000	35,484,700								44,899,466										
158	OW-0164	Eastern Well Field - ROLLUP thru well 43 (Need to split out)	DEV		20,238,000	21,898,500								27,708,589										
159	OW-0164	TOTAL OUT YEARS			91,090,100	4,158,232								110,613,186										
160	OW-0164	TOTAL - Ord Community Water			128,840,860	10,809,982								13,491,681										
161	OW-0164																							
162	OW-0164																							
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**MARINA COAST WATER DISTRICT
ORD COMMUNITY WATER SYSTEM OPERATIONS
REVENUE PROJECTIONS FOR FY 2007-2008**

EXHIBIT W-3

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		Adopted FY 2007-2008	Proposed FY 2008-2009
	Number of water services		
	# Flat Rate Customers	2,354	2,354
	# Metered Customers	2,270	1,927
	Total Customers	4,624	4,281
	Annual Water Usage (in AF)		
	Metered use	1,225	1,250
	Unmetered use / Losses	1,343	1,350
	Total Water Usage	2,568	2,600
	Monthly Service Charges		
	Flat Rate Billing (includes capital component charge)	\$52.10	\$67.76
	Metered Service Charge - 3/4" Meter	\$12.50	\$13.75
	Monthly Quantity Rates		
	Tier 1 (0-8 hcf)	\$1.70	\$1.87
	Tier 2 (8 - 16 hcf)	\$2.39	\$2.63
	Tier 3 (16+ hcf)	\$3.08	\$3.39
	Monthly Capital Surcharge (per EDU)	\$20.00	\$20.00
	Annual Revenue Calculations		
	Flat Rate Accounts	1,472,000	1,950,000
	Metered Accounts	1,902,000	2,090,000
	Capacity Fee (\$2,800 per EDU)	1,680,000	15,000
	Other Fees & Charges	65,000	33,800
A	Total Operating Revenue	\$5,119,000	\$4,088,800
B	Financing	16,581,004	5,337,132
D	Non-operating Revenue (Interest Income)	100,000	750,000
E	TOTAL REVENUE (A through D)	\$21,800,004	\$10,175,932
F	Operating Expenditures	2,889,834	3,532,343
G2	CIP Projects	16,581,004	5,337,132
G3	General Capital Outlay	86,640	39,320
I	Costs for Bond Issuance	0	0
J1	Debt Service	250,000	298,640
K	Capital Replacement Reserve Fund	200,000	200,000
L	Payments to Land Use Jurisdictions/FORA		
	Reimb. to Land Use Agencies (5% of OR)	167,639	110,000
	FORA Admin/Liaison Fees	25,000	25,000
	Reimbursements to FORA (5% of OR)	167,639	170,000
	Mmbrshp on FORA Bd. of Directors (1% of OR)	33,528	35,000
M	TOTAL EXPENDITURES (F through L)	\$20,401,284	\$9,747,435
	NET REVENUE (E-M)	\$1,398,720	\$428,497

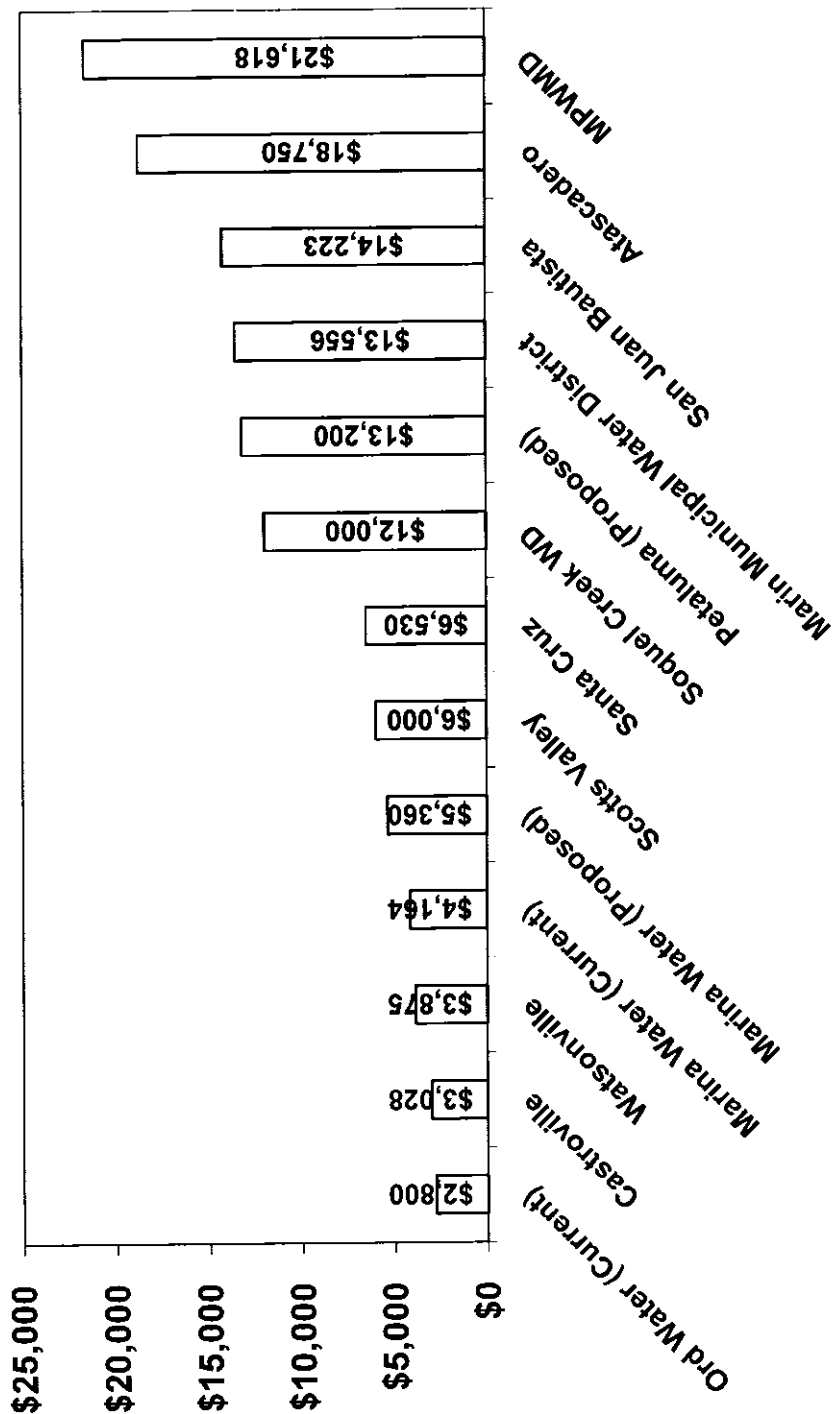
DRAFT**EXHIBIT W-4****MONTHLY WATER RATES FOR REGION SURROUNDING THE ORD COMMUNITY**

Revised May 2008

TYPE OF FEE	CAL-AM	California Water Service Company	MCWD City of Marina ¹	City of Seaside	City of Del Rey Oaks (Cal-Am)	FY 08/09 MCWD Ord Community
Quantity Rate per 100 cu.ft.						
1st tier	\$1.6804	\$1.2334	\$1.79	\$2.14	\$1.6804	\$1.87
2nd tier	\$3.3608		\$2.18	\$3.45	\$3.3608	\$2.63
3rd tier	\$5.0413		\$3.98	\$4.64	\$5.0413	\$3.39
4th tier	\$6.7217			\$6.04	\$6.7217	
5th tier	\$13.4434			\$11.2300	\$13.4434	
Breakpoint for 1st tier	350		800	2,000	700	800
Breakpoint for 2nd tier	700		1,600	4,000	1,400	1,600
Breakpoint for 3rd tier	1,050		1,600 +	6,000	2,100	1,600 +
Breakpoint for 4th tier	1,400			8,000	2,800	
Breakpoint for 5th tier	2,800 +			8,000 +	2,800 +	
Meter Service Charge per month						
3/4-inch	\$10.62	\$17.46	\$14.72	\$8.79	\$10.62	\$13.75
Service Charge (hcf)		0.042				
Service Charge (monthly)	0.9625	0.190			0.9625	
Surcharges	6.74				6.74	
For illustrative purposes only, monthly rates based on 13 hcf/month, or 0.358 acre feet/year	\$81.97	\$34.23	\$39.94	\$36.61	\$50.25	\$41.86

EXHIBIT W-4A

WATER CAPACITY CHARGE FOR REGION SURROUNDING THE ORD COMMUNITY



2007 Ord Community Water Consumption vs. Allocation (in Acre Feet per year)

EXHIBIT W-5

Entity	2006 Consumption	2007 Consumption	Fort Ord Reuse Plan Allocation (AFY)	% of
OMC				
Nonresidential	36	46		
Residential	139	153		
Residential (e)	410	410		
Irrigation	30	32		
Subtotal	615	641	1,577.0 (1) (4)	41%
Construction Water - Army	1	0		
CSUMB				
Main Campus	66	78		
CSUMB Housing (metered)	15	17		
CSUMB Housing (e)	380	380		
CSUMB Irrigation	34	35		
CSUMB Irrigation (e)	95	95		
Subtotal	590	605	1,035.0	58%
UC MBEST	5	3	230.0 (2)	
County	3	197	710.0 (7)	
County/State Parks	0	0	45.0	
Cty/Del Rey Oaks	0	0	242.5 (6)(7)	
Cty/Monterey	0	0	65.0	
Cty/Marina (Sphere)	0	0	10.0	
Subtotal	8	200	1,302.5	15%
UCMBEST Agricultural Consumption	202	37		
Seaside				
Golf Course	11	21		
MPUSD	81	89		
Brostrom	60	64	85.0 (4)	
Thorson	62	63	120.0 (3)	
Seaside Highlands	188	199		
Monterey Bay Land, LLC	0	0	114.0 (5)	
Other	3	8	693.0 (7)	
Subtotal	405	444	1,012.0 (4)	44%
Construction Water - Seaside	16	7		
Marina				
Preston/Abrams	173	171		
Airport	5	5		
Other	56	172		
Subtotal	234	348	1,325.0 (7)	26%
Construction Water - Marina	38	86		
Total	1,907	2,331	6,251.5	37%
Assumed Line Loss	602	610 (8)	348.5 (7)	
Total Extracted	2509	2941		
Reserve	4091	3659	0 (7)	
Total	6600	6600	6,600	

Notes:

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

Footnotes:

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

(2) UCMBEST's interim agricultural well allocation (400 afy) is not included in this overall allocation.

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

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

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

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

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

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

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Ord Community Wastewater System

EXHIBIT WW-1

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

	Adopted Budget Ord Community Wastewater Expenses FY 2007-2008	Proposed Budget Ord Community Wastewater Expenses FY 2008-2009
Administration/Management		
Personnel	\$144,820	\$185,528
Expenses	\$139,810	\$94,710
Insurance	\$14,460	\$13,480
Legal	\$13,140	\$12,050
Interest Expense	\$137,000	\$269,720
subtotal	\$449,230	\$575,488
Operations & Maintenance		
Personnel	\$189,640	\$186,220
Maintenance Expenses	\$60,130	\$84,340
Power Costs	\$57,700	\$53,150
Annual Maintenance	\$20,200	\$30,000
subtotal	\$327,670	\$353,710
Engineering Department		
Personnel	\$125,020	\$117,000
Expenses	\$3,590	\$1,980
Outside Consultants	\$15,000	\$14,300
subtotal	\$143,610	\$133,280
TOTAL	\$920,510	\$1,062,478

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EXHIBIT 10

A		F	G	H	K	L	O	P	Q	R	S	T	U	V	Each Proposed FY Column is escalated for inflation at a rate of 4% / year					
1	Marina Coast Water District														FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	OUT
3															Proposed	Proposed	Proposed	Proposed	Proposed	YEARS
4	CIP #	Description	Reason	Funding	Original Cost	JAN 2008 Cost	FY 07/08 Budget	Previous FY Amendments	Previous FY Encumbered	Previous FY Remaining	FY 08/09 Proposed	FY 09/10 Proposed	FY 10/11 Proposed	FY 11/12 Proposed	FY 12/13 Proposed	YEARS				
223		Ord Community Sewer 04-00-000-000																		
224		FY 2007/2008																		
225	OS-0146	San Pablo US Pipeline Improvements Project - Phase I	R&R	CC	1,167,600	1,294,400			1,760,680	0										
226		San Pablo US Pipeline Improvements Project - Phase II (done with Phase I)	CC		573,300	635,600				0										
227	OS-0148	Marina Heights Sewer Pipeline Improvements Project (design/construct)	DEV	CC	583,000	629,500			590,000	In-tract										
228	OS-0149	University Village Sewer Pipeline Replacement Project (design/construct)	DEV	CC	329,400	355,700				In-tract										
229	OS-0150	East Garrison LSF-Force Main and Res Rd Imps [19, 24]	DEV	CC	1,326,700	1,432,600	1,750,000		82,500	1,669,000										
230	OS-0153	Misc. Lift Station Improvements (planning)	R&R	CC	1,454,350	1,570,400	1,500,000		88,000	1,368,000										
231	WD-0115	SCADA System Improvements	R&R	OR	337,500	337,500	124,800	60,000	1,875	37,500										
232	WD-0110	Asset Management Program - Phase I	OPS	OR	250,000	250,000			49,800	0										
233		TOTAL 2007/2008			9,021,650	9,505,700	3,374,800	60,000	2,573,055	3,072,500	0	0	0	0	0	0	0	0	0	0
234		FY 2008/2009									898,456									
235	OS-0150	East Garrison LS Imps (Construct) [19, 24]	DEV	CC	800,000	863,900					52,000									
236	OS-0154	Del Rey Oaks - Collection System (Planning)	DEV	DEV	50,000	50,000														
237		DRO LS, Force Main and GUMB Improvements Phase I (Design/Construct)	DEV	DEV	1,347,900	1,601,700														
238	WD-0115	SCADA System Improvements Phase I	R&R	OR	250,000	250,000	124,800				39,000									
239	NA	Bastwick Environmental Insurance [50% OW, 50% OS]	OPS	CC	20,658	20,700					10,764	11,195	11,642	12,108	12,592					
240		TOTAL 2008/2009			2,468,258	2,886,300	324,800		0	0	1,000,220	11,195	11,642	1,885,870	12,592	0				
241		FY 2009/2010																		
242	WD-0115	SCADA System Improvements - Phase II	R&R	OR	250,000	250,000	39,000				40,560									
243		TOTAL 2009/2010			250,000	250,000	39,000		0	0	40,560					0	0			0
244		FY 2010/2011																		
245	OS-0147	Ord Village Sewer Pipeline & Lift Station Impr Project (Planning)	R&R	CC	45,000	48,600	600,000													
246	WD-0115	SCADA System Improvements - Phase III	R&R	OR	100,000	100,000														
247		TOTAL 2010/2011			145,000	148,600	600,000		0	0										
248		FY 2011/2012																		
249		Clark LS Improvement (Construct)	R&R	OR	350,000	350,000														
250	OS-0152	Booker, Hatten, Neeson LS Improvements Project (Design/Construct)	DEV/R&R	CC	400,000	432,000	449,280													
251	OS-0153	Misc. Lift Station Improvements (Construct)	R&R	CC	704,350	760,600					505,379									
252		Odor Control Project (Design/Construct)	R&R	OR	100,000	100,000														
253		DRO LS, Force Main and GUMB Improvements Phase II (Design/Construct)	DEV	DEV	7,536,400	9,075,200														
254	OS-0147	Ord Village Sewer Pipeline & Lift Station Impr Project (Design)	R&R	CC	83,250	89,900	600,000													
255		Gigling LS and FM Improvements (Design)	DEV	CC	220,560	238,200	247,728													
256		CSUMB Developments (Design) [9, 14, 18]	DEV	CC	65,295	70,600														
257		Imrin LS & Force Main Improvements - Phase I (Design)	DEV	CC	282,500	297,300	309,192													
258		2011 Ord Wastewater Master Plan	OPS	OR	225,000	225,000														
259		TOTAL 2011/2012			10,047,355	11,639,800	1,606,200		0	0										
260		FY 2012/2013																		
261		Ord Village Sewer Pipeline & Lift Station Impr Project (Construct)	R&R	CC	471,750	509,400														
262	OS-0147	Gigling LS and FM Improvements (Construct)	DEV	CC	1,249,840	1,349,600														
263		Fitch Park Sewer Improvements	DEV	CC	88,400	95,500														
264		CSUMB Developments (Construct) [9, 14, 18]	DEV	CC	370,005	399,600														
265		Imrin LS & Force Main Improvements - Phase I (Construct)	DEV	CC	1,487,500	1,684,200	1,751,568													
266		Seaside Resort East & Affordable Housing Sewer Imps. Project (Design)	DEV	CC	232,500	251,100	261,144													
267		Cypress Knolls Sewer Pipeline Improvements Project (Design)	DEV	CC	10,440	11,300	11,752													
268	OS-0151	Asset Management Program - Phase II	OPS	OR	160,000	160,000	39,000													
269	WD-0110	Asset Management Program - Phase III	OPS	OR	250,000	250,000														
270	WD-0106	Corp Yard (Design)	CC	CC	500,000	600,000	84,000													
271	WD-0106	Corp Yard (Demolition/Construct)	CC	CC	5,000,000	5,000,000	156,000													
272	WD-0106	TOTAL 2012/2013			9,920,435	10,310,700	2,303,464		0	0										
273		OUT YEARS																		
274																				
275																				
276		Parker Flats Collection System (Design/Construct)	DEV	CC	100,000	100,000	104,000													
277		Imrin LS & Force Main Improvements - Phase II (Design/Construct)	DEV	CC	500,000	566,200														
278	OS-0151	Cypress Knolls Sewer Pipeline Improvements Project (Construct)	DEV	CC	59,160	63,900	86,456													
279		1st Ave Sewer Pipeline Replacement Project [2020]	DEV	CC	285,200	308,000														
280		Gen'l Jim Moore Sewer Pipeline Replacement Project [2020]	DEV	CC	34,800	37,600														
281		Gen'l Jim Moore Sewer Pipeline Replacement Project [2020]	DEV	CC	131,000	141,500														
282		HRWPCA Buy-In	OPS	CC	8,300,000	8,300,000														
283		TOTAL OUT YEARS			9,410,160	9,517,200	7,540,504		0	0										
284																				
285		TOTAL - Ord Community Sewer			41,158,300	44,048,264	8,048,264	60,000	2,573,055	3,072,500	1,000,220	51,755	83,184	15,465,355	6,341,864	12,042,294	12,042,294			

**MARINA COAST WATER DISTRICT
ORD COMMUNITY WASTEWATER SYSTEM OPERATIONS
PROJECTED NET REVENUE FOR FY 2007-2008**

EXHIBIT WW-3

		Adopted FY 2007-2008	Proposed FY 2008-2009
	Estimated # of EDU's	5,252	5,260
	Flat Rate Billing per EDU	\$20.20	\$20.97
	Monthly Capital Surcharge (per EDU)	\$5.00	\$5.00
	Annual Revenue - Flat Rate Billing	1,273,000	1,323,450
	Capacity Fee (\$1,000 per EDU)	600,000	2,000
	Other Fees & Charges	15,000	1,000
A	Total Operating Revenue	1,888,000	1,326,450
B	Financing	8,889,425	1,000,220
C	Non-Operating Revenue (Interest Income)	50,000	300,000
D	TOTAL REVENUE (A+B+C)	\$10,827,425	\$2,626,670
E1	Operating Expenditures	856,860	1,050,478
F1	CIP Projects	8,889,425	1,000,220
F2	General Capital Outlay	56,100	5,460
F3	Costs for Bond Issuance	0	0
F4	Debt Service (principal)	85,000	95,920
G	Capital Replacement Reserve Fund	100,000	100,000
H	Reimb. To Land Use Agencies (5% of OR)	63,650	12,000
I	TOTAL EXPENDITURES (E through H)	\$10,051,035	\$2,264,078
J	NET REVENUE (D-I)	\$776,390	\$362,592

EXHIBIT WW-4

MONTHLY WASTEWATER COLLECTION RATES FOR REGION SURROUNDING THE ORD COMMUNITY

Revised March 2008

SERVICE DESCRIPTION	City of Pacific Grove ¹	City of Monterey ²	City of Salinas ³	SCSD City of Seaside ⁴	SCSD City of Del Rey Oaks ⁵	MCWD City of Marina ⁶	FY 08/09 MCWD Ord Community ⁷
Residential - per Living Unit	\$20.00	\$4.67	\$3.50	\$5.75	\$5.75	\$7.14	\$20.97
Business - 15 employees	\$26.40	\$6.16	\$4.62	\$7.59	\$7.59	\$10.71	\$31.46
Church - over 100 members	\$26.40	\$6.16	\$4.62	\$7.59	\$7.59	\$7.14	\$20.97
Laundromat - each washing machine	\$11.00	\$2.57	\$1.93	\$3.16	\$3.16	\$4.28	\$12.58
General Hospital - each bed	\$29.20	\$6.82	\$5.11	\$8.40	\$8.40	\$5.71	\$16.78
Motel/hotel - each room	\$7.80	\$1.82	\$1.37	\$2.24	\$2.24	\$1.79	\$5.24
Restaurant - each seat	\$2.90	\$0.68	\$0.51	\$0.83	\$0.83	\$0.50	\$1.47
High School/University - each student/faculty	\$0.18	\$0.04	\$0.03	\$0.05	\$0.05	\$0.50	\$1.47
Supermarket - 30 Employees	\$104.60	\$24.42	\$18.31	\$30.07	\$30.07	\$21.42	\$62.91

¹Rate is 200% of MRWPCA rate

²Rate is 46.7% of MRWPCA rate

³Rate is 35% of MRWPCA rate

⁴Rate is 57.5% of MRWPCA rate

⁵Rate is 57.5% of MRWPCA rate

⁶Rate is \$6.88 per Equivalent Dwelling Unit (68.8% of MRWPCA rate - Residential Rate) is proposed for FY 2008/2009

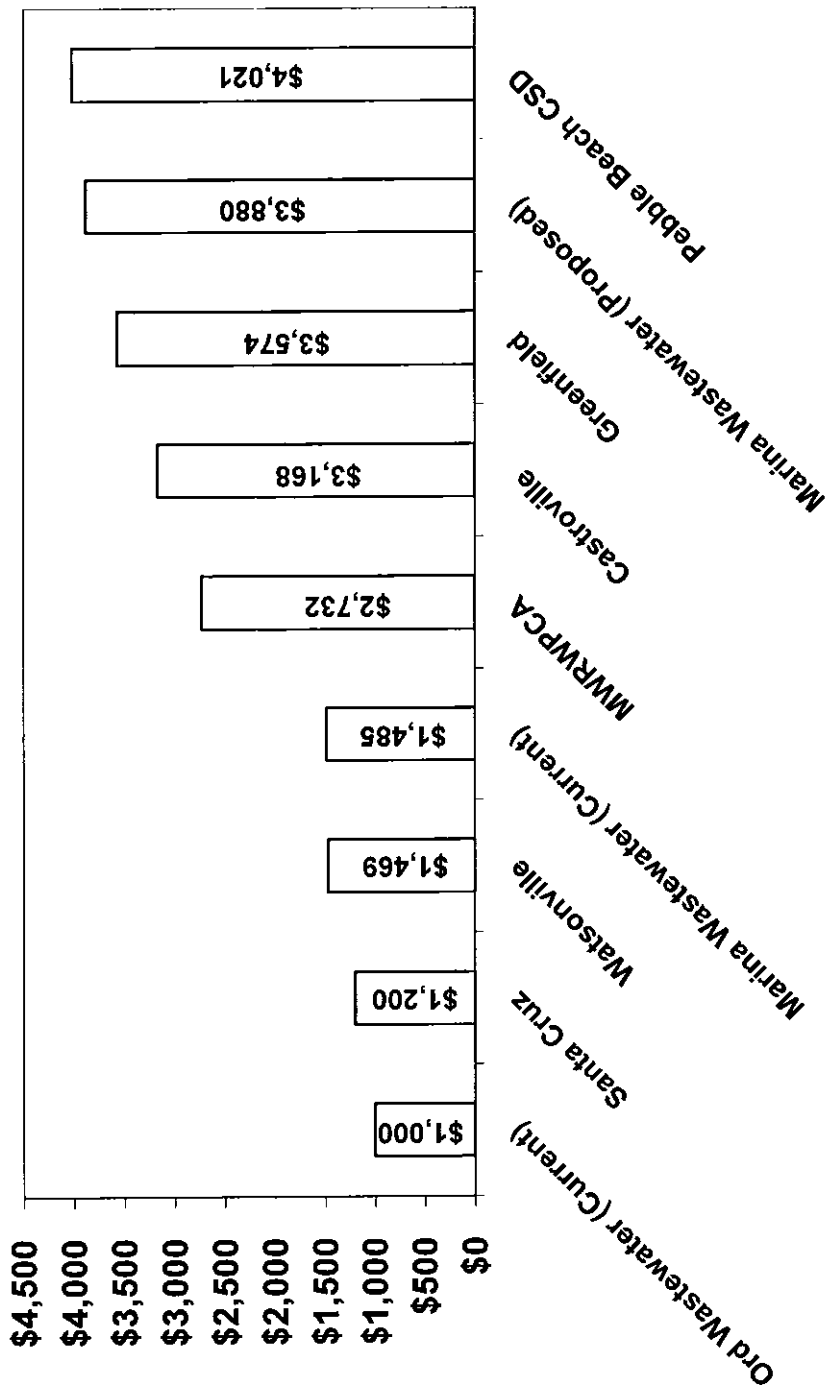
⁷Rate is \$20.20 per Equivalent Dwelling Unit (202% of MRWPCA rate - Residential Rate) is proposed for FY 2008/2009

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

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SEWER CAPACITY CHARGE FOR REGION SURROUNDING THE ORD COMMUNITY

EXHIBIT WW-4A





Fort Ord Reuse Authority

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

The July 2008 board report and its Attachment C (Resolution #08-06 adopting a compensation plan and setting rates, fees and charges for base-wide water, recycled water and sewer services on the former Fort Ord) are included herein as reference.

In order to conserve resources, all other attachments to the July 2008 board report (Attachment A – power point presentation; Attachment B – protest hearing notice; Exhibit A to Attachment C – compensation plan; Attachment D, MCWD Board of Directors Resolution No. 2008-34; Attachment E – MCWD Board of Directors Resolution No. 2008-35 and Attachment F – MCWD Board of Directors second reading and adoption of ordinance no. 51) are not included.

To review these attachments, please reference your July 2008 board packet or contact the Fort Ord Reuse Authority office at (831) 883-3672.

FORT ORD REUSE AUTHORITY BOARD**NEW BUSINESS**

Attachment B
To Item 6b
FORA Board Meeting, August 8, 2008

Subject:	Ord Community Water/Wastewater Systems Proposed Budgets and Rates for FY 2008-2009	
Meeting Date:	July 11, 2008	ACTION
Agenda Number:	6a	

RECOMMENDATION:

1. Receive a Marina Coast Water District ("MCWD") presentation (**Attachment A**) on proposed fiscal year 2008/09 operating and capital budgets and corresponding customer rates for the water, recycled water and wastewater collection systems, and
2. Conduct a public protest hearing (**Attachment B**), and
3. Approve (Fort Ord Reuse Authority Board of Directors) Resolution #08-06 (**Attachment C**) adopting a compensation plan and setting rates, fees and charges for base-wide water, recycled water and sewer services on the former Fort Ord, and
4. Approve (MCWD Board of Directors) Resolution Nos. 2008-34 (**Attachment D**) and 2008-35 (**Attachment E**), adopting a compensation plan and setting rates, fees and charges for base-wide water, recycled water and sewer services on the former Fort Ord, and
5. Approve (MCWD Board of Directors) the Second Reading and Adoption of Ordinance No. 51 (**Attachment F**), adopting a rate increase for the central Marina service area.

BACKGROUND/DISCUSSION:

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

A 2008 Bartle Wells Associates five-year water and wastewater financial plan and rate study for MCWD recommended an increase in rates, fees, charges and capacity charges (connection fees) for water and wastewater services to the Ord Community. The FORA Water and Wastewater Oversight Committee ("WWOC") initiated review of the proposed compensation plan and budgets in early April and then met jointly with the FORA Administrative Committee in late April, May, June and July 2008 to receive presentations, review and recommend on MCWD's proposed compensation plan for FY 2008/09. At their meeting on June 4, 2008 the Committees recommended the attached compensation plan (**Exhibit A to Attachment C**) to the FORA Board for its review and

Attachment B
To item 6b
FORA Board Meeting
August 8, 2008

approval and deferred recommending the proposed increase to capacity charges (connection fees). The Committees met again on June 18 and July 2, 2008 to further discuss proposed capacity charges (connection fees). They recommended that requested action on the capacity charges (connection fees) be brought forward at the October FORA Board meeting. Accordingly, at this time, the attached compensation plan reflects no change in capacity charges (connection fees) and capital surcharges from the prior fiscal year.

FORA staff, Administrative Committee and WWOC recommend that the FORA Board receive the presentation by MCWD staff, conduct the public protest hearing and approve Resolution #08-06 adopting a compensation plan and setting rates, fees and charges for base-wide water, recycled water and sewer services on the former Fort Ord.

FISCAL IMPACT:

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

It is anticipated that the compensation plan will be in effect July 11, 2008, should the FORA Board act to approve Resolution #08-06.

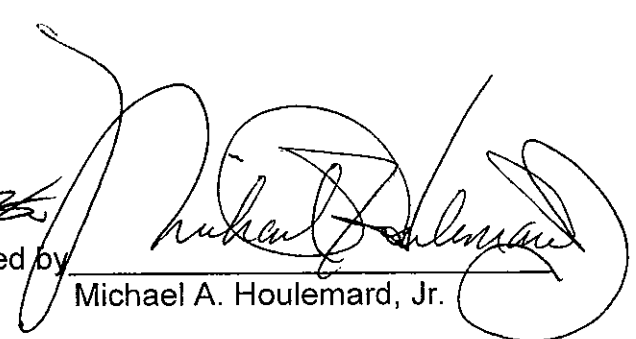
COORDINATION:

WWOC, Administrative Committee, Executive Committee, MCWD

Prepared by


James A. Feeney, PE

Approved by


Michael A. Houlemard, Jr.

DRAFT

Resolution No. 08-06
Resolution of the Board of Directors
Fort Ord Reuse Authority

Attachment C
To Item 6a (3)
Joint FORA & MCWD Board Meeting
July 11, 2008

Adopting the Budget and the Ord Community Compensation Plan for FY 2008-2009

July 11, 2008

RESOLVED by the Board of Directors ("Directors") of the Fort Ord Reuse Authority ("FORA"), at a regular meeting duly called and held on July 11, 2008 at the business office of FORA 100 12th St., Bldg. 2880, Marina, California as follows:

WHEREAS, Marina Coast Water District ("District") Staff prepared and presented the draft FY 2008-2009 Budget (Exhibit A) which includes projected revenues, expenditures and capital improvement projects for the Ord Community Water, Recycled Water and Wastewater systems, including the area within the jurisdiction of FORA and the area remaining within the jurisdiction of the U.S. Army; and,

WHEREAS, FORA created under Title 7.85 of the California Government Code, Chapters 1 through 7, inclusive, commencing with Section 67650, *et seq.*, and selected provisions of the California Redevelopment Law (the FORA Act), is authorized to, particularly Government Code 67679(a)(1), to arrange for the provision of water and wastewater services to the Ord Community; and

WHEREAS, the District and FORA, entered into a "Water/Wastewater Facilities Agreement" ("the Agreement") on March 13, 1998, and have subsequently duly amended the Agreement; and

WHEREAS, the Agreement provides a procedure for establishing budgets and compensation plans to provide for sufficient revenues to pay the direct and indirect, short-term and long-term costs, including capital costs, to furnish the water and wastewater facilities; and

WHEREAS, the Agreement, as amended, provides that FORA and the District will each adopt the annual Budget and Compensation Plan by resolution; and

WHEREAS, the proposed Budget and Compensation Plan for 2008-2009 provides for funds necessary to meet operating and capital expenses for sound operation and provision of the water, recycled water and wastewater facilities and to enable MCWD to provide continued water, recycled water and sewer services within the existing service areas on the former Fort Ord. The rates, fees and charges adopted by FORA apply only to the area within FORA's jurisdictional boundaries; and

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

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

Attachment C
To Item 6a (3)
Joint FORA & MCWD Board Meeting
July 11, 2008

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

WHEREAS, MCWD has provided water and wastewater services on the former Fort Ord by contract since 1997, and currently provides water and wastewater services to the area of the former Fort Ord within FORA's jurisdiction under the authority of the Agreement, and provides such services to the portion of the former Fort Ord still under the Army's jurisdiction by contract with the Army; and

WHEREAS, FORA and MCWD have agreed that water conservation is a high priority, and have implemented a water conservation program in the Ord Community service area that includes public education, various incentives to use low-flow fixtures, and water-conserving landscaping. The rates, fees and charges adopted by this Resolution 08-06 are intended to support the water conservation program and encourage water conservation, pursuant to sections 375 and 375.5 of the California Water Code. This conservation program and these rates, fees and charges are in the public interest, serve a public purpose, and will promote the health, welfare, and safety of Ord Community, and will enhance the economy and quality of life of the Monterey Bay community; and

WHEREAS, monthly service fees or charges are imposed as a condition of service to customers, and monthly water quantity and sewer rates are imposed on the basis of the amount of water used or consumed by the customer, and any customer may avoid payment of the quantity rates and the service fees or charges by disconnecting from the facilities; and

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

WHEREAS, a five-year water and wastewater financial plan and rate study prepared by Bartle Wells Associates in 2008 for the District recommended increase in rates, fees, charges and capacity charges (connection fees) for water and wastewater services to the Ord Community; and

WHEREAS, the capacity charges (connection fees) and capital surcharges continue in effect unchanged from prior fiscal year and no action is being taken by this Resolution to change the capacity charges (connection fees) and capital surcharges; and

WHEREAS, after a public meeting based upon staff's recommendations, the Board has determined that the Budget and Compensation Plan, including the rates, fees and charges therein, should be adopted as set forth on Attachment A to this Resolution; and

WHEREAS, Government Code Section 54999.3 requires that before imposing certain capital facilities fees on certain educational and state entities, any public agency providing public utility service must negotiate with the entities receiving the service; and

WHEREAS, Capacity Charges (connection fees) and Capital Surcharges for the FY 2008-2009 will continue in effect unchanged from FY 2007-2008; and

WHEREAS, FORA is the lead agency for the adoption of rates, fees and charges for the area of the Ord Community under FORA's jurisdiction, and that in adopting rates and charges for that area, the District is acting as a responsible agency and relying on FORA's compliance with the requirements of the California Environmental Quality Act ("CEQA"); that the District has previously adopted rates, fees and charges for its jurisdictional service area; and that, in approving rates, fees and charges for the area of Ord Community within the jurisdiction of the U.S. Army, the District is acting to provide continued water, recycled water and sewer service within existing service areas on the Ord Community, and that such action is exempt from CEQA pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS,

1. The Board of Directors of the Fort Ord Reuse Authority does hereby approve and adopt FY 2008-2009 Budget and Compensation Plan for water, recycled water and wastewater services to the Ord Community.
2. The District is authorized to charge and collect rates for provision of water and wastewater services within the boundaries of the Fort Ord Reuse Authority in accordance with the rates, fees and charges set forth in Exhibit A. The District is further authorized to use the same rates, fees and charges in providing services to the area of Ord Community within the jurisdiction of the U.S. Army.
3. The rates, fees and charges authorized by this Resolution shall not exceed the estimated reasonable costs of providing the services for which the rates, fees or charges are imposed.
4. The District will comply with Government Code Section 54354.5 in adopting the rates, fees and charges set forth in Attachment A.
5. Capacity charges (connection fees) and capital surcharges remain in effect unchanged from prior fiscal year and no action is being taken by this Resolution to change the capacity charges (connection fees) and capital surcharges.

PASSED AND ADOPTED on July 11, 2008, by the Board of Directors of the Fort Ord Reuse Authority by the following roll call vote:

Ayes: Directors _____

Noes: Directors _____

Absent: Directors _____

Abstained: Directors _____

Joseph P. Russell, Chair

ATTEST:

Michael A. Houlemard, Jr., Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Fort Ord Reuse Authority hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 08-06 adopted July 11, 2008.

Michael A. Houlemard, Jr., Secretary

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Environmental Services Cooperative Agreement (ESCA) – Remediation Program Status Report	
Meeting Date:	August 8, 2008	INFORMATION
Agenda Number:	6c	

RECOMMENDATION:

Receive a status report on the Fort Ord Reuse Authority ("FORA") Environmental Services Cooperative Agreement ("ESCA") Remediation Program ("RP").

BACKGROUND:

In Spring 2005, the U.S. Army ("Army") and FORA entered into negotiations to execute an Army-funded ESCA Early Transfer ("ET") of 3,500 acres of former Fort Ord property. In early 2007, the Army awarded FORA approximately \$100 million in ESCA Grant funding to perform munitions cleanup on the ET parcels. FORA also entered into an Administrative Order on Consent ("AOC") with U.S. Environmental Protection Agency ("U.S. EPA") and California Department of Toxic Substance Control ("DTSC"), defining conditions under which FORA assumes responsibility for the Army remediation of the parcels. FORA then entered into a Remediation Services Agreement ("RSA") with LFR, Inc. to provide Munitions and Explosives of Concern ("MEC") remediation services and for Pollution Legal Liability and Cost-Cap insurance policies for this remediation work. FORA will receive the property after U.S. EPA approval and concurrence by the Governor.

The ESCA RP has been in progress for approximately one year and three months. Field work has been focused in the Seaside parcels east of General Jim Moore Boulevard to clean up the remaining Special Case Areas ("SCAs") and to provide munitions clearance for the future FORA General Jim Moore Boulevard and Eucalyptus realignment project. The clearance work for General Jim Moore Boulevard and Eucalyptus realignment project is referred to as Change Order # 2 ("CCO #2").

DISCUSSION:

Since ESCA work began in early 2007, FORA and its MEC remediation team (LFR/Weston/Westcliffe) have been working and meeting with Regulators, the Army and the Jurisdictions. The ESCA RP Team has produced the necessary documentation and completed most of the site preparation precedent to ESCA MEC field work. Throughout this process, FORA staff and ESCA RP Team members have conducted public/community outreach. Site work commenced east of the existing General Jim Moore Boulevard in January 2008. The ESCA activities for the last Quarter are detailed in **Attachment "A" of the ESCA Quarterly Grant Report**.

SUMMARY OF RECENT QUARTERLY REPORT HIGHLIGHTS:

- FORA ESCA RP team has engaged 145 Technical and 63 Community Outreach tasks and activities; and
- Fieldwork for CCO#2 began scraping SCAs and set up sifting plant operation to process soils.

SEASIDE FIELD WORK HIGHLIGHTS:

- Installing new fencing and gates between the Seaside parcels and the former Inland Ranges;
- Removing 33 acres of brush for MEC clearance;
- Scraping and sifting 76,000 cubic yards of surface soils littered with metallic debris;
- Removed 22 buildings, asphalt and concrete, and 43 existing debris piles;

- Digital Geophysical mapping of underground anomalies;
- Discovery and safely removing 34 MEC items during site work; and
- Quality control with third-party Quality Assurance on all geophysical and removal work.

RECENT COMMUNITY OUTREACH ACTIVITY HIGHLIGHTS:

April 2008

- ✓ ESCA Property Emergency Services Coordination Meeting
- ✓ Community Involvement Workshop
- ✓ Users Working Group Meeting
- ✓ Castroville Rotary Club presentation

May 2008

- ✓ ESCA Property Emergency Services Coordination Meeting
- ✓ FORA ESCA RP Meeting with Veterans Citizens Advisory Committee (Veterans Cemetery)
- ✓ Community Workshop on the Draft Parker Flats Remedial Investigation/Feasibility Study Work Plan
- ✓ Users Working Group Meeting
- ✓ FORA ESCA RP Meeting with County of Monterey (Veterans Cemetery)
- ✓ FORA ESCA RP Meeting with Army (Veterans Cemetery)
- ✓ Fort Ord Environmental Justice Network's Environmental Community Fair

June 2008

- ✓ Seaside Kiwanis Club presentation
- ✓ ESCA Property Emergency Services Coordination Meeting
- ✓ FORA ESCA RP Meeting with County of Monterey (Horse Park Habitat)
- ✓ FORA ESCA RP Demolition Notice (1st)
- ✓ ESCA Summer Community Workshop
- ✓ Users Working Group Meeting

July 2008

- ✓ FORA ESCA RP Meeting with Monterey Horse Park
- ✓ FORA ESCA RP Meeting with County of Monterey (Monterey Horse Park)
- ✓ Users Working Group Meeting

FISCAL IMPACT:

Reviewed by FORA Controller 

All ESCA work is covered by the grant award from the Army and approved ESCA CCO #2.

COORDINATION:

Administrative Committee; Executive Committee; Negotiating Team; Special and Authority Counsel; LFR; Weston Engineers; U.S. EPA; and DTSC.

Prepared by 

Stan Cook

Approved by 

Michael A. Houlemard, Jr.

QUARTERLY PROJECT REPORT

Environmental Services Cooperative Agreement

Report No: 5

Reporting Period: April 1, 2008 to June 30, 2008

Grant Recipient: Fort Ord Reuse Authority

Agreement No: W9128F-07-2-0162

PR No: W59XQB70879961

Effective Date: March 30, 2007

Grant Officer: Doug Hadley
Contracting Officer/Grants Officer
U.S. Army Corps of Engineers, Omaha District
Phone: (402) 221-3045
Fax: (402) 221-4199

Compiled by: Stan Cook
ESCA Remediation Program, Program Manager
Fort Ord Reuse Authority
100 12th Street
Building 2880
Marina, CA 93933
Phone: (831) 883-3672
Fax: (831) 883-3675

Submitted to: Gail Youngblood
Fort Ord BRAC Environmental Coordinator
PO Box 5008
Presidio of Monterey
Monterey, CA 93944
Phone: (831) 242-7918
Fax: (831) 242-7091

This report is submitted per the requirements in the Cooperative Agreement Award, Attachment E.1, Technical Services and Requirement Statement, Section 3.1. Project Progress Reports.

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Background/Scope and Purpose

Background.

The Federal Government, for and on behalf of the citizens of the United States of America, acts as the steward of certain real property on which it operates and maintains military facilities necessary for the defense of the United States of America. Certain military facilities are no longer required for that mission, and the Department of Defense (DoD) closed and plans to dispose of certain real and personal property at those facilities in accordance with the authority of the Defense Base Closure and Realignment Act of 1990, Public Law 101-510 (10 U.S.C. Section 2687 note, as amended). DoD is authorized to dispose of real and personal property on the former Fort Ord to the Fort Ord Reuse Authority (FORA). Under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Section 9620(h)(3)(C), federal property may be transferred prior to the completion of all remedial action necessary to protect human health and the environment. Under this early transfer authority, DoD may transfer portions of Fort Ord to the FORA, which may assume responsibility for certain environmental response activities (Environmental Services).

The property to be transferred and the geographic area in which work will be performed under the ESCA are identified herein as the Areas Covered by Environmental Services, (ACES). The environmental response activities required of the FORA under the Environmental Services Cooperative Agreement (ESCA) are identified herein as the Environmental Services. The ESCA provides the funding, specifications and requirements for the FORA's performance and completion of the Environmental Services in the ACES. Cleanup of the ACES is governed by CERCLA, the National Contingency Plan (NCP), the Administrative Settlement Agreement and Order on Consent (AOC), and other applicable laws and regulations. The Army has conducted investigations and site characterization under its own authorities under CERCLA, the Defense Environmental Restoration Program (DERP), and other applicable laws and regulations, and has identified both contaminated areas as well as uncontaminated areas. Additional site characterization and investigations are to be performed. Following the early transfer of the ACES, FORA will be obligated to comply with the AOC under the oversight of the United States Environmental Protection Agency (US EPA) and the Department of Toxic Substances Control (DTSC). As provided in the ESCA, the Parties agree that the FORA's performance of the Environmental Services must satisfy certain obligations of the Army under CERCLA and the NCP. If inconsistencies are found between the ESCA and the AOC after the ESCA has been signed, the Parties will work toward a resolution, in accordance with Section D.9 of the ESCA. The ESCA is of mutual benefit to the Army and FORA because it will facilitate early transfer and the immediate reuse of the ACES by allowing FORA to perform the Environmental Services in conjunction with redevelopment activities. The ESCA, executed in anticipation of an early transfer, will allow FORA full access to the ACES in order to implement the Environmental Services and redevelop the ACES. The ESCA does not reduce or alter in any way the responsibilities and obligations of the Army

under CERCLA, the NCP, or Section 330 of Public Law 102-484 ("Section 330"), except as otherwise provided in the ESCA.

Purpose.

The provisions of the ESCA establish the terms and conditions necessary for the completion of the Environmental Services required to obtain Site Closeout and the execution of Long-Term Obligations associated with Site Closeout. The AOC and Technical Specifications Requirements Statement (TSRS) establish the process for obtaining Site Closeout within the ACES. By execution of the ESCA, the Army and FORA concur with the AOC and TSRS. The ESCA in no way restricts the Parties from modifying the Covenant to Restrict the Use of Property (CRUP) or the Environmental Protection Provisions (EPP), and documents referenced therein, before or after the Environmental Services at the ACES have begun. However, any such modifications shall not eliminate or change FORA's or Army's obligations under the ESCA unless a concurrent modification is made to the ESCA in accordance with Section D.21.

Scope.

FORA shall cause to be performed the Environmental Services, in consideration of the payment of a fixed sum by the Army in accordance with and subject to the provisions of the ESCA. The Environmental Services, to the extent required to be performed under the ESCA, shall satisfy the requirements of CERCLA and the NCP by satisfying the requirements provided in the AOC and TSRS. The Environmental Services will be performed in furtherance of the FORA's approved Reuse Plan and integrated with redevelopment activities, all as more particularly described in the TSRS.

The AOC establishes the process for obtaining Site Closeout within the ACES. By the execution of the ESCA, the Army concurs with the process set forth in the AOC, and all documents and approvals referenced therein; however, this concurrence in no way limits the FORA's ability to complete Environmental Services that go beyond the requirements of CERCLA and Resource Conservation and Recovery Act (RCRA) for the ACES by satisfaction of the AOC. Furthermore, the ESCA in no way restricts the parties to the AOC from modifying the AOC and documents referenced therein, pursuant to the terms thereof, before or after the Environmental Services at the ACES have begun; however, any such modifications will be coordinated with the Army and shall not eliminate or change FORA's or Army's obligations under the ESCA unless otherwise agreed in a writing signed by the Parties. In addition to providing the specified funding, the Army will retain the responsibilities and liabilities specified within the ESCA and attachments. The Army's program oversight shall ensure that the remedies implemented by the FORA pursuant to the AOC and TSRS are consistent with CERCLA and the NCP, Department of Defense Explosives Safety Board (DDESB) requirements, and other applicable laws and/or regulations. The Parties agree that the implementation of the AOC must be consistent with remedy requirements of CERCLA, the NCP, and other applicable laws and regulations, and that future modifications to the AOC will likewise be consistent with such remedy requirements. FORA agrees to achieve Site Closeout and perform the required remedial actions in accordance with and subject to the provisions of the ESCA. In accordance with 42 U.S.C.

9620(h)(3)(C)(iii), after all response actions necessary to protect human health and the environment on the ACES, or portions thereof, have been taken, the Army will grant to the FORA the CERCLA warranty that all necessary response actions have been taken.

Document Technical Progress or Work Completed

In this Quarter, FORA and FORA's Remediation Team (LFR, Weston Engineers & Westcliffe Engineering) began: Program Management including mobilization and equipment procurement; initiated preparation of the Community Involvement Outreach Plan (CIOP), in consultation with the EPA, DTSC, and Army; prepared the Program Management Plan based on input from the Scoping Meeting; prepared the Summary of Existing Data Report (SEDR) based on input from the Scoping Meeting; created ESCA Independent Third-Party Quality Assurance Surveillance Program and Quality Assurance Surveillance Program Implementation Plan; hired ESCA Independent Third-Party Quality Assurance Professional; and, initiated data collection and analysis for preparation of the Remedial Investigation Work Plan Amendment for the Seaside 1 – 4 parcels.

FORA's critical dates, technical progress, or work completed within this Quarter are:

April 1, 2008: Draft Contract Change Order #3 to provide a Storm Water Pollution Prevention Plan (SWPPP) document, submittal, management and Best Management Practices work forwarded to ESCA Remediation Team for review.

April 2, 2008: Received and reviewed the Army's proposed Amendment to Selected Remedy for Site 39 Inland Ranges on the former Ft. Ord.

April 2, 2008: Received and reviewed DTSC's comments on the Seaside 1-4 Sifting Plant Standard Operating Procedures.

April 2, 2008: Received and reviewed DTSC's approval for the Parker Flats portion of the ESCA Summary of Existing Data Report (SEDR).

April 2, 2008: Teleconference with ESCA Remediation Team to discuss the ESCA SEDR sections pertaining to CSUMB and Development North Group 2 parcels. They also discussed dust monitoring procedures for the Seaside 1-4 sifting plant.

April 3, 2008: Communication with BRAC regarding request from CSUMB University Police regarding Right-of-Entry for CSUMB to install salvaged telephone poles across trail heads south of Inter-Garrison Rd in an attempt to curb illegal off-road vehicle access and dumping on future ESCA properties.

April 4, 2008: Received and reviewed Army's briefing paper about the recently released Department of Defense's new Munitions Response Site Prioritization Protocol and revised proposed ESCA site names to prevent public confusion because of

the similarity between some of the proposed ESCA Site names and the Department of Defense's new Munitions Response Site Prioritization Protocol.

April 4, 2008: Teleconference with DTSC regarding Sifting Plant Standard Operating Procedures, soils management plan, management coordination, Quality Assurance checks of sifting plant and Army protocol for logging items found in Seaside 1-4 to date.

April 7, 2008: Received and reviewed Quality Assurance Oversight Professional comments on the Seaside 1-4 Digital Geophysical Mapping Geophysical Test Plot report.

April 7, 2008: Weekly conference call with ESCA Remediation Team and Quality Assurance Oversight Professional in preparation for conference call with Regulators.

April 7, 2008: Weekly conference call with ESCA Remediation Team, Regulators and Quality Assurance Oversight Professional. The topics discussed were the Quality Assurance Oversight Professional's comments on Digital Geophysical Mapping Geophysical Test Plot report and the schedule for Quality Assurance during sifting operations.

April 7, 2008: Weekly conference call with ESCA Remediation Team to discuss and provide updates on community outreach efforts, progress on Seaside 1-4 field work, Quality Assurance Surveillance Plan (QASP) Implementation status, project schedule and weekly construction reporting.

April 8, 2008: Provided the Army BRAC office with a map of the locations where CSUMB University Police will lay telephone poles across the trail heads south of Inter-Garrison Road in an effort to prevent illegal off-road vehicle access and dumping.

April 8, 2008: Teleconference with EPA regarding conditional approval for field work in Seaside 1-4 Special Case Areas (SCA) sifting operations.

April 9, 2008: Participation in rehearsal for Community Involvement Workshop (CIW) for the evening presentation with BRAC Ft. Ord Environmental Cleanup group.

April 9, 2008: Attended the monthly ESCA Regulators Meeting. Among the items discussed included Residential Quality Assurance Pilot Program (RQA), soil sifting operations, status of the FOSET package, field work activities and schedule and public outreach efforts.

April 9, 2008: Weekly Quality Assurance conference call with ESCA Remediation Team and Regulators. Items discussed included Geophysical Test Plot report

comments, the next steps to get into the field for Digital Geophysical Mapping (DGM), and schedule for Quality Assurance during sifting operations.

- April 9, 2008: Weekly conference call with ESCA Remediation Team to discuss and provide updates on community outreach efforts, progress on Seaside 1-4 field work, project schedule and weekly construction reporting.
- April 11, 2008: Attended monthly Munitions Response: Base Cleanup Team (MR-BCT) Meeting and provided a report on the status of the ESCA field and documentation work.
- April 11, 2008: Communication with Regulators regarding update on Quality Assurance oversight for the Seaside soil sifting operations and other field work.
- April 14, 2008: Received and reviewed Right-of-Entry from the Army BRAC office allowing California State University Monterey Bay (CSUMB) to install telephone poles at the trail heads along the south side of Inter-Garrison Road in an attempt to curb off-road activity and dumping.
- April 14, 2008: Weekly Quality Assurance conference call with ESCA Remediation Team and Regulators.
- April 14, 2008: Communication and coordination of a meeting with ESCA Remediation Team and Bureau of Land Management to discuss the eradication of the weed *French Broom* from the ESCA properties this year.
- April 14, 2008: Teleconference with ESCA Remediation Team regarding the Notice of Intent for the Storm Water Pollution Prevention Plan and Contract Change Order #3.
- April 14, 2008: Weekly conference call with ESCA Remediation Team to discuss and provide updates on community outreach efforts, progress on Seaside 1-4 field work, project schedule and weekly construction reporting.
- April 15, 2008: Communication with Army BRAC regarding provision in ESCA documents about sponsorship acknowledgement on all presentation materials produced for the ESCA by FORA and the ESCA Remediation Team.
- April 15, 2008: Received, reviewed and provided comments on the ESCA portion of the Munitions Response Base Cleanup Team meeting notes.
- April 16, 2008: Received and reviewed letter from Environmental Protection Agency regarding their concurrence on the FOSET 5 Covenant Deferral Request.
- April 16, 2008: Sent copies of current air monitoring reports for the Seaside 1-4 sifting plant operations to the Monterey Bay Unified air Pollution Control District.

April 21, 2008: Weekly Quality Assurance conference call with ESCA Remediation Team and Regulators. Items discussed were

April 22, 2008: Communication with Army BRAC to request a Trespassing Incident Reporting form for use as a template to standardize reporting trespassing incidents.

April 22, 2008: Communication with Ft. Ord Environmental Cleanup/Army BRAC regarding coordination of tour and meetings for EPA Branch Chief on May 9, 2008.

April 22, 2008: Received and reviewed LFR/AIG invoice for March 2008.

April 22, 2008: Received and reviewed draft Geophysical Test Plot Report with responses and comments from Quality Assurance Oversight Professional.

April 22, 2008: Meeting with ESCA Remediation Team to debrief and discuss Regulators' comments regarding alleged trespassing incidents that occurred during the Sea Otter Classic event.

April 23, 2008: Communication with Army BRAC to discuss coordination for reporting of trespassing incidents and sharing forms and Standard Operating Procedures as a template for modification for FORA ESCA Remediation Program use.

April 24, 2008: Communication with Army BRAC to discuss coordination of meeting with representative from the Department of Defense BRAC office on 4/30 to tour the ESCA parcels and meet key ESCA Remediation Team members.

April 25, 2008: Received and reviewed second round of Geophysical Test Plot report comments by Quality Assurance Oversight Professional.

April 25, 2008: Communication and coordination with Army BRAC office regarding proposed evacuation notice for Fitch Park of Monterey Bay residences. Received and reviewed comments to proposed evacuation plan.

April 25, 2008: Received and reviewed draft final version of the proposed flyer designed to notify residents of Fitch Park of Monterey Bay of possible evacuations. Provided comments on the draft and forwarded to ESCA Remediation Team.

April 25, 2008: Teleconference with ESCA Remediation Team and Regulators to discuss management of trespassing issues and site security then forwarded a copy of a summary document to Regulators for their comment.

April 25, 2008: Prepared an informational package for Department of Defense BRAC representative regarding the Quality Assurance Oversight Professional and Change Order #3 with FORA Board Report from April 2008.

April 25, 2008: Sent copy of the Storm Water Pollution Prevention Plan Notice of Intent to the State Water Board with appropriate permit fees. Forwarded a copy of the package to the ESCA Remediation Team.

April 28, 2008: Weekly Quality Assurance conference call with ESCA Remediation Team and Regulators. Items discussed were Geophysical Test Plot report and field work activities (soil sifting plant operations and upcoming Digital Geophysical Mapping).

April 28, 2008: Weekly conference call with ESCA Remediation Team to discuss and provide updates on community outreach efforts, progress on Seaside 1-4 field work, project schedule and weekly construction reporting.

April 28, 2008: Received and reviewed letter to biologist from BRAC regarding commencement of plant surveys on ESCA properties and associated protocol for this work.

April 28, 2008: Received and reviewed map of the locations of invasive plant species (*French Broom*) from the Bureau of Land Management.

April 30, 2008: Communication with ESCA Remediation Team regarding biologists conducting plant survey field work at Ranges 43-48. ESCA Remediation Team provided field escorts to accompany the biologists.

April 30, 2008: Meeting with Department of Defense BRAC representative for a tour of ESCA parcels, billing and other ESCA-related administrative items.

April 30, 2008: Teleconference with Monterey Bay Unified Air Pollution Control District regarding dust monitoring results for the ESCA Seaside 1-4 site.

May 2, 2008: Letter to Tom Lederle and Doug Hadley of DoD BRAC reiterating/clarifying Section XIX, Payments for Response Costs for EPA regulatory oversight.

May 2, 2008: Sent copy of Seaside Soil Sifting Plant Standard Operating Procedures document to DTSC and EPA for their review.

May 2, 2008: ESCA Remediation Team biologist requests the current Habitat Conservation Plan (HCP) to cite in the upcoming plant survey report.

- May 5, 2008: Communication with BRAC office and update on logistical details regarding proposed evacuations of 6 homes in Fitch Park so that MEC clearance work can proceed along Eucalyptus Road.
- May 5, 2008: Weekly conference call with ESCA Remediation Team and Quality Assurance Oversight Professional in preparation for conference call with Regulators.
- May 5, 2008: Weekly conference call with Regulators, ERRG and ESCA Remediation Team on the Quality Assurance Oversight Professional issues.
- May 6, 2008: Meeting with BRAC about progress on alternatives and options to evacuations for six residents at Fitch Park.
- May 6, 2008: Jones & Stokes, BRAC biologist and ESCA Remediation Team biologist confer on plant survey requirements outlined in the current draft of the Habitat Conservation Plan (HCP).
- May 7, 2008: Meeting with ESCA Remediation Team and FORA Engineering staff the schedule to deliver of the General Jim Moore Boulevard and Eucalyptus Road roadway corridors in the ESCA Seaside 1-4 parcels for their construction purposes.
- May 8, 2008: Teleconference with DTSC and ESCA Remediation Team to discuss options for hand excavations to reduce exclusion zone which will eliminate the need for evacuations of select homes in Fitch Park. An updated ESCA document schedule for 2008 was provide to the regulators.
- May 12, 2008: Weekly Quality Assurance conference call with ERRG, ESCA Remediation Team and Regulators. Items discussed were Geophysical Test Plot report and field work activities (soil sifting plant operations and upcoming Digital Geophysical Mapping).
- May 13, 2008: Monthly ESCA Regulators Meeting. Among the items discussed included soil sifting operations, status of the FOSET package, field work activities and schedule and public outreach efforts.
- May 13, 2008: Communication with ESCA Remediation Team to prepare a simple summary of ESCA insurance costs to address a question from the public at the last Army Community Involvement Workshop about fieldwork preparation, MEC, and roadway work.
- May 14, 2008: ESCA Remediation Team representative attended a presentation by the County of Monterey on the proposed Veterans

- May 14, 2008: Communication with and coordination with City of Seaside staff on their proposed plan to develop a corporate yard on ESCA parcel E18.1.
- May 21, 2008: Met with County of Monterey to review the Veterans Cemetery plans, update County Development assumptions, update on East Garrison project, and provide them with the status of work at Parker Flats, Parker Flats Habitat Reserve and weed abatement issues.
- May 22, 2008: Meeting with BRAC to discuss the Veterans Cemetery development plans, the Record of Decision (ROD) and the next steps to prepare the site for the construction of the cemetery.
- May 22, 2008: Communication and coordination with Bureau of Land Management (BLM) so they can continue to provide weed abatement and habitat management services for the ESCA parcels upon transfer to FORA.
- May 23, 2008: FORA, EPA and DoD BRAC finalize wording of letter clarifying ESCA regulatory response funds reimbursement agreement with EPA.
- May 23, 2008: EPA and DTSC approve the ESCA Seaside 1-4 Geophysical Test Plot report.
- May 23, 2008: On site meeting with Quality Assurance Oversight Professional (Geophysicist) and ESCA Remediation Team to discuss current Digital Geophysical Mapping efforts and subsequent field work.
- May 23, 2008: Weekly conference call with ESCA Remediation Team to discuss field work activities, schedule, status of the FOSET package and public outreach efforts.
- May 28, 2008: Communication with EPA concerning quarterly billing for Regulatory Response Costs.
- May 28, 2008: Received letter from Veterans Cemetery consultant requesting information on the earlier Army and the future ESCA MEC remediation.
- May 29, 2008: Communication with City of Seaside Public Works Director requesting update on ESCA parcel E18.1.3 which is the proposed location for their new City Corp. Yard in the near future.
- May 29, 2008: Communication with BRAC office for update on Track 3 Record of Decision and upcoming Inland Range prescribed burns.
- May 30, 2008: Communication with Monterey Regional Water Pollution Control Agency concerning access to the area south of Eucalyptus Road for a plant survey.

- June 2, 2008: Reviewed and finalized the Quality Assurance Oversight Professional Contract Proposal/Change Order.
- June 2, 2008: Meeting with FORA Engineering to refine the protocol for future ESCA property access requests by those not involved with ESCA remediation work.
- June 2, 2008: Reviewed the U.S. EPA Estimated Annual Budget for Quality Assurance Oversight Professional Costs of ET/ESCA at the former Fort Ord.
- June 2, 2008: Received and reviewed the Quality Control 2 Field Variance. Communication with EPA regarding review and feedback.
- June 2, 2008: Received and reviewed report from ESCA Remediation Team member detailing the discovery of MEC items found on the hillside West of General Jim Moore Boulevard.
- June 2, 2008: Weekly conference call with ESCA Remediation Team and discussed and provided updates on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work (Quality Assurance Oversight Professional, sifting plant operations, digital geophysical mapping, site safety and schedule updates).
- June 2, 2008: Teleconference with EPA to provide update and debrief on FORA's participation in the Fort Ord Environmental Justice Network, Inc. (FOEJN) Community Fair/Forum on May 31st.
- June 3, 2008: Communication with ESCA Grant Administrator clarifying use of ESCA Regulatory Response funds for the Quality Assurance Oversight Professional services and received copy of document reflecting revisions and clarification.
- June 3, 2008: Signed the Quality Assurance Oversight Professional Contract Proposal/Change Order.
- June 3, 2008: Received and reviewed draft Summary of Existing Data Report response comments from ESCA Remediation Team. Reviewed comments and forwarded feedback to ESCA Remediation Team.
- June 4, 2008: Forwarded a final version, signed copy of the Change Order to the Quality Assurance Oversight Professional requesting their signature.
- June 4, 2008: Weekly Quality Assurance conference call with Quality Assurance Oversight Professional and ESCA Remediation Team in preparation for weekly telephone conference with Regulators.
- June 4, 2008: Weekly Quality Assurance conference call with Team and Regulators, Quality Assurance Oversight Professional and ESCA Remediation. Items

discussed were field work activities (soil sifting plant operations and Digital Geophysical Mapping), anomaly reacquisition, Quality Control 2 approach and weekly meeting schedule coordination.

June 5, 2008: Teleconference with EPA officials to discuss the reimbursement letter agreement outlining the advance funding for their Regulatory Response Costs.

June 5, 2008: Received signed Change Order from Quality Assurance Oversight Professional for their services.

June 5, 2008: Meeting with County of Monterey to discuss trail network location for access through the habitat parcels in the future Horse Park so that they can be cleared to depth for the County's long-term use.

June 6, 2008: Teleconference with EPA officials to discuss the reimbursement letter agreement modifications for Regulatory Response Costs.

June 6, 2008: Received and reviewed draft final version of the Geophysical Test Plot Report for Seaside from FORA ESCA Remediation Team.

June 6, 2008: Communication with Army Fort Ord DMDC facility representative about coordinating erecting a new fence at the DMDC facility and its potential to interfere with ESCA remediation activities on the adjacent ESCA parcel.

June 9, 2008: In-Progress Review Meeting with Army and ESCA Remediation Team to provides updates and discuss field activities, Quality Control procedures and Veterans Cemetery.

June 9, 2008: Received and reviewed Regulatory Response Costs reimbursement letter from EPA. Provided comments and emailed back to EPA for finalization.

June 9, 2008: Weekly conference call with ESCA Remediation Team to discuss field work activities, schedule and meeting coordination, status of the FOSET package and public outreach efforts.

June 9, 2008: Received and reviewed the adopted "Guidance for Contingency Security Operations, Duties, Responsibilities, and Equipment for the Fort Ord Impact Area, Other Restricted Munitions Response Sites (MRS) and/or Controlled Roadways" document.

June 10, 2008: Teleconference with DTSC regarding site safety and escort protocol for on-site visitors to remediation areas.

June 10, 2008: Teleconference with DTSC to discuss Federal Facilities Agreement (FFA) Administrative Order on Consent (AOC) and work plan in relation to site security and escort protocol.

- June 10, 2008: Teleconference with DTSC to discuss access to ESCA property to coordinate their observation of the proposed modifications to reacquisition procedures as proposed in field variance #4.
- June 10, 2008: Teleconference with ESCA Remediation Team to discuss site security and escort protocol. ESCA Remediation Team conducted review of Federal Facilities Agreement (FFA), Administrative Order on Consent (AOC) and Work Plan to clarify access and escort protocol.
- June 12, 2008: Weekly Quality Assurance conference call with Quality Assurance Oversight Professional and ESCA Remediation Team in preparation for weekly telephone conference with Regulators.
- June 12, 2008: Weekly Quality Assurance conference call with Regulators, Quality Assurance Oversight Professional and ESCA Remediation. Items discussed were site access for visitors, field work activities (soil sifting plant operations and Digital Geophysical Mapping), anomaly reacquisition, Quality Control 2 approach and weekly meeting schedule coordination.
- June 12, 2008: Project update meeting between FORA Executive Officer and ESCA Program Manager with CEO for Weston Solutions.
- June 12, 2008: Meeting between ESCA Program Manager and ESCA Remediation Team regarding analysis of GIS overlay on the City of Seaside's proposed Corp. Yard on ESCA property for potential conflicts on MRS sites and Phase 1 work areas.
- June 13, 2008: Meeting between ESCA Program Manager and ESCA Remediation Team to review upcoming ESCA work occurring adjacent to the Army Residential Communities Initiative (RCI) housing area in preparation for the bus tour and prepared a map for the RCI representative.
- June 16, 2008: Meeting between FORA ESCA Remediation Team and City of Seaside Public Works Department concerning the proposed Seaside Corp. yard plans.
- June 16, 2008: Meeting between FORA ESCA Remediation Team and Army concerning reuse of soil sifted from the ESCA Seaside sifting operations. Email communication with FORA ESCA Remediation Team and Army regarding Regulatory approval requirements for reuse of sifted ESCA soil.
- June 16, 2008: Prepared and signed cover letters for the Geophysical Test Plot Report to forward to the Regulators.

- June 16, 2008: Meeting with ESCA Remediation Team to draft a memorandum to the City of Seaside outlining the process and timeline before their proposed Corp. Yard property can be delivered to them for construction.
- June 17, 2008: Received and reviewed Quality Assurance Oversight Professional services invoice.
- June 17, 2008: Communication with Army to provide more information on the Levins Projector fragment discovered west of General Jim Moore Boulevard.
- June 17, 2008: Received, reviewed and returned original FORA/EPA reimbursement agreement with appropriate signatures.
- June 18, 2008: Communication with Quality Assurance Oversight Professional concerning update on ESCA project and current invoicing.
- June 18 2008: Teleconference with Quality Assurance Oversight Professional to discuss his upcoming site visit scheduled for June 19th.
- June 18, 2008: Received and reviewed Army comments on the draft ESCA Seaside Soil Management Plan.
- June 18, 2008: Communication with Army regarding timetable for submittal of comments to the draft Volumes 1 and 2 Group 1 Remediation Investigation/Feasibility Study (RI/FS) Work Plan.
- June 18, 2008: Communication from EPA approving the final Summary of Existing Data Report with stipulation that DTSC must also approve.
- June 19, 2008: Meeting with Quality Assurance Oversight Professional to discuss proposed changes by ESCA Remediation Team to the Quality Control in the Seaside parcels.
- June 19, 2008: Meeting with DTSC to discuss escorts for visitors/officials, field variances and coordination issues.
- June 19, 2008: Meeting with Quality Assurance Oversight Professional and ESCA Remediation Team to discuss Geophysical Quality Control and follow up Quality Assurance.
- June 20, 2008: Monthly ESCA Regulators Meeting. Among the items discussed included Summary of Existing Data Report, Group 1 and Group 2 RI/FS Work Plan, road realignment After Action Report, Soil Management Plan, Geophysical Test Plot Report, field activities update (present and upcoming), Quality Control/Quality Assurance, status of the FOSET package, and meeting schedules and public outreach efforts.

June 25, 2008: Received, reviewed and incorporated EPA comments on the ESCA document schedule.

June 25, 2008: Received and reviewed revised field variance for anomaly reacquisition from FORA ESCA Remediation Team.

June 25, 2008: Received and reviewed copy of current LFR/Weston invoice sent to AIG for ESCA remediation activities.

June 25, 2008: Weekly conference call with ESCA Remediation Team and discussed and provided updates on community outreach activities, coordination of upcoming meetings and events and updates on Seaside 1-4 field work (Quality Assurance Oversight Professional, sifting plant operations, digital geophysical mapping, site safety and schedule updates).

June 25, 2008: Received and reviewed list of items discussed at In-Progress Meeting with Army on June 9th that included update on field work activities (current and future); Seaside fencing and gate locations; coordination with Army remediation activities: Quality Control procedures; and, Veterans Cemetery update.

June 26, 2008: Communication with Army concerning submittal of EPA's letter on Regulatory site access into the Administrative Record.

June 26, 2008: EPA approval of FORA ESCA Remediation Team Field Variance regarding reacquisition and excavation.

June 26, 2008: Received, reviewed and returned signed cover letters for the final draft Summary of Existing Data Report for ESCA Remediation Team to forward to appropriate agencies and organizations.

June 26, 2008: Received and reviewed draft letter to County of Monterey requesting that the County select a permanent trail network location for access through the habitat parcels in the future Horse Park so that they can be cleared to depth for the County's long-term use.

June 27, 2008: Provided revised white paper on modifications to Seaside Quality Control 2 to Quality Assurance Oversight Professional for review.

ESCA Grant Funds Spent- This Quarter- Total to date

See the attached Financial Report form 272.

Upcoming work for the next reporting Quarter

In the upcoming Quarter FORA and FORA's Remediation team will perform the following activities:

List of Documents for the upcoming Quarter is provided below:

1. Final Community Involvement and Outreach Plan (CIOP) Plan (July);
2. Final Summary of Existing Data Report (SEDR) (August);
3. Draft Final Group 1 RI/FS Work Plan - Seaside and Parker Flats MRAs (September);
4. Draft Group 2 RI/FS Work Plan - County North and CSUMB Off-Campus MRAs (July);
5. Draft After-Action Report for Roadway Alignment and Utility Corridor, Seaside MRA (July);
6. Draft Final After-Action Report for Roadway Alignment and Utility Corridor, Seaside MRA (September);
7. Final After-Action Report for Roadway Alignment and Utility Corridor, Seaside MRA (September);
8. Draft Parker Flats MRA Phase I Institutional Controls Implementation Plan (September); and
9. Draft Parker Flats MRA Phase I Operation and Maintenance Plan (September)

Field services to be performed in the upcoming Quarter:

1. Brush cutting;
2. soil excavations and soil sifting operations;
3. Clear and grub approximately 3 acres with the roadway alignment west of General Jim Moore Boulevard;
4. Digital Geophysical Mapping;
5. Excavation of analog and digitally acquired anomalies
6. Quality Control and Quality Assurance for analog and digital operations;
7. Storm Water Pollution Prevention Implementation and Erosion Control Operations;
8. Fence removal and installation;
9. Debris removal; and
10. Potential traffic management

Technical or Regulatory issues that may impact project schedule

N/A

Status of comments submitted by Army on documents submitted by FORA

N/A

Status coordination of MEC documents with DDESB

N/A

Corrective Measures Implementation Reports

N/A

Corrective Measures Effectiveness Report

N/A

Needed Notifications in accordance with the ESCA

N/A

Changes to the AOC

N/A

Summary of public participation – This Quarter- Next Quarter

Public Participation during this Quarter was extensive including preparation of the draft Community Involvement and Outreach Plan and preparing an ESCA fact sheet and Quarterly newsletter to support outreach. Participated with the Army Fort Ord Environmental Cleanup (BRAC office) Open House and Bus Tour.

FORA's critical outreach dates and public participation completed within this Quarter are:

April 2, 2008: Attended the FORA Administrative Committee meeting and provided an update on the FORA ESCA Remediation Program which included the Storm Water Pollution Prevention Plan change order to the Remediation Services Agreement (RSA), the hiring of the ESCA QA Oversight Professional and the proposed update at the April 11th FORA Board Meeting.

April 3, 2008: Meeting with Emergency Services providers. They were provided with updates on the FOSET approval and schedule of property transfer, Seaside field work on General Jim Moore Boulevard (work schedule, safety plan and outreach), and a report on the March Users Working Group meeting.

April 8, 2008: Received and reviewed the FORA ESCA newsletter, Vol. 2, No. 1 for distribution at the upcoming meetings.

April 9, 2008: Attended and provided a presentation and update on the ESCA Remediation Program for the Army BRAC quarterly Community Involvement Workshop.

April 9, 2008: Received, reviewed and forwarded multiple FOSET 5 letters of support from local jurisdictions and community groups to the Governor of California's office.

April 10, 2008: Attended the Army's public meeting regarding the Army's Proposed Plan Public Meeting - Record of Decision Amendment Site 39 at the Embassy Suites Hotel in Seaside.

April 10, 2008: Received, reviewed and forwarded additional FOSET 5 letters of support from local jurisdictions and community groups to the Governor of California's office.

April 10, 2008: Attended the Technical Review Committee (TRC) meeting and provided a presentation and update on the ESCA Remediation Program.

April 11, 2008: Provided the FORA Board with an update on the FORA ESCA Remediation Program which included reports on the Storm Water Pollution Prevention Plan, ESCA Quarterly Grant Report and the hiring of the ESCA QA Oversight Professional.

April 14, 2008: Off-site visit with Sea Otter Classic organizing team to meet with Army BRAC and tour the site prior to the event to discuss the closure of select roads in active remediation areas and coordination to prevent conflicts with ESCA remediation sites. The Sea Otter Classic event is scheduled for April 17-19, 2008.

April 16, 2008: Communication and coordination with ESCA Remediation Team regarding on-site ceremony with the Governor of California for the signing of the FOSET 5 Covenant Deferral Request package.

April 22, 2008: Meeting with ESCA Remediation Team to debrief and discuss Regulators' comments regarding alleged trespassing incidents during Sea Otter Classic event.

April 22, 2008: Received and reviewed invitation to the upcoming Laguna Seca coordination meeting in April and 2008 Laguna Seca contact list and event information package.

April 22, 2008: Attended California State University Monterey Bay Earth Day Celebration in partnership with the Ft. Ord Environmental Cleanup group.

April 22, 2008: Communication and coordination with representatives from the Hyatt Regency Hotel who are currently in the bidding process on a large promotional event for Volvo Corp. that they wanted to locate on the former Fort Ord lands. Discussed limitations due to the ESCA remediation work and referred Hyatt representatives to the Monterey County Film Commission for further assistance.

April 23, 2008: Briefing meeting and report to ESCA Remediation Team regarding California State University Monterey Bay Earth Day Celebration.

April 23, 2008: Drafted, reviewed and forwarded copy of proposed Fort Ord docent program for teams of California State University Monterey Bay service learning students and members of local users groups for the purpose of providing

outreach and ESCA access corridor restriction informational materials to Fort Ord users on weekends.

April 24, 2008: Attended monthly meeting with Users Working Group. ESCA Remediation Team provided an update on the status of the transfer of ESCA property, field activities, and presentation by representative from California State University Monterey Bay Service Learning Institute on partnership opportunities for outreach to Fort Ord users.

April 25, 2008: Public presentation to the Castroville Rotary Club by FORA Executive Officer and provided an update on status of the transfer of ESCA property and field activities.

April 28, 2008: Communication and coordination of proposed evacuation notification flyer by ESCA Remediation Team with Army BRAC office and Presidio of Monterey Base Commander's office.

April 30, 2008: FORA and the ESCA Remediation Team received and reviewed comments from the Presidio of Monterey Base Commander regarding proposed evacuation plan notices for the Fitch Park of Monterey Bay residences.

April 30, 2008: Teleconference with DTSC Public Participation Specialist on the ESCA Hotline to discuss proposed evacuations for Fitch Park of Monterey Bay residences and to review the content of the current ESCA Hotline message.

April 30, 2008: Received and reviewed a courtesy copy of *The Post Newspaper* with the current edition of the ESCA newsletter as a newspaper insert. Two thousand five hundred copies of ESCA newsletter were sent out with this edition of *The Post Newspaper*.

May 1, 2008: Meeting with Emergency Services providers. They were provided with updates on the FOSET approval and schedule of property transfer, Seaside field work on General Jim Moore Boulevard (work schedule, safety plan and outreach), and a report on the April Users Working Group meeting.

May 2, 2008: Sent Seaside Soil Sifting Plant Standard Operating Procedures document to select community members.

May 2, 2008: Sent announcement flyer for the May 12, Community Workshop on the Parker Flats RI/FS Work Plan to the ESCA email general distribution list.

May 2, 2008: Sent announcement flyer for the May 12th Community Workshop on the RI/FS Work Plan to the Army/Fort Ord Environmental Cleanup group to include in their 850-home mailer.

- May 2, 2008: Posted announcement flyer for the Community Workshop on the RI/FS Work Plan onto the FORA website, ESCA link.
- May 5, 2008: Coordination with BRAC office on logistical details for tour for EPA Branch Chief of the ESCA and BRAC cleanup properties on 5/9/08.
- May 6, 2008: Teleconference with County to discuss the Veterans Cemetery Committee describing the Parker Flats Phase Two Work Plan document and how and when the Committee may submit comments to the document.
- May 8, 2008: Meeting with Veterans Cemetery Committee to describe the Parker Flats Phase 2 Work Plan document and process to submit comments.
- May 9, 2008: Meeting and ESCA site visit/tour with EPA Region 9 Branch Chief for Federal Facilities, FORA Executive Officer and ESCA Program Manager.
- May 12, 2008: Meeting with ESCA Remediation Team to coordinate logistics prior to Community Workshop for Parker Flats group-1 RI/FS Work Plan.
- May 12, 2008: Community Workshop with presentation for members of the public on the Parker Flats Group-1 RI/FS Work Plan.
- May 14, 2008: Sent email thanking participants for attending the Community Workshop for the Parker Flats Group-1 RI/FS Work.
- May 20, 2008: Monthly meeting with Working Group. They were provided with an update on the status of the transfer of ESCA property, field activities, cleanup efforts and discussion on final map product for access corridors.
- May 21, 2008: Meeting with Bureau of Land Management law enforcement to coordinate future placement of ESCA signage along access corridors so that BLM and others can enforce trespassing violations.
- May 23, 2008: Signed and sent out cover letters for the Group 1 Remedial Investigation/Feasibility Study Work Plan to the regulators and the community organizations.
- May 23, 2008: Received and reviewed the Summer Community Workshop (6/19/08) Execution Plan outlining the ESCA team preparation work and tasks.
- May 28, 2008: Drafted ESCA update for the upcoming FORA Annual Report.
- June 2, 2008: Sent a map of the Horse Park project (an ESCA parcel) to the County of Monterey with the adjacent properties outlined and labeled with Army parcel numbers and associated spread sheet illustrating parcel owners and identified uses.

- June 3, 2008: Presentation to the Seaside Kiwanis Club and provided an update on the ESCA Remediation Program activities, field work and upcoming public documents.
- June 4, 2008: Presentation to FORA Administrative Committee to provide an update on the ESCA Remediation Program activities and upcoming public documents.
- June 5, 2008: Meeting with Emergency Services providers. They were provided with updates on the FOSET approval and schedule of ESCA property transfer, Seaside field work on General Jim Moore Boulevard (work schedule, safety plan and outreach), and a report on the May Users Working Group meeting.
- June 6, 2008: Drive of tour route for upcoming Army Fort Ord Cleanup Open House and Bus Tour through ESCA parcels.
- June 9, 2008: Sent memorandum to Monterey Regional Water Pollution Control Agency (MRWPCA) describing the ESCA project concerns regarding the MRWPCA's proposed location for groundwater monitoring well in ESCA parcels.
- June 10, 2008: Communication with ESCA Remediation Team requesting support for a tour of the ESCA properties adjacent to the Army RCI housing and to provide an update to the RCI representative.
- June 10, 2008: Communication with Monterey Herald newspaper reporter about the RI/FS Parker Flats Work Plan Workshop for an upcoming newspaper article.
- June 10, 2008: Communication with Monterey Herald newspaper about recent article on the upcoming Parker Flats Phase 2 RI/FS Work Plan workshop.
- June 10, 2008: Telephone interview with Salinas Valley Californian newspaper about the upcoming Parker Flats Phase 2 RI/FS Work Plan workshop
- June 12, 2008: Meeting between ESCA Program Manager, ESCA Remediation Team and Veterans Cemetery Citizens Advisory Committee and received presentation on the timing of the cemetery construction and design. Note the future Veterans Cemetery will be located in two of the ESCA parcels.
- June 13, 2008: Attended FORA Board Meeting and provided an update on ESCA remediation activities and answered questions concerning the ESCA Remediation Program posed by Board members and the public during the Veterans Cemetery presentation to the FORA Board.
- June 13, 2008: Received and reviewed FOEJN comments with the ESCA Remediation Team to Community Involvement and Outreach Plan (CIOP) and provided ESCA Remediation Team with comments to their responses.

June 13, 2008: Co-hosted a tour with the Army BRAC Fort Ord Environmental Cleanup Group of the ESCA property adjacent to the Army RCI housing for a representative from Army RCI military housing.

June 17, 2008: Pre-Event Meeting at Laguna Seca to discuss coordination of upcoming events and ESCA field work.

June 18, 2008: Sent out detonation notice to community groups, emergency services agencies and Regulators of the items discovered in Seaside Munitions Response Area

June 19, 2008: Community Workshop on the Parker Flats 2 RI/FS Work Plan, a public meeting to discuss the work to be performed in the completion of the Parker Flats area cleanup.

June 21, 2008: FORA ESCA Remediation Team staffed a booth and provided tour guides/speakers for the Army Fort Ord Environmental Cleanup Open House and Bus Tours from 9 a.m. – 2 p.m.

June 23, 2008: Teleconference with community member Mr. Lee Stickler concerning questions about the MOUT facility located on ESCA property.

June 23, 2008: Teleconference with James Bogan (National Executive Committee/Disabled American Veterans and Chair of the Veterans Cemetery CAC) concerning his questions about submittal of comments for the Parker Flats 2 RI/FS Work Plan.

June 24, 2008: Monthly meeting with Users Working Group. They were provided with an update on the status of the transfer of ESCA property, field activities, and partnership opportunities with CSUMB Service Learning Institute.

June 25, 2008: Reviewed content and text for the upcoming ESCA Quarterly newsletter.

June 26, 2008: Drafted letter to City of Seaside concerning FORA ESCA Remediation Program notifications to Seaside residents in the enhanced community outreach areas.

Below is a listing of the total number of ESCA Hotline telephone calls received at (831) 883-3506 and ESCA-dedicated email for the second quarter of 2008. Members of the community called/emailed with questions regarding upcoming ESCA-related community events and public meetings, impacts to residential living due to field work activities along General Jim Moore Boulevard, questions about potential trail closures and access to Eucalyptus Road, requests to be placed on the ESCA email distribution list and inquiries regarding employment on the former Fort Ord.

<u>ESCA Hotline</u>		<u>ESCA Email</u>
April 2008:	4	26
May 2008:	42	33
<u>June 2008:</u>	<u>38</u>	<u>43</u>
TOTAL:	84	102

Project Updates to Coordinated Resource Management Planning (CRMP) meeting

FORA's critical dates, CRMP updates completed within this Quarter are:

June 10, 2008: Attended Bureau of Land Management (BLM) Invasive Weed Meeting with other agencies on Fort Ord and provided an update on ESCA remediation activities, site weed management planning, weed control and recent ESCA parcel plant surveys. NOTE: The BLM Weed Meetings are a sub-set of the CRMP meetings.

For a full transcript of the presentation, please visit the FORA website at www.fortordauthority.org.

Environmental Services Cooperative Agreement Status Update to the FORA Board of Directors

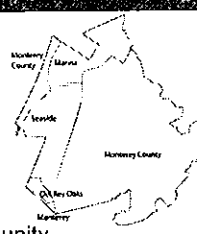
Presentation by:
 Stan Cook – ESCA Remediation Program Manager

August 8, 2008

1

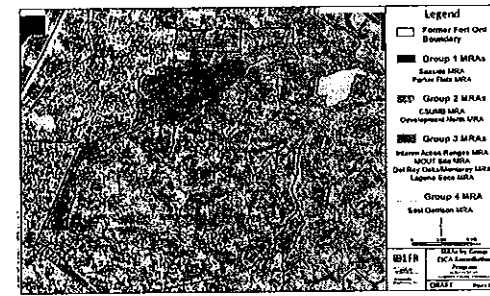
Presentation Overview

- Seaside Field Activity Update
- 2008 Document Schedule
- Upcoming ESCA Meetings and Events
- Information Updates and Community Involvement Opportunities

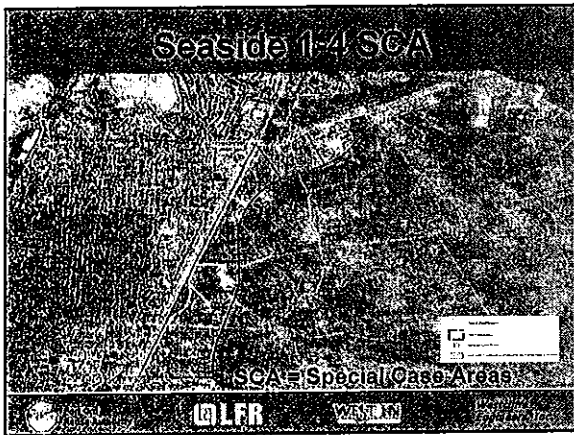


2

ESCA Munitions Response Areas by Group



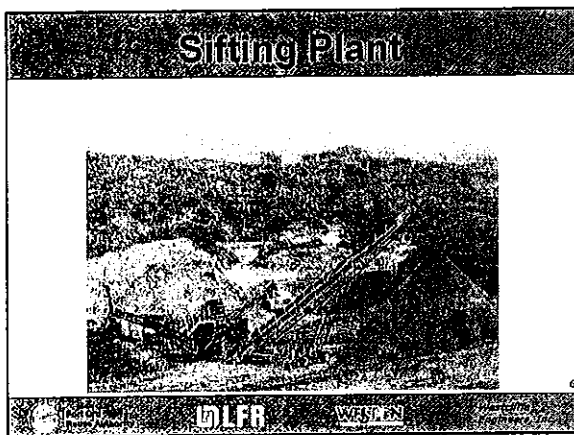
3



Seaside 1-4 SCA Field Update

- First quarter field accomplishments:
 - Fence replacement – 100% complete
 - Brush removal: 33 acres – 100% complete
 - Soil scraping – 99% complete
 - Soil sifting: 83,000 cubic yards – 99% complete
 - Building/site demolition activities – 100% complete




5



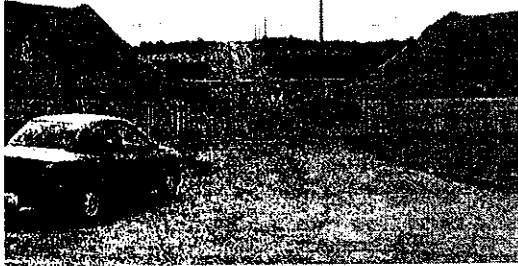
Seaside 1-4 SCA Remediation Activities

- Digital Geophysical Mapping: ~99% complete
- Anomaly excavation
 - Roadway complete
 - Started outside roadway
- Quality Control/Quality Assurance
- Recovery and disposal of 34 MEC related items
- All items disposed according to Army and Regulatory protocol.




7


Soil Stockpiles




8

Typical Munitions Items






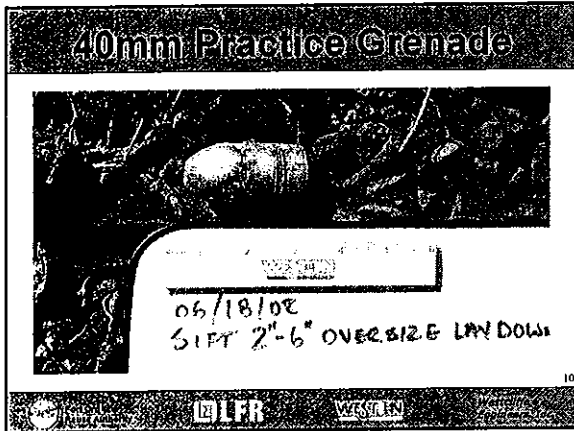
57 mm

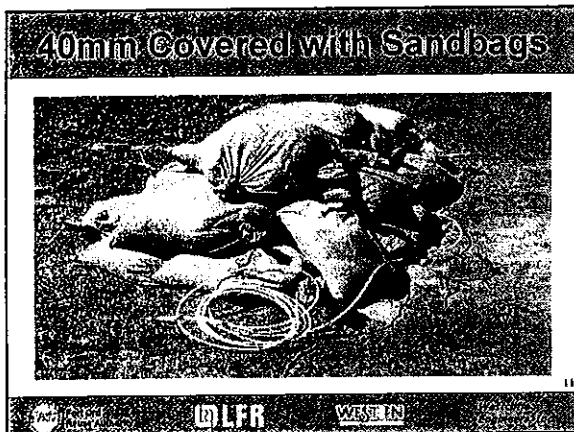


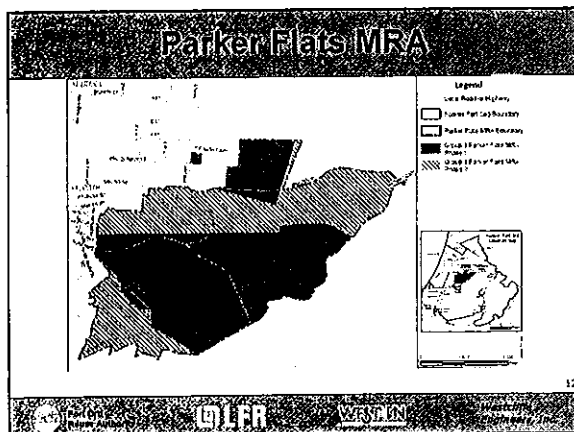
40 mm practice grenade

9







Parker Flats Future Uses

- Central Coast Cemetery
 - Coordinating with Veterans Cemetery Citizens Advisory Committee (CAC)
- Monterey Peninsula College – Police Academy
- Monterey Horse Park
- Habitat Reserve

2008 Document Schedule

DOCUMENTS OUT FOR REVIEW

Draft Final Community Involvement and Outreach Program Plan	Comments due: July 21, 2008
Draft Group 1 Remedial Investigation/Feasibility Study (RI/FS) Work Plan	Comments due: July 28, 2008
Draft Final Summary of Existing Data Report (SEDR)	Comments due: August 15, 2008

2008 Document Schedule

UPCOMING DOCUMENTS





Document	Review Period
Draft Final Group 1 RI/FS Work Plan	late August
Draft Group 2 RI/FS Work Plan (Future CSUMB and habitat)	August 1st
Draft Final Group 2 RI/FS Work Plan	mid-September to mid-October
Draft Group 2 RI/FS Report	late November to early January 2009

*Review time frames subject to change

Upcoming Meetings and Events

MEETINGS	DATES
Association of Defense Communities Annual Conference: Fort Ord Mobile Workshop – Bus Tour	August 10, 2008
Monterey Country Fair	August 15-16, 2008
CSUMB Welcome Fair	September Date TBD
Army CIW Meeting	October 8, 2008
FORA Informal Workshop-Group 2 RI/FS Report	Late Fall 2008





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Resources

- FORA ESCA Quarterly Newsletters
- FORA ESCA Technical Fact Sheets
- Weekly Updates: FORA ESCA Hotline
(831) 883-3506
- Email: esca@fora.org
- Website: www.fora.org
 - Follow ET/ESCA Information link

17

FORT ORD REUSE AUTHORITY BOARD REPORT

Subject: City of Del Rey Oak's Pollution Legal Liability insurance payment plan

Meeting Date: August 8, 2008

Agenda Number: 7a

ACTION

RECOMMENDATION:

Authorize the Executive Officer to execute the attached City of Del Rey Oak's Pollution Legal Liability ("PLL") insurance payment structure proposal ("payment plan") for FY 2008-2009. (*Attachment 7a-1*)

BACKGROUND:

In 2004, the FORA Board of Directors authorized binding a PLL policy and concurrently approved borrowing \$6,000,000 from Rabobank (former Community Bank) to pay for the premium of the policy. In conjunction with the loan and binding of the policy, FORA entered into agreements with jurisdictions participating in the PLL coverage for shared annual repayment of the PLL premium financing over a seven-year period. These agreements were individually tailored to meet each jurisdiction's amount of desired coverage and amounts/methods of participation/loan payment. Local jurisdictions pay their costs from municipal resources or they secure payments from one or more developer entities.

DISCUSSION:

In the case of DRO, their developer is responsible for this cost and the MOA contains a provision allowing a payment plan for the payment of the premium if the developer is unable to make full payment by due date. Under the proposed payment plan, DRO's developer, Federal Development, LLC ("Federal"), who is currently seeking a new investor/financial partner, will make monthly payments of \$5,000 for the first three months and \$10,000 thereafter. The balance owed, plus accrued interest (per FORA late fee policy), will be paid when the project receives entitlement from DRO.

FISCAL IMPACT:

Monthly payments by Federal will fully cover interest payments on the loan and a portion of the annual principal payment. FORA will have to cover the difference of up to \$150,000, if full payment is not received by the fiscal year end.

COORDINATION:

Executive Committee, City of Del Rey Oaks, Federal Development LLC.

Prepared by

Ivana Bednarik

Approved by

Michael A. Houlemard, Jr.

July 20, 2008

Letter of Agreement

Re: Payment Structure Proposal fiscal year ("FY") 08-09 Pollution Legal Liability Insurance Coverage, Del Rey Oaks, CA

This letter agreement defines a payment structure by which Federal Development, LLC, ("Federal") will pay the Fort Ord Reuse Authority ("FORA") for the FY 08-09 City of Del Rey Oaks's portion of Pollution Legal Liability Insurance Coverage.

The City of Del Rey Oaks and Federal Development remain committed to completing the project, but are not in a position to make payment according to the Memorandum of Agreement ("MOA") between FORA and the Redevelopment Agency of the City of Del Rey Oaks ("DRO/RDA") at this time. Section 3. of the MOA allows negotiating of such payment options. FORA, Federal, and DRO/RDA agree to the following payment plan:

1. Federal Development, LLC, will make payments as follows:
 - \$5,000 per month in August, September, and October of 2008;
 - \$10,000 per month in November and December of 2008;
 - Should the project receive entitlement by December 30, 2008, the balance owed of \$221,023.00, plus interest, will be paid by December 30, 2008.
 - Should the project not be entitled by the City of Del Rey Oaks, Federal Development, LLC, will, from January 2009 through December 2009, continue to pay \$10,000 per month towards the balance owed.
 - Upon receipt of entitlement from the City of Del Rey Oaks, Federal Development, LLC, will remit the balance owed, plus interest, by the 30th of the month following.
2. Insurance Coverage:
 - It is understood that FORA previously paid the subject insurance premium payment and that insurance coverage for the City of Del Rey Oaks will not lapse.
 - The City of Del Rey Oaks and Federal Development, LLC, recognize that the Pollution Legal Liability insurance policy is held by FORA and is assignable by FORA to another party.
 - FORA agrees that the City of Del Rey Oaks and Federal Development, LLC, insurance coverage will continue to run uninterrupted for FY 08-09 under this proposal.

AGREED AND ACCEPTED:

FORA

By: _____

Printed Name: _____

Title: _____

The City of Del Rey Oaks

Federal Development, LLC

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

July 20, 2008

Letter of Agreement

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The City of Del Rey Oaks and Federal Development remain committed to completing the project, but are not in a position to make payment according to the Memorandum of Agreement ("MOA") between FORA and the Redevelopment Agency of the City of Del Rey Oaks ("DRO/RDA") at this time. Section 3. of the MOA allows negotiating of such payment options. FORA, Federal, and DRO/RDA agree to the following payment plan:

1. Federal Development, LLC, will make payments as follows:
 - \$5,000 per month in August, September, and October of 2008;
 - \$10,000 per month in November and December of 2008;
 - Should the project receive entitlement by December 30, 2008, the balance owed of \$221,023.00, plus interest, will be paid by December 30, 2008.
 - Should the project not be entitled by the City of Del Rey Oaks, Federal Development, LLC, will, from January 2009 through December 2009, continue to pay \$10,000 per month towards the balance owed.
 - Upon receipt of entitlement from the City of Del Rey Oaks, Federal Development, LLC, will remit the balance owed, plus interest, by the 30th of the month following.
2. Insurance Coverage:
 - It is understood that FORA previously paid the subject insurance premium payment and that insurance coverage for the City of Del Rey Oaks will not lapse.
 - The City of Del Rey Oaks and Federal Development, LLC, recognize that the Pollution Legal Liability insurance policy is held by FORA and is assignable by FORA to another party, ***should the City of Del Rey Oaks be in default.***
 - ***However,*** FORA agrees that ***for the present*** the City of Del Rey Oaks and Federal Development, LLC, insurance coverage will continue to run uninterrupted for FY 08-09 under this proposal.

AGREED AND ACCEPTED:

FORA

By: _____

Printed Name: _____

Title: _____

City of Del Rey Oaks

By: _____

Printed Name: _____

Title: _____

Federal Development, LLC

By: _____

Printed Name: _____

Title: _____

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject: Administrative Committee report

Meeting Date: August 8, 2008

Agenda Number: 8a

INFORMATION

RECOMMENDATION:

Receive a report from the Administrative Committee.

BACKGROUND/DISCUSSION:

The Administrative Committee met on July 16 and 30 and the joint Administrative Committee/ Water Wastewater Oversight Committee meetings met on July 2 and 16. The approved minutes of the two July 16th meetings and the July 2nd joint meeting minutes are attached for your review. The minutes from the July 30th Administrative Committee meeting have not yet been prepared.

FISCAL IMPACT:

None

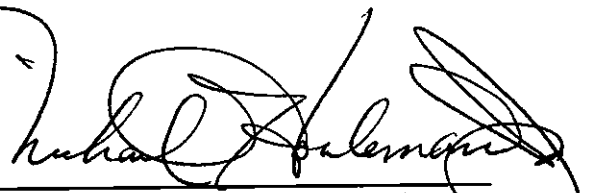
COORDINATION:

Administrative Committee and Water/ Wastewater Oversight Committee

Prepared by


Linda L. Stiehl

Approved by


Michael A. Houlemard, Jr.

Administrative Committee co-chair Doug Yount, City of Marina, called the meeting to order. As indicated by the sign-in sheet, the following persons were in attendance:

Dick Goblirsch, City of Del Rey Oaks
Graham Bice, UCMBEST
Heidi Burch, City of Carmel
Rob Robinson, BRAC
Les Turnbeaugh, City of Monterey
Mehul Mody, CSUMB
Doug Yount, City of Marina
Bob Holden, MRWPCA
Ray Corpuz, City of Seaside
Vicki Nakamura, MPC
Jim Cook, Monterey County
Mike Gallant, MST
Keith McCoy, East Garrison Partners
Steve Matarazzo, City of Sand City

Bob Schaffer, Marina Comm. Partners
Thom Gamble, Marina Comm. Partners
Ian Gillis, East Garrison Partners
David Gazek, Federal Development
Michael Houlemard, FORA
Jim Feeney, FORA
Jim Arnold, FORA
Steve Endsley, FORA
Jonathan Garcia, FORA
Crissy Maras, FORA
Jim Heitzman, MCWD
Suresh Prasad, MCWD
Jeff Cattaneo, MCWD

ITEM 1. Call to Order at 8:45 AM

Mr. Yount called the meeting to order at 8:45 AM. The roll call was accommodated via the meeting sign-in sheet.

ITEM 2. Pledge of Allegiance

Mehul Mody led the group in the pledge of allegiance.

ITEM 3. Public Comment Period – None presented

ITEM 4. Acknowledgements, announcements and correspondence

FORA Executive Officer Michael Houlemard announced the 9:30 REPOG meeting at the MBEST Center.

ITEM 5. Approval of June 18, 2008 minutes

a. Administrative Committee meeting

Co-chair Yount noted an edit to page 2, item 6b, 1st sentence of the second paragraph – strike “the City’s” so that the sentence now reads: “Debby Platt, City of Marina, expressed ~~the City’s~~ concern that an increase in fees would kill their Dunes development project.” The meeting minutes were approved as amended on a motion by Les Turnbeaugh and seconded by Graham Bice.

ITEM 6. Review of the July 11, 2008 FORA Board Agenda (Administrative Committee only)

Executive Officer Houlemard summarized the draft FORA board agenda and also the joint FORA/ Marina Coast Water District (“MCWD”) agenda. After the discussion of Item 7a on the Administrative Committee agenda (Approve MCWD water and wastewater systems rates, fees and charges for fiscal year 2008-2009), which resulted in the committee’s recommendation to

separate out the capital charges for approval at a later date, changes in the agenda text and supporting resolutions will be submitted by MCWD to FORA later today.

ITEM 7. Old Business

a. Regional Plenary Oversight Group (REPOG) – update

Jim Heitzman provided the update. Four parties have signed a Memorandum of Understanding – MCWD, Monterey Regional Water Pollution Control Agency (“MRWPCA”), Cal Am and Monterey County Water Resources Agency (“MCWRA”). The deadline for submitting alternatives to what is being studied under the environmental documents was moved out. MCWRA will be conducting meetings to resolve and clarify project details with the Ag industry.

The Public Utilities Commission will move forward objectively with the most environmentally sound and economically feasible project. They will ask that all entities involved enter into an institutional agreement. Mr. Yount asked if the institutional agreement would go beyond the four parties currently on the MOU. Mr. Heitzman does not believe so, unless the MCWRA needs approval beyond their Board by the County Board of Supervisors.

Current projections show surface water potentially being available by 2010. Ray Corpuz asked if there was a timeline for completion. Mr. Heitzman believes that completing the institutional agreements will require the most amount of time. He added that the more support the project receives, the quicker it should go. He urged Committee Members to submit letters of support if they have not already done so.

Mr. Houlemard asked Bob Holden if he was aware of the resolution that the MRWPCA Board passed at a recent meeting regarding the REPOG. Mr. Holden will research the resolution and send it to FORA for distribution to the committees.

Mr. Heitzman asked Members to contact him with any questions or meeting requests.

b. Approve Marina Coast Water District water and wastewater systems rates, fees and charges for fiscal year 2008-2009

Mr. Houlemard noted that MCWD staff requested the committees reconsider approving the rates and fees together, rather than holding off on approving the fees until a later date. He also noted that the committees have received the information they requested from MCWD staff with the exception of a new “placeholder” fee that could be used as a figure between MCWD’s proposed fee and the currently in-place fee. Co-chair Yount asked if there were any public comments on this item.

David Gazek, Federal Development, commented that since the proposed fee is approximately 300% higher than the current fee, it has caused difficulties in their financial plan. He also stated his support for Debby Platt’s comments at the last meeting. He advised the committees to be aware of the impacts the proposed fee would have on developments.

Ian Gillis, East Garrison Partners, echoed Mr. Gazek’s comments and additionally offered his support of a working committee amongst the developers and MCWD to come to an equitable solution.

Thom Gamble, Marina Community Partners, agreed with both Mr. Gazek’s and Mr. Gillis’ comments. He noted that he also would support a working group. He additionally stated that the proposed fee would increase the Dunes hotel cost by \$6.9M, which is greater than the land value of the hotel site.

Mr. Yount then brought the item back to the committees for further discussion. Dick Goblirsch asked what percentage of the FORA development fee is allocated to the water distribution system. Mr. Houlemard answered approximately 10-18%. Mr. Yount asked how much time is available to solve the problem. Mr. Houlemard replied that it depends on development because MCWD needs to plan to serve development in a timely way.

Mr. Heitzman noted that MCWD had invested between \$6-8M for infrastructure to serve the East Garrison development area based on previous development forecasts. Since that time, no building permits have been pulled for that development and MCWD is paying for the infrastructure.

Mr. Corpuz commented that he would like to see the information organized in a way so that the consequences of 1) approving the fee at its proposed amount, 2) approving the fee at a lower amount based on the REPOG, and 3) not approving the fee at all can be read in the text.

Mr. Houlemard restated the fact that MCWD has not provided a placeholder amount based on what the fee could be if the REPOG is approved. He noted that the fee would likely not be approved until a number is installed that is universally acceptable.

Mr. Turnbeaugh suggested that a sub-committee be formed to address Mr. Corpuz' comments. Jim Cook supported that idea, and added that a deadline should be installed to encourage action.

Mr. Corpuz made the motion that the WWOC and Administrative Committee take the matter of the proposed connection charges under review with MCWD and that the WWOC provide feedback to the Administrative Committee within 3 months and a recommendation to the Board in October, and, that the currently in-place connection fee should move forward with the budget to the Board for approval at their July meeting. Mr. Cook seconded, motion passed.

ITEM 8. New Business – none

ITEM 9. Adjournment

The meeting was adjourned at 10:08 AM.

FORT ORD REUSE AUTHORITY

100 12th Street, Building 2880

Marina, CA 93933

(831) 883-3672 (TEL) • (831) 883-3675 (FAX) • www.fora.org

APPROVED

MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING Wednesday, July 16, 2008

1. Call to Order

Co-Chair Michael Houlemard called the meeting to order at 8:18 a.m. The following representatives from the land recipient jurisdictions, representing a quorum, were present:

*Jim Cook – County of Monterey	*Les Turnbeaugh – City of Monterey
*Dick Goblirsch - City of Del Rey Oaks	*Debbie Platt – City of Marina
*Diana Ingersoll – City of Seaside	

Also present, as indicated by the roll sheet signatures, were:

Jim Feeney – FORA	*Don Bachman - TAMC
Jim Arnold – FORA	Terry Tumay
Tim O'Halloran – City of Seaside	Stan Cook – FORA
(*)Steve Matarazzo – City of Sand City	Jonathan Garcia – FORA
Steve Endsley – FORA	*Gail Youngblood – BRAC
Bob Schaffer	*Vicki Nakamura – Monterey Peninsula College
Bob Holden – MRWPCA	(*)Heidi Burch – Carmel
Scott Hilk – Marina Community Partners	Michael Houlemard - FORA

* indicates a committee member and (*) indicates a FORA voting member but not a land recipient jurisdiction

Voting board member jurisdictions not represented at this meeting were Salinas and Pacific Grove.

2. Pledge of Allegiance

Co-Chair Houlemard asked Steve Matarazzo, who agreed, to lead the Pledge of Allegiance.

3. Acknowledgements, announcements and correspondence

Co-Chair Houlemard said that FORA had had an off-the-record notification that Governor Schwarzenegger would be signing the ESCA Covenant Deferral Request (CDR). No letter has been received yet nor has a public announcement been made, so he advised waiting for the formal notice.

4. Public comment period - none

5. Follow-up to July 11, 2008 FORA board meeting

Co-Chair Houlemard reported that the Board did not approve the Marina Coast Water District ("MCWD") water and wastewater systems rates, fees and charges for fiscal year 2008-2009, since the vote resulted in nine positive and two negative votes. Since FORA board votes must be unanimous on the first vote to pass, the item will go to a second majority vote at the August 8th board meeting. The capacity charges were separated out for further discussion by the Administrative Committee, with a recommendation for approval in time for the October, or later, board meeting. Bob Schaffer asked if MCWD could proceed with the REPOG (Regional Plenary Oversight Group) without Monterey Regional Water Pollution Control Agency. Co-Chair Houlemard responded, "yes, probably, but it might be unfortunate." He said the augmented water supply is an important piece of the REPOG, which requires all players to be active players.

6. Old Business

Item 6a – Habitat Conservation Plan ("HCP"):

(1) Update: Director of Planning and Finance Steve Endsley said he had received the revised scope of services from Denise Duffy & Associates ("DDA"), which restructures and recombines the Federal NEPA and State CEQA processes. He added that no additional costs in the DDA contract were necessary for these changes to be made. He explained that DDA's contract is peculiar in that U.S. Fish & Wildlife is acting as lead agent on the federal level but FORA is the lead agent on the state level.

Mr. Endsley reported that good progress is being made on finalizing the HCP, particularly related to the monitoring chapter and funding assurances, where an annual appropriation of funds from Congress and the state legislature is critical. The Bureau of Land Management ("BLM") has asked FORA to pick up the costs when they lack the funding, and the response continues to be no, except that FORA has agreed to set up a contingency fund, which would help in non-funded years. He commended the work of David Zippen, FORA's lead consultant at Jones & Stokes, who has long experience working with HCP's on the state and federal levels. Mr. Endsley stated that FORA is keeping the costs only to those that are required. Co-Chair/Executive Officer Houlemard remarked that if BLM cannot live up to its commitments regarding its properties, which are stated in the transfer deeds, it might not be able to accept the land, which has become a serious issue. He added that when FORA sunsets, its obligations revert to the land use jurisdictions. Gail Youngblood clarified that the U.S. Army is not a part of the HCP, because its habitat obligations are outlined in the Habitat Management Plan (HMP). She added that the Army is living up to its obligations. Mr. Endsley emphasized again that it is extremely important that the right language be crafted for inclusion in the HCP documents. Chair Houlemard responded to Administrative Committee questions by emphasizing the need to be diligent in reviewing the HCP, while keeping the State and Federal land recipients aware of their habitat financial obligations and responsibilities which should not be picked up by the FORA members.

(2) Multi-Modal Transit Corridor realignment ("MMTCR") – approve memorandum of agreement: Associate Planner Jonathan Garcia reported on a conference call with Golden Gate University, adding that recent staff changes have made it very important to bring, and keep, this player on board. Assistant Executive Officer Jim Feeney emphasized that the policymakers must first indicate their approval of the MMTCR before it can be taken to the FORA Board. Co-Chair

Houlemard added that everyone working together to reach the common goal will make this process happen; it is also a piece needed before the HCP can be finalized. He set the goal for getting the policymakers on board as September and offered FORA's help wherever needed to keep it moving forward. Debbie Platt reminded all that the CSU Trustees expect to vote on their Environmental Impact Report (EIR) in September.

Item 6b – Regional Plenary Oversight Grop (REPOG) – update: MCWD District Engineer Jeff Cattaneo reported that the project description has been given to the environmental consultant for review and all parties are currently in agreement. He noted that the description does not include replenishment. The next steps will be determining the costs. Co-Chair Houlemard remarked that the REPOG effort is supported by the four primary water agencies in this area: CalAm, Monterey Regional Water Pollution Control Agency, MCWD and Monterey County Water Resources Agency, and that the Division of Ratepayers Advocates grant is no longer funding the project.

Item 6c – Fort Ord Environmental Services Cooperative Agreement (ESCA) Remediation Program – update: FORA ESCA Program Manager Stan Cook distributed a handout containing the details of his bimonthly report, which he summarized. He noted that this project is about 1 ¼ years old now and is making great progress. Co-Chair/Executive Officer Houlemard emphasized the importance of meeting road and other construction timings, particularly for the veterans' cemetery, where a timely sale of a portion of their parcel is essential in order to provide the capital for the cemetery.

Item 6d – FORA Capital Improvement Program for FY 2008/09 – 2021/2022: Distribution of board approved document: FORA Administrative Coordinator Crissy Maras distributed copies of this document.

7. **New Business** - none

8. **Adjournment:** Co-Chair Houlemard adjourned the meeting at 9:05 a.m.

Minutes prepared by Linda Stiehl, Executive Assistant

Fort Ord Reuse Authority Executive Officer Michael Houlemard called the meeting to order. As indicated by the sign-in sheet, the following persons were in attendance:

Dick Goblirsch, City of Del Rey Oaks
Don Bachman, TAMC
Heidi Burch, City of Carmel
Tim O'Halloran, City of Seaside
Les Turnbeaugh, City of Monterey
Debby Platt, City of Marina
Diana Ingersoll, City of Seaside
Vicki Nakamura, MPC
Jim Cook, Monterey County
Steve Matarazzo, City of Sand City
Jeff Cattaneo, MCWD

Bob Schaffer, Marina Comm. Partners
Scott Hilk, Marina Comm. Partners
Bob Holden, MRWPCA
David Gazek, Federal Development
Michael Houlemard, FORA
Jim Feeney, FORA
Jim Arnold, FORA
Steve Endsley, FORA
Jonathan Garcia, FORA
Crissy Maras, FORA
Suresh Prasad, MCWD

ITEM 1. Call to Order at 8:45 AM

Mr. Houlemard called the meeting to order at 9:09 AM. The roll call was accommodated via the meeting sign-in sheet.

ITEM 2. Public Comment Period

None presented

ITEM 3. Approval of May 14, 2008 joint Administrative Committee/Water and Wastewater Oversight Committee meeting minutes

The meeting minutes were approved on a motion by Les Turnbeaugh and seconded by Steve Matarazzo.

ITEM 4. Old Business

a. Marina Coast Water District capacity charges

Mr. Houlemard noted that the proposed capacity charges were not included in the budget package the FORA Board reviewed at their July meeting, and they will not be included in the budget package the Board votes on at their August meeting. The capital charge is critical to generate revenues for infrastructure and the REPOG. The key issue is how MCWD can generate revenue since the burden cannot be placed on the few rate payers currently on the former Fort Ord. The FORA Board needs to receive a recommendation on how MCWD can generate revenues. At this time, there are limited options including forming a district that passes on the cost to future buyers, or a proposed capacity charge that falls between it's current amount and the proposed amount.

Steve Endsley noted that the FORA Board asked if everything had been done to reduce costs. MCWD had responded to the Board's question that they had done everything they could to reduce and/or defer costs, including restructuring their CIP. Mr. Endsley also noted that when the cost of the REPOG solution is more clearly defined, the capacity charge ought to be much lower.

Jim Feeney stated that MCWD had previously provided a rough estimate of the capacity charge if the REPOG is approved, and that it would be approximately \$14K. Representatives of the development community had indicated that \$14K would still cause significant impacts to their projects.

Mr. Turnbeaugh asked if the transmission/distribution lines the army used could be used for the new customers. Mr. Feeney responded that portions of the army system are in use, but there is an extensive amount of repair and rehabilitation needed. Additionally, a large portion of the CIP budget includes extending the service to more remote areas of the base.

Mr. Houlemard added that due to the Army's deferred maintenance on the system, there is a current loss rate of 20-25% which is unacceptable when water conservation is so important.

Jeff Cattaneo noted that nearly the entire army system needs to be replaced, and thus, a majority of it is currently turned off.

Bob Schaffer asked if existing rate payers on the former Fort Ord had to pay a connection charge. Mr. Cattaneo responded that they did not, since they were already connected to the system but that they do pay a capital charge in their monthly bill. Mr. Schaffer asked if those capital charges go into a fund for capital improvements. Mr. Cattaneo responded that they do.

Mr. Schaffer asked if any other beneficiaries of the REPOG project participated in the funding. Mr. Cattaneo responded that since the REPOG is a regional project, all beneficiaries will contribute to the cost equally. He additionally noted that the proposed capacity charge of \$17K does not include much funding toward the REPOG, but rather funds improvements to the current system including sewer facilities, lift stations, water pipelines, storage reservoirs, etc.

Mr. Feeney noted that there are three components to the capacity charge, water, wastewater and the water augmentation program. If the REPOG is approved, the capacity charge can possibly be reduced to \$14K – which applies to the infrastructure on the former Fort Ord for which there are no outside beneficiaries.

Mr. Houlemard noted that there is no question an increase in the capacity charge will place a burden on the development community. We now have to figure out how to move forward. There is no development if there is no service. He noted the possibility of a facilities district overlay to pay back the costs over a certain number of years. Mr. Houlemard asked for input from the development community on how the funds could be generated.

David Gazek noted that the Federal Development team is currently creating a Mello Roos district for utilities, but that there is an acceptable upper limit, or resistance level, to the cost of housing. Currently, Federal's proposed prices are slightly below that limit. However, including MCWD's proposed connection fee could carry the market price above the resistance level.

Mr. Cattaneo noted that MCWD had reviewed the possibility of a hybrid in the form of part capacity charge, part facilities district. Mr. Houlemard noted that the committees should think about that option.

Mr. Gazek thought it would be helpful to see the improvements and costs to the system as a whole and information showing that all users are paying their fair share. In response, Mr. Houlemard noted that there used to be water summits held on the former Fort Ord which addressed all water issues, and that it might be timely to conduct another. Mr. Cattaneo suggested that Tom Gaffney from Bartles and Wells conduct a workshop to go over the requested information with interested parties.

Debby Platt agreed that an informational session would be helpful, either for interested parties or the group as a whole.

Mr. Houlemard noted that the capacity charge would not get FORA Board approval unless they understand the background of why the increase is needed and what impact it will have on development.

Dick Goblirsch also thought it would be helpful to know how FORA intends to spend its tax increment revenue, and how the \$40M in development fee pledged toward the water augmentation program would be used. Mr. Houlemard noted that FORA would not collect tax increment if no development occurred, and that significant amounts of tax increment would not be realized until after 2014, at which time it would belong to the jurisdictions.

Ms. Platt recommended a workshop with Tom Gaffney occur at the earliest possible scheduling opportunity. Mr. Houlemard noted that FORA would arrange a workshop to address all of the concerns brought up with a focus on bringing a recommendation to the FORA Board in October. Additionally, a discussion on tax increment revenue and its uses can also be had.

ITEM 5. New Business - none

ITEM 6. Adjournment at time certain of 9:30 AM

The meeting was adjourned at 10:14 AM.

FORT ORD REUSE AUTHORITY BOARD REPORT

EXECUTIVE OFFICER'S REPORT

Subject:	Executive Officer travel report	
Meeting Date:	August 8, 2008	INFORMATION
Agenda Number:	8b	

RECOMMENDATION:

Receive the Executive Officer's travel report.

BACKGROUND/DISCUSSION:

The Executive Officer routinely submits a report to the Executive Committee providing details of travel requests from him and other board members that will be paid or reimbursed by FORA. After the committee approves these request forms, the information is reported to the Board as an informational item. The following travel requests were approved by the committee at their July 30th meeting:

~Association of Defense Communities (ADC) Annual Conference in Monterey, CA (August 10 – 13, 2008): As ADC President, Executive Officer Houlemard will be participating in a number of meetings and events from August 9 – 13. ADC will pay for nearly all of the related expenses, however, a small portion may need to be covered by FORA. The Executive Committee has approved FORA's payment of any non-reimbursed expenses, according to the FORA travel policy.

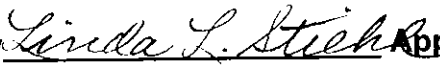
~Trip to Sacramento to meet with legislators and/or their staffs (dates unknown at this time): On July 30th the Executive Committee directed Executive Officer Houlemard to consult with FORA's legislative representatives in Sacramento regarding several issues of timely importance. The Executive Officer will be scheduling these meetings in the near future. He is expected to spend one night in Sacramento. Expenses will be reimbursed according to the FORA travel policy.

FISCAL IMPACT: Reviewed by FORA Controller 

These expenses will be covered in FORA's 2008-09 operating budget.

COORDINATION:

Executive Committee

Prepared by 
Linda L. Stiehl

Approved by 
Michael A. Houlemard, Jr.