

**MINUTES
OF THE
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
Fort Ord Reuse Authority Conference Facility/Bridge Center
May 8, 2009**

1. CALL TO ORDER AND ROLL CALL AT 3:30 P.M.

Chair Rubio called the meeting to order at 3:36 p.m. and requested a roll call.

Voting members:

Chair/Mayor Rubio (City of Seaside)
Mayor McCloud (City of Carmel)
Councilmember Gray (City of Marina)
Councilmember Kampe (City of Pacific Grove)
Supervisor Potter (County of Monterey)
Supervisor Parker (County of Monterey)

Councilmember Selfridge (City of Monterey)
Mayor Russell (City of Del Rey Oaks)
Councilmember Mancini (City of Seaside)
Mayor Pendergrass (City of Sand City)
Councilmember McCall (City of Marina)
Jim Cook (alternate for Supervisor Calcagno)

Absent was Councilmember Barnes (City of Salinas).

2. CLOSED SESSION

There were three items in the Closed Session: (2a) Public Employee Performance Evaluation (Executive Officer's position); (2b) Conference with Real Property Negotiators (The property was the Preston Park Complex on former Fort Ord. The agency negotiators were Executive Officer Houlemard and Authority Counsel Bowden. The price, terms and conditions of sale and loan were under negotiation.); and (2c) Conference with Real Property Negotiators (The property was AMBAG's parcel in the Imjin Office Park. The agency negotiators were Executive Officer Houlemard and Authority Counsel Bowden. The disposition of the parcel and purchase contract were under negotiation.)

4. REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL

Authority Counsel Bowden reported that the Board gave direction to proceed with the Executive Officer's annual self-evaluation (Item 2a) and gave direction to the negotiators on how to proceed with the negotiations in Items 2b and 2c.

3. ROLL CALL OF ALL MEMBERS AT 4:00 P.M.

No roll call was taken at this time, since a quorum of the voting members was present. For the records, the following ex-officio members were present:

Congressman Sam Farr (17th Congr. District)
James Main (CSUMB)
Vicki Nakamura (Monterey Peninsula College)
Kenneth K. Nishi (Marina Coast Water District)

Graham Bice (UC MBEST)
Dan Albert, Jr. (MPUSD)
COL Darcy Brewer (U.S. Army)
Gail Youngblood (BRAC Office)

Arriving after the roll call was Debbie Hale (TAMC). Absent were representatives from the 15th State Senate District, the 27th State Assembly District, and Monterey-Salinas Transit.

Chair Rubio called the regular meeting to order.

5. PLEDGE OF ALLEGIANCE

Chair Rubio asked COL Brewer, who agreed, to lead the Pledge of Allegiance.

6. ACKNOWLEDGEMENTS - none

7. PUBLIC COMMENT PERIOD - none

8. CONSENT AGENDA

There were two items on the Consent Agenda: Item 8a (April 3, 2009 board meeting minutes) and Item 8b (Authorization to submit a grant application and accept a grant award upon request and offer by the Economic Development Administration). There were no board or public comments. **Motion to approve Items 8a and 8b was made by Councilmember Mancini, seconded by Councilmember McCall, and carried.**

9. OLD BUSINESS

Item 9a - Habitat Conservation Plan ("HCP") approval process: Executive Officer Houlemard reported on the meeting with the regulators, FORA's consultants and the HCP Working Group members on May 7th, noting three important issues: (1) coordination with the state and federal regulators that have HCP approval authority; (2) completion of the HCP and getting it out for public consumption; and (3) ways to generate revenues to fund the endowment, along with the distribution of responsibilities to the jurisdictions.

Re Item (1): Mr. Houlemard said that substantial progress, with both the regulators and local jurisdictions, had been since late last year. He said the costs would probably be more than the \$6-7 million estimated in the late 1990's. He remarked that the description of the cost items needs to be very clear. The current cost estimates are significantly higher than the \$6-7 million figure of the late '90's. He said that CSUMB and UCSC had taken on some of the obligations, which had reduced costs, and FORA staff has been examining each cost item to find ways for additional reductions.

Re Item (2): Mr. Houlemard reported that the CA Department of Fish & Game ("DFG") had asked for additional assurances that habitat parcels would be maintained into perpetuity, including those already transferred; an example is the Bureau of Land Management. The DFG representatives proposed a basewide habitat land conservation easement approach, because they said the current deed restrictions were not strong enough and could be removed. Mr. Houlemard said that the Executive Committee had authorized a delegation from FORA to travel to Sacramento to discuss these new proposals in meetings with the California Resources Agency Secretary Mike Chrisman and FORA's legislators.

Re Item (3): Mr. Houlemard said the endowment fund must generate at least enough annual revenue to cover costs. He reported that at present, he's aware of two banks that have assurance policies (aka guaranteed investment contracts) backed by federal regulatory agencies, which were paying twice the interest rate that the California certified endowment fund holders were paying (2%). He said the proposal yesterday was that the Joint Powers Authority Cooperative hold the endowment funds locally.

Board comments included the following: Congressman Farr urged FORA to establish a policy of public access to the publicly owned lands, along with appropriate controls that would safeguard the habitat. Bill Kampe asked for examples of some return to the public, and Mr. Houlemard cited the UC Natural Reserve on former Fort Ord, where controls were set up to protect endangered species and public access was allowed. He added that the joint commitment was made by the FORA Board back in the 1990's. He said that the problem had arisen when the wildlife agencies prioritized habitat maintenance. There were no public comments.

10. NEW BUSINESS

Item 10a – Ord Community water/wastewater systems proposed budgets and rates for FY 2009-2010: Marina Coast Water District ("MCWD") Finance Director Suresh Prasad's presentation focused on a PowerPoint, which included a summary background of the approval process, the rate study and budget assumptions, the five-year Capital Improvement Project, the Ord Community service area rates for water and wastewater followed by comparisons with other local jurisdiction rates, and summaries of the revenues and expenses determining the proposed water and sewer rate increases. Mr. Prasad emphasized that no increases to the capital charges or the monthly capital surcharge for the two cost centers are being proposed. Councilmember Mancini asked if the water rate survey figures included the adjudication fee issues, and Mr. Prasad said he would take note of that. COL Brewer asked about the impact of the rates on the Army's 284 new housing units currently under construction in the Stilwell Kidney, and Executive Officer Houlemard said the Kidney units would be treated differently according to an prior agreement and suggested that the charts in the PowerPoint include this information. Councilmember McCall asked why the rate increases this year, and Mr. Prasad replied that supporting the debt accrued from the upfront infrastructure construction while the customer base is still low means setting higher rates at this time. Mr. Houlemard commented that the Water/Wastewater Oversight Committee had recommended adoption of the budgets and rates for FY 2009-2010. Mr. McCall asked if discounts would be given when more customers pay into the system, and Mr. Prasad said MCWD is tracking the numbers and the rates would stabilize when there are more people paying into the system. **Motion to approve Resolution Nos. 09-04 and 09-05, adopting a compensation plan and setting rates, fees and charges for basewide water, recycled water and sewer services on the former Fort Ord, was made by Supervisor Potter, seconded by Councilmember Kampe, and carried.**

Item 10b – FORA FY 09-10 Preliminary Budget (Action in June): Executive Officer Houlemard reported that the Finance Committee would be meeting on May 11th for another review of this budget. This budget will be presented to the Board for action in June.

Item 10c – FORA's 2009 state priority legislation: Executive Officer Houlemard said this item was brought to the Board as an interim information item and reported that the Legislative Committee would be meeting on May 29th to make a formal recommendation to the June Board.

11. EXECUTIVE OFFICER'S REPORT

There were five items in this report: Item 11a (Administrative Committee report), Item 11b (Finance Committee report), Item 11c (Executive Officer's travel report), Item 11d (Annual Legislative Session at June 12th board meeting) and Item 11e (Status update of outstanding receivables). Re Item 11c: Executive Officer Houlemard said he had traveled to Washington, DC, twice during the past two months to pursue items on FORA's Legislative Agenda and various financial opportunities, in particular, funding for recycled water and transportation improvements. He reported speaking at a House appropriations subcommittee hearing on BRAC progress, a committee on which Congressman Farr sits. He said Mr. Farr had been successful in inserting \$300 million in the DOD appropriations bill for completing its military cleanup projects; a sizable amount could well be allocated to former Fort Ord. (Mayor McCloud left the meeting during the latter discussion.) Re Item 11e: Mr. Houlemard reported that he is hopeful that # 2 and #3 (the Del Rey Oaks and AMBAG issues) will be resolved soon. He said staff is holding firm on the East Garrison Partners' ("EGP's") financial commitments in #1 (EGP/Monterey County) but is working with the County to resolve the issues.

12. ANNOUNCEMENTS AND CORRESPONDENCE - none

13. ADJOURNMENT

Chair Rubio adjourned the meeting at 4:40 p.m.

Minutes prepared by Linda Stiehl, Deputy Clerk

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