

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject: Requests for interim use of water resources

Meeting Date: April 11, 2008

Agenda Number: 8a

ACTION/INFORMATION

RECOMMENDATION(S):

DRAFT

- 1) Approve attached Term Sheet providing for an interim 400 acre feet per year (“AFY”) loan of groundwater to City of Seaside (**Attachment A**) and
- 2) Approve attached Term Sheet allowing an interim 280 AFY loan of groundwater to City of Del Rey Oaks (**Attachment B**).

BACKGROUND/DISCUSSION:

Recommendation #1:

On March 13, 2008, the City of Seaside (“Seaside”) requested Interim Use of Potable Water for Golf Course Irrigation from the Marina Coast Water District (“MCWD”) (**Attachment C**). Since that time, FORA staff convened a water working group meeting (attended by FORA member agency staff) on March 21, 2008 to discuss Seaside’s request. The working group identified that MCWD, the water purveyor for the former Fort Ord, is currently pumping less than half of the available 6,600 AFY. There is pumping capacity to meet Seaside’s 400 AFY interim loan request. The interim loan would terminate the earlier of the following: five years, a non-potable water source becoming available, or other jurisdictions exercising their allocation right to access this water. As a result of the meeting, FORA staff prepared a Term Sheet (**Attachment A**) to allow an interim 400 AFY loan of groundwater to Seaside. The interim loan is not considered an allocation to Seaside and does not affect the long-term allocations made periodically by the FORA Board. The FORA Administrative Committee endorsed the attached Term Sheet on April 2, 2008 and recommended it for FORA Board consideration.

Recommendation #2:

The City of Del Rey Oaks (“Del Rey Oaks”) forwarded a March 14, 2008 letter (**Attachment D**) to FORA requesting an interim loan of water resources. Since that time, FORA staff convened a water working group meeting on March 21, 2008 to discuss Del Rey Oaks’ request. The working group identified that MCWD currently has pumping capacity to meet Del Rey Oaks’ 280 AFY interim loan request. The requested interim loan would terminate once the earlier of the following occurs: five years, a non-potable water source becoming available, or other jurisdictions exercising their allocation right to access this water. As a result of the meeting, FORA staff prepared a Term Sheet (**Attachment B**) allowing an interim 280 AFY loan of groundwater to the City of Del Rey Oaks. The interim loan is not considered an allocation to the City of Del Rey Oaks and does not affect the long-term allocations made periodically by the FORA

Board. The FORA Administrative Committee endorsed the attached Term Sheet on April 2, 2008 and recommended it for FORA Board consideration.

In addition, Del Rey Oaks has been negotiating with MCWD to receive a written verification of water supply letter for its proposed mixed-use hotel resort and golf course project. Such verification is crucial to the City and its flagship program. Receiving the verification from MCWD is contingent on the ascertainment of permanent non-potable or equivalent water supply to facilitate the golf courses. MCWD staff believe such a permanent source exists outside the existing FORA allocation process, but within the context of prior CEQA action undertaken. The City of Del Rey Oaks is continuing to discuss solutions with MCWD to obtain the written verification of supply letter.

FISCAL IMPACT:

Approval of the above recommendations would facilitate economic redevelopment of the former Fort Ord.

COORDINATION:

Water working group, Marina Coast Water District, Executive Committee, and Administrative Committee

Prepared by _____ Reviewed by _____
Jonathan Garcia Steve Endsley

Approved by _____
Michael A. Houlemard, Jr.