

Draft
Proposed Project Description

For the

**ORD COMMUNITY SPHERE OF INFLUENCE
AMENDMENT AND SERVICE AREA ANNEXATION**

Marina Coast Water District

September 13, 2011

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I. Project Data

1. **Project Title:** Marina Coast Water District Ord Community Sphere of Influence Amendment and Service Area Annexation
2. **Lead Agency Name and Address:** Marina Coast Water District, 11 Reservation Road, Marina, CA 93933
3. **Contact Person and Phone Number:** Carl Niizawa, (831) 883-5925
4. **Project Proponent:** Marina Coast Water District (MCWD or the District)
5. **Project Location:** The project location includes all areas within the development boundary in the Fort Ord Base Reuse Plan for the former Fort Ord in Monterey County, California. This would include areas currently served by Marina Coast Water District under contract with the Fort Ord Reuse Authority (FORA), and all areas with projected redevelopment. The area includes portions of the Cities of Del Rey Oaks, Marina, Monterey, Seaside and unincorporated Monterey County.
6. **Project Description:** The project under consideration herein is the Marina Coast Water District's (MCWD or the District) Ord Community¹ Sphere of Influence (SOI) amendment and Service Area (SA) annexation in accordance with relevant codes and ordinances of the District and local jurisdictions, and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. MCWD proposes to amend their SOI and Service Area to include the Ord Community that consists of all the development parcels identified by the Fort Ord Reuse Authority (FORA) in their Fort Ord Reuse Plan and relevant General and Master Plans. The District currently provides service to this area under contract with FORA, which is scheduled to sunset in 2014.

II. Introduction

This document has been prepared by the Marina Coast Water District (MCWD) as the lead agency, pursuant to the California Environmental Quality Act (CEQA).

This document describes the annexation of the Ord Community of the former Fort Ord in Monterey County into the District's SA and associated SOI amendment. The action of annexing the area, itself, will not result in physical impacts on the environment, as described herein. The annexation involves no changes to the existing water and wastewater system and the associated system permits. Existing operations and future plans for additional infrastructure and water service to this area are described and considered in the following documents:

- 2010 Urban Water Management Plan (MCWD, June 2011),
- Fort Ord Reuse Plan (Reuse Plan) Environmental Impact Report (EIR) (FORA, 1997),
- Regional Urban Water Augmentation Project EIR (MCWD, 2004, as amended in 2006 and 2007), and

¹ Ord Community as used herein refers to all parcels within the former Fort Ord that are redeveloped with urban land uses or that are planned or proposed to be redeveloped with urban uses by the Fort Ord Reuse Plan, the General Plans for the County of Monterey, and Cities of Seaside, Marina, Del Rey Oaks and Monterey, and the CSUMB and UCMBEST Master Plans. Areas proposed to be dedicated open space and California State Parks land are excluded.

- Coastal Water Project EIR (CPUC, 2010).

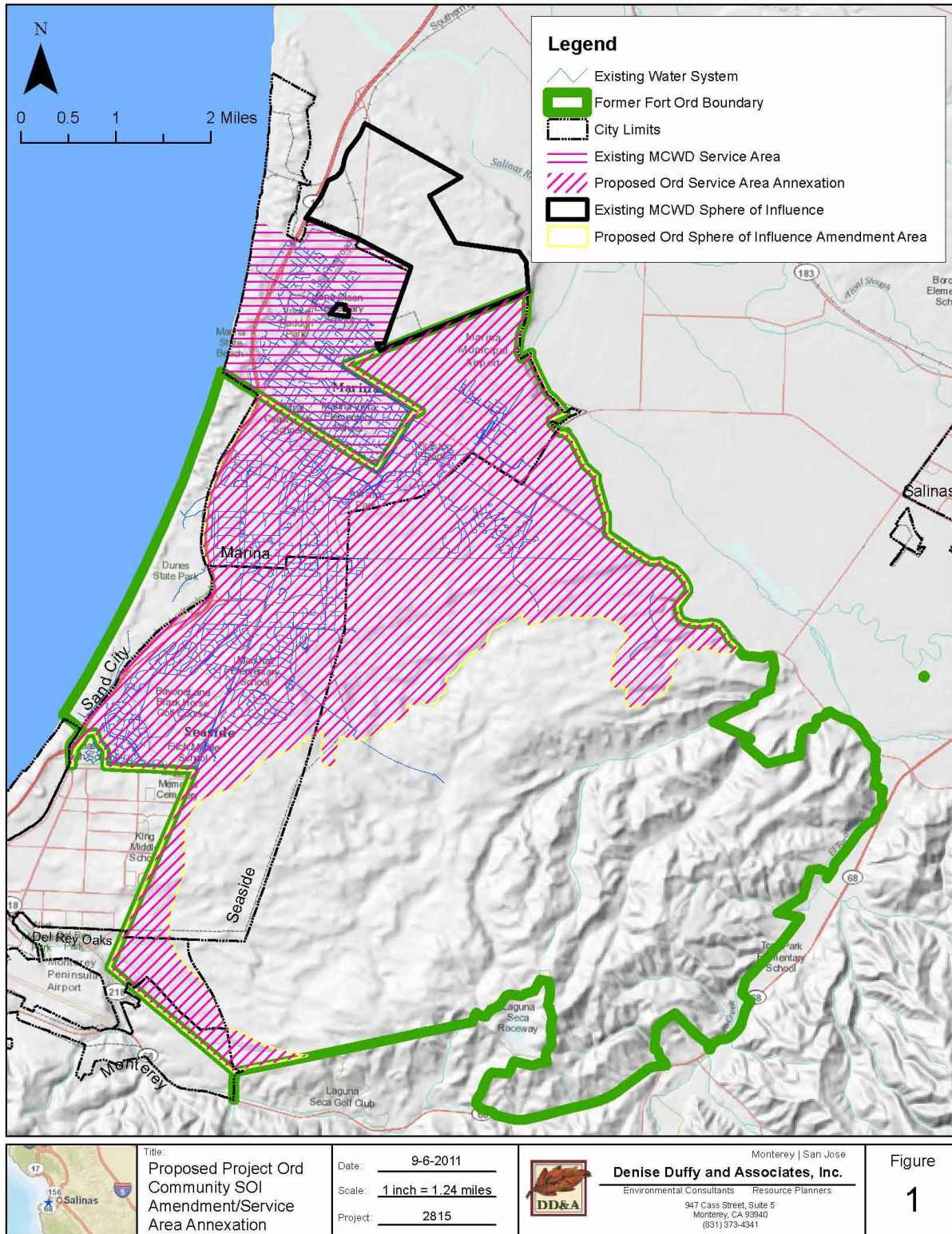
In addition, each relevant local jurisdiction has adopted their own General Plan amendments or updates and Redevelopment Plans and project EIRs that are consistent with the Reuse Plan EIR and all state that the District is the proposed water and wastewater provider for their redevelopment of the former Fort Ord areas.

In addition to the already adopted Water Supply Assessments (WSAs) and EIRs for development projects at the former Fort Ord (in this case referred to as the “Ord Community”), any future development in the Ord Community must comply with CEQA Statute and Guidelines. This applies to all development even if it is consistent with the Reuse Plan and relevant local General and Redevelopment Plans adopted for the former Fort Ord. During the review, the lead agency must assess the proposed development to ensure that no new significant impacts would occur and/or no worsening in impacts would occur due to the development, compared to the overarching programmatic, planning-level environmental documents. In addition, that review must analyze whether the proposed development will comply with and implement feasible mitigation measures from the planning-level environmental documents that would reduce the significant impacts. In this way, there is an additional level of assurance that impacts will be reduced to a less-than-significant level if feasible, or alternatively, that findings of overriding consideration are adopted for any development-related impacts that remain significant and unavoidable.

III. Project Background

The District’s current Service Area boundary, Sphere of Influence (SOI) and Ord Community Service Area are shown on Figure 1. The District currently provides water, wastewater and recycled water service to the former Fort Ord (Ord Community) under the Water/Wastewater Facilities Agreement with the Fort Ord Reuse Authority (FORA), dated March 13, 1998. The term of the agreement is coincident with the legal existence of FORA. FORA is a public corporation of the State of California established by the FORA Act, and will cease to exist in 2014 unless the FORA act is amended by the California State Legislature. To continue providing service to the Ord Community following the expiration of FORA, an organizational, governance and service structure will be required to replace the existing agreement. The possible alternatives include annexation of the Ord Community into the District’s Service Area, service under an agreement with a Joint Powers Authority (JPA) to be formed among the land use jurisdictions within the Ord Community, service under individual agreements with the various land use jurisdictions within the Ord Community, transferring the water and wastewater infrastructure within the Ord Community to another service provider, or a combination of one or more alternatives.

The District is a special district created by the California State Legislature in 1960. As a single-purpose district, it can only provide water and wastewater service. The District is funded only by rates and fees, and does not collect property taxes. The District is governed by a five-member Board of Directors who are elected by the voters within its Service Area to serve four-year terms.



The Local Agency Formation Commission of Monterey County (LAFCO) must approve any change to the District's Urban Service Area and Sphere of Influence. LAFCO defines an *Urban Service Area* as: "Urban developed areas within an urban service district or city Sphere of Influence, which is now served by existing urban facilities, utilities, and services or is proposed to be served by urban facilities, utilities and services within the next five years." LAFCO defines a *Sphere of Influence (SOI)* as: "A plan for the probable physical boundaries and Service Area of a local agency. The area around a local agency eligible for annexation and extension of urban service within a twenty-year period." Water supply for the Ord Community comes from the Salinas Valley Groundwater Basin (SVGB), from wells located along Reservation Road in unincorporated Monterey County. When the U.S. Army conveyed the water and wastewater infrastructure through FORA to MCWD, they also conveyed the right to provide up to 6,600 acre-feet per year (AFY) of water from the SVGB, authorized under a previous agreement between the Army and the Monterey County Water Resources Agency (MCWRA). This supply has been sub-allocated by FORA to the various jurisdictions within the Ord Community. The SVGB aquifer only extends into the northern and eastern portions of the Ord Community, so the wells cannot be relocated into the cities of Seaside, Del Rey Oaks, or Monterey.

Additional supply is being developed to meet the future demands of the Ord Community. Under the Regional Urban Water Augmentation Program, 2,400 AFY was to be developed for the Ord Community, a portion being potable supply from seawater desalination and a portion being from recycled water. The District has partnered with MCWRA and California American Water Company on a Regional Desalination Project. The Regional Desalination Project will produce desalinated supply on a larger scale, thus reducing the per-unit costs. The desalination plant will be located near the MRWPCA facility north of Marina. The RUWAP recycled water project would use recycled water from the existing Salinas Valley Reclamation Plant and deliver it to the urban landscaped areas within the Ord Community (currently planned for up to 1,000 AFY based upon the certified Coastal Water Project EIR). The District has constructed some of the pipelines required to convey this new supply into the Ord Community, and has planned and budgeted to construct the remaining portions. Regardless of the governance model selected, current and future water supply for the Ord Community will originate on the northern boundary of the former Fort Ord.

The MCWD Board of Directors has taken a series of actions accepting responsibility for the provision of water, wastewater and recycled water service to the Ord Community. Key actions have included:

- entering into Water/Wastewater Facilities Agreement with FORA, March 13, 1998,
- submitting a Public Benefit Conveyance Application for the Fort Ord Water and Sewer Facilities, 1999,
- accepting the title to and easements for the Water and Sewer infrastructure on the former Fort Ord, Resolution 2001-52, October 24, 2001,
- certifying the Final EIR for the Regional Urban Water Augmentation Project and Filing a Notice of Determination for the Project, under Resolution 2004-56, October 27, 2004,
- combining the Marina and Ord water systems into a single California Department of Public Health permit in 2007
- forming the Ord Community Ad Hoc Committee to make recommendations to the Board regarding annexation of the Ord Community to the District Service Area,
- approving a Revised Memorandum of Understanding between Marina Coast Water District, Monterey County Water Resources Agency and the Monterey Regional Water Pollution Control Agency Regarding Cooperative Planning and Joint Analysis for a Monterey Regional Water Supply Program, Resolution 2009-44, July 1, 2009.

- approving MCWD Resolution No. 2010-20, Approving Participation in the Regional Project (April 5, 2010) and authorizing the President and the General Manager and Secretary to execute the Settlement Agreement, Water Purchase Agreement, and Outfall Agreement.²

IV. Project Objectives

The annexation of the Ord Community into the Districts' LAFCO Service Area and amendment of the SOI is proposed to allow for uninterrupted provision of water and wastewater collection service for the Ord Community Service Area. The annexation is proposed to meet the demands of future development, as designated in the Fort Ord Reuse Plan and local jurisdictions' General and Master Plans, and to provide an acceptable and fair governance structure for those receiving water and wastewater service from the District.

V. Project Description

The District is proposing to request LAFCO approval of a SOI amendment and SA annexation to the development boundary in the Fort Ord Base Reuse Plan (i.e., to include all areas developed and proposed for development within the former Fort Ord), as depicted in Figure 1. This would include areas currently served by MCWD under contract with FORA, and all areas with projected redevelopment. MCWD is committed and contractually obligated to provide potable and recycled water supply for all of this area and refers to it as the Ord Community. The proposed District Sphere of Influence includes all of the areas which will rely upon it for water. Land owned by the U.S. Bureau of Land Management (BLM) and California State Parks are excluded. The Fort Ord Natural Reserve (FONR), the Landfill Parcel habitat management areas are included in the SA and in the SOI amendment area to avoid islands; however, those parcels currently, or will, be subject to deed restrictions restricting urban development based upon agreements between FORA, regulatory agencies and land use jurisdictions/owners.

Seaside County Sanitation District (SCSD) Urban Service Area is coincident with the Del Rey Oaks City Limits and extends into the Ord Community. The two districts, MCWD and SCSD, must decide which will be the wastewater collection provider to that area. The area has yet to be developed; however, the City has been pursuing planning for a golf resort project, including residential and commercial property. If it is decided that SCSD will provide that service, MCWD may still annex that area for water service only.

The rationale for allowing the Service Area expansion to include areas beyond the 5-year development projection is that the redevelopment of the Ord Community is occurring in phases by multiple land use jurisdictions. Addressing each jurisdiction and development project separately would require the District to submit multiple LAFCO annexation applications and CEQA documents. If the District were to annex only the areas it currently serves under contract, or only the 5- or 10-year development areas (as shown in Figures 2 and 3, respectively), many of the remaining areas would be bound by the MCWD system on one side and dedicated open space on the other, leaving MCWD the only logical option to provide service. Separate annexation applications would need to be submitted and processed for each development project, adding unneeded time and expense.

² MCWD's April 5, 2010 action adopting Resolution 2010-20 and approving MCWD's participation in the Regional Desalination Project based upon the Coastal Water Project EIR (CPUC, 2009) was conditioned on approval of the project by the CPUC. Thus, when the CPUC adopted Decision No. 10-12-016 on December 3, 2010 (see below), MCWD's approval became unconditional and final. MCWD filed a Notice of Determination on its action on December 13, 2010.

Service Considerations/Operations: The proposed annexation involves no changes to the existing water and wastewater system and the associated system permits. Future wastewater service to the former Fort Ord portion of Del Rey Oaks will depend upon the resolution of the appropriate wastewater service provider,

Governance: Annexation of areas into the District will allow customers to directly vote for and contact the District Board of Directors. Under the current service contract with FORA, customers within the Ord Community are represented by their elected city officials through the FORA Board and the FORA Water and Wastewater Oversight Committee. Areas outside the annexation boundary (BLM field office and CA State Parks) may be served under direct contract; however would not be annexed into the District's Ord Community Service Area.

LAFCO Considerations: This action is consistent with the parameters for a SOI as: "A plan for the probable physical boundaries and Service Area of a local agency. The area around a local agency eligible for annexation and extension of urban service within a twenty-year period." The proposed SA annexation includes areas in the urban Service Area beyond those currently served or projected to require services within the next five years. However, the ability to request and annex the entire Ord Community with a single application process would be administratively more efficient than requesting annexation on a project-by-project basis.

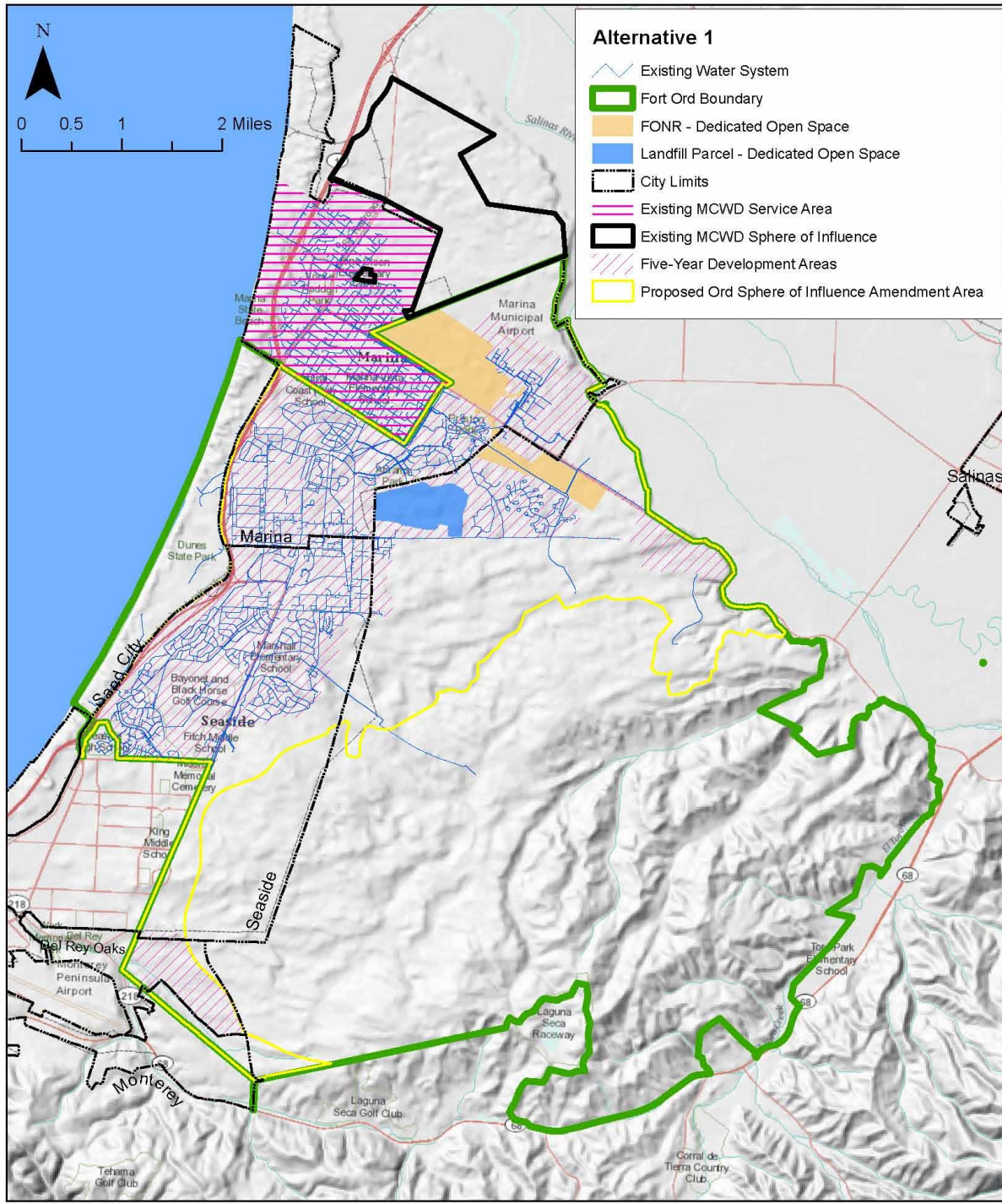
VI. Alternatives to the Project

In developing the Proposed Project, that includes MCWD's SOI amendment and SA annexation described in Section III, the following alternatives were developed and evaluated; however, they are currently not being proposed by MCWD for the reasons provided.

Alternative 1. The Five-Year Development Area Annexation

In this alternative, the District would amend their SOI to include all of the Ord Community (including all Reuse Plan development parcels and the Fort Ord Natural Reserve and landfill permanent habitat management area), and annex all portions of the Ord Community currently served under contract plus the 5-year development areas (areas proposed to be developed within the next five years) into its SA as shown in **Figure 2**. This alternative would strictly adhere to the LAFCO definitions as described in Section III, Background. This area would include all of the former cantonment (developed) area on the former Fort Ord, generally north of the installation boundary along Military Drive and Eucalyptus Road in Seaside, and north of the Bureau of Land Management property in the former training areas. The proposed SA would include the City of Del Rey Oaks portion of the Ord Community, which is projected for redevelopment within 5-years. This area would exclude the undeveloped portion of Seaside east of General Jim Moore Blvd, the southern portions of the Ord Community within the jurisdictions of the City of Monterey and Monterey County, and the undeveloped areas east of Parker Flats Cut-Off.

Service Considerations/Operations: This alternative involves no changes to the existing water and wastewater system and the associated system permits. The operations and maintenance and administrative functions of providing water and wastewater service would not be duplicated or made less efficient by this alternative.



	<p>Title: Alternative 1 Ord Community SOI Amendment/ SA Annexation</p>	<p>Date: <u>9-6-2011</u> Scale: <u>1 inch = 1.24 miles</u> Project: <u>2010-13</u></p>	<p>Monterey San Jose Denise Duffy and Associates, Inc. Environmental Consultants Resource Planners 947 Cass Street, Suite 5 Monterey, CA 93940 (831) 373-4341</p>	<p>Figure 2</p>
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Governance: Annexation of these areas into the District will allow customers to directly vote for and contact the District Board of Directors. Under the current service contract with FORA, customers within the Ord Community are represented by their elected city officials through the FORA Board and the FORA Water and Wastewater Oversight Committee. Current customers outside the annexation boundary (BLM field office and CA State Parks) may be served under direct contract.

LAFCO Considerations: This alternative is consistent with the definition of spheres of influence and urban service boundaries.

Environmental: This option involves no changes to the existing water and wastewater system and the associated system permits. Plans for service to this area are addressed and considered in the MCWD Urban Water Management Plan, FORA Base Reuse Plan EIR, Regional Urban Water Augmentation Project EIR, and Coastal Water Project EIR. Specifically, whether or not the District amends its Sphere of Influence and annexes the Ord Community as described in this alternative, future redevelopment, development, and/or infrastructure projects may be built and may independently cause direct significant impacts that would require CEQA review.

Rationale for Not Selecting this Alternative: The areas proposed for development in the near term (five to ten years) include separate projects within the City of Monterey (Industrial Park), City of Seaside (Monterey Peninsula Trade and Convention Center), CSUMB (staff and faculty housing) and unincorporated Monterey County (Whispering Oaks Business Park, Monterey Horse Park, Fort Ord Veterans Cemetery), potentially requiring multiple LAFCO annexation requests. Because all seven land use jurisdictions within the Ord Community must concur on the SOI expansion, it would be more efficient to address the near-term redevelopments at the same time.

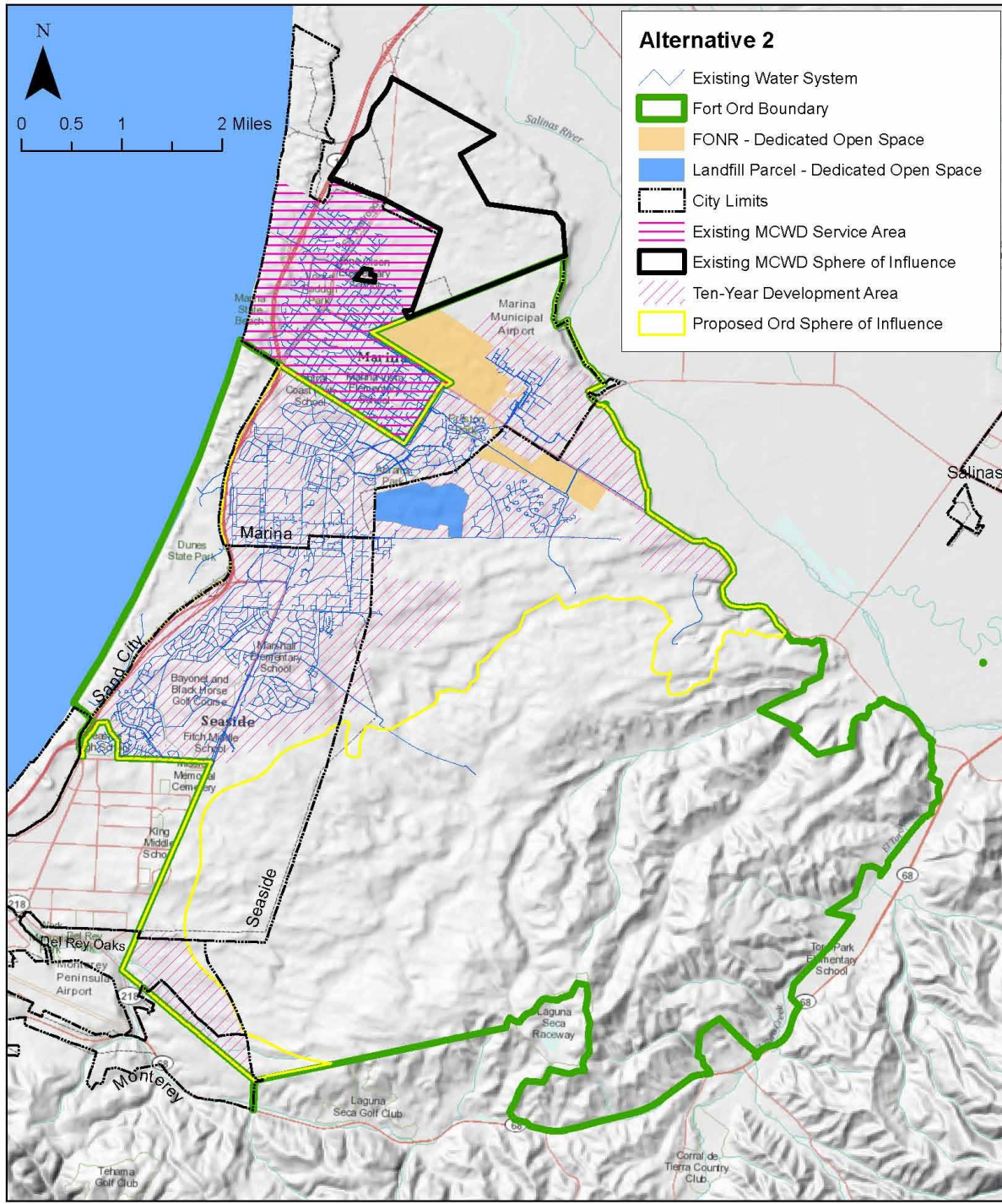
Alternative 2. The Ten-Year (or 2020) Development Area Annexation

In this alternative, the District would amend its SOI to include Reuse Plan development parcels, and annex the area currently served under contract plus the 10-year development areas (or alternatively, areas anticipated to require water and wastewater service by the year 2020) into the SA as shown in **Figure 3**. The District's SA would be expanded to include all of the areas projected in Alternative 1, plus the additional areas of the Whispering Oaks Business Park, Monterey Horse Park, the Fort Ord Veterans Cemetery, the CSUMB housing areas east of 8th Avenue, the Monterey Peninsula Trade and Convention Center in Seaside, and the industrial development parcels in the City of Monterey. This alternative encompasses all of the Ord Community development areas except two: East Garrison II in Monterey County and Seaside East (residential development in Seaside east of General Jim Moore Blvd). The reason for including these additional areas is that the project schedules are evolving, and may be accelerated if the economic climate is favorable and/or the processing and concurrence of the SA annexation and SOI amendment takes longer than one year.

Service Considerations/Operations: This option involves no changes to the existing water and wastewater system and the associated system permits.

Governance: Annexation of areas into the District will allow customers to directly vote for and contact the District Board of Directors. Under the current service contract with FORA, customers within the Ord Community are represented by their elected city officials through the FORA Board and Water and Wastewater Oversight Committee. Areas outside the annexation boundary (BLM field office and CA State Parks) may be served under direct contract.

LAFCO Considerations: This option is consistent with the definition of spheres of influence. Under this option, it is assumed that urban services will be needed for these areas and the District will therefore be prepared to provide services within the next five years.



	<p>Title: Alternative 2 Ord Community SOI Amendment/ SA Annexation</p>	<p>Date: 9-6-2011</p> <p>Scale: 1 inch = 1.24 miles</p> <p>Project: 2010-13</p>	<p>Monterey San Jose Denise Duffy and Associates, Inc. Environmental Consultants Resource Planners 947 Cass Street, Suite 5 Monterey, CA 93940 (831) 373-4341</p>	<p>Figure 3</p>
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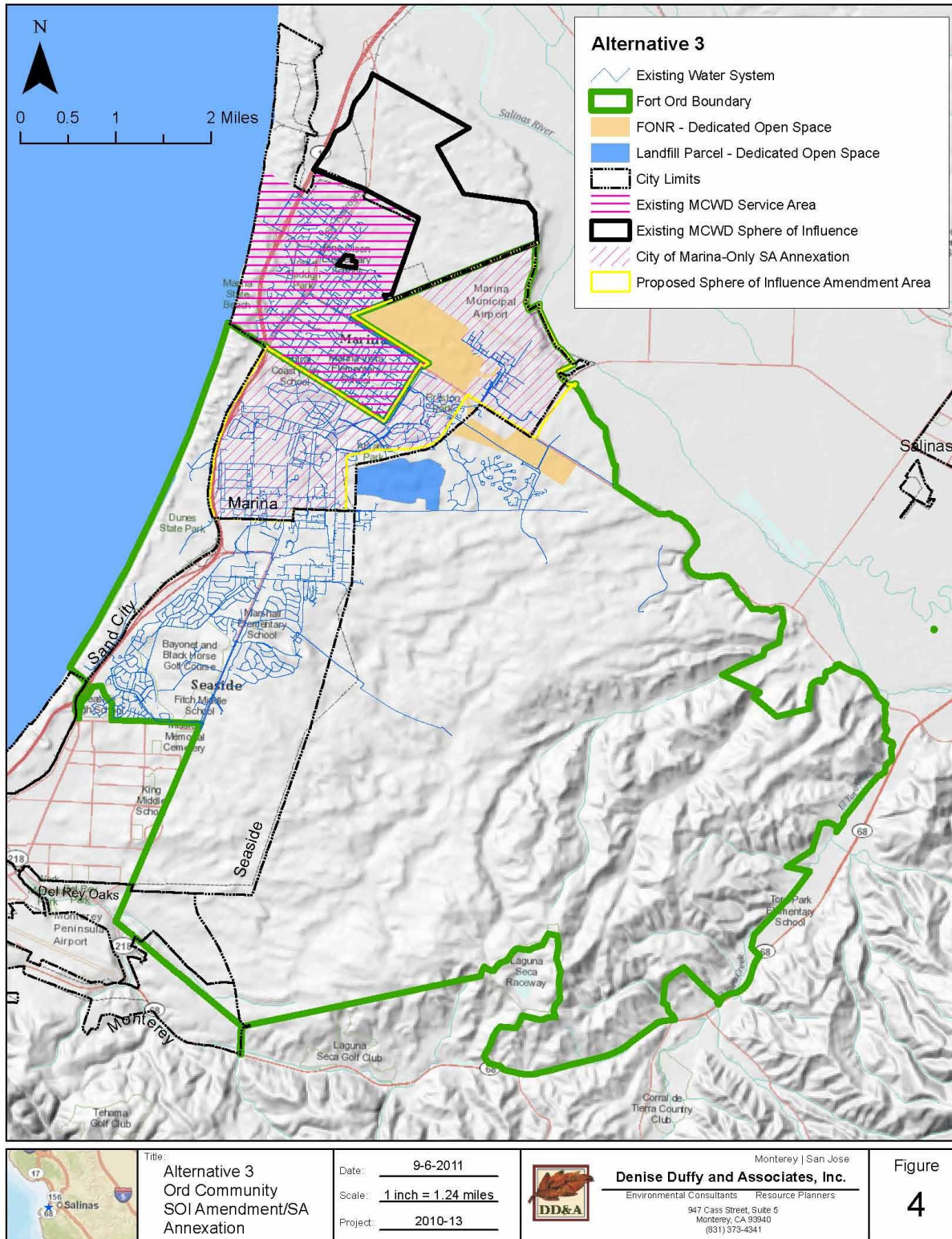
Environmental: This option involves no changes to the existing water and wastewater system and the associated system permits. Plans for service to this area are addressed and considered in the MCWD Urban Water Management Plan, Reuse Plan EIR, the Regional Urban Water Augmentation Project EIR, the Coastal Water Project EIR, and the environmental documents for the various redevelopment plans and projects within the Ord Community. Specifically, whether or not the District amends its Sphere of Influence and annexes the Ord Community as described in this alternative, future redevelopment, development, and/or infrastructure projects may be built and may independently cause direct significant impacts that would require CEQA review.

Summary of Rationale for Not Selecting this Alternative: This alternative encompasses all of the Ord Community development areas except two: East Garrison II in Monterey County and Seaside East (residential development in Seaside east of General Jim Moore Blvd). East Garrison II will be bordered by MCWD Service Area (East Garrison I) and dedicated open space (BLM property), so MCWD would be the only water provider available for this area. Seaside East would be bordered by multiple water providers (Seaside Municipal Water System, California American Water Company and MCWD), but the water supply for this area has been planned to be provided by MCWD by the Reuse Plan, existing agreements, MCWD's CIP and UWMP, local jurisdictions' General Plans, and the RUWAP and Coastal Water Project EIRs. Providing service through another water agency would require MCWD to sell that agency water as a wholesaler, adding an unneeded layer of administration and cost.

Alternative 3. Annexation to the Marina City Limit

The MCWD Board of Directors appointed the Ord Community Ad Hoc Committee (OCAC) in 2007 to make recommendations to the Board regarding annexation of the Ord Community to the District service area. The Committee submitted their recommendations in 2008, which was that the District should annex only to the Marina City Limit, and the portions of the Ord Community within the other jurisdictions may be served under wholesale or retail contract. The committee further recommended that the water and sewer infrastructure within the various jurisdictions be conveyed to those jurisdictions. This recommendation did not account for the design of the Ord Community system, which serves the former Fort Ord as a whole and not as jurisdictional segments. Water and sewer mains cross jurisdictional boundaries. Water storage tanks are located on sites selected due to elevation (the City of Marina does not contain any land high enough for a B-Zone reservoir). This alternative is shown in **Figure 4**.

Service Considerations/Operations: Water supply for the Ord Community comes from the Salinas Valley Groundwater Basin. Each land use jurisdiction on the former Fort Ord was sub-allocated a portion of the Salinas Valley groundwater supply previously secured through an agreement between the U.S. Army and the Monterey County Water Resources Agency. This supply comes from wells located along Reservation Road near Marina. The Salinas Valley Groundwater Basin does not extend into the southeast portion of the Ord Community (the Cities of Seaside, Del Rey Oaks and Monterey); therefore, the wells could not be relocated to those areas. Additionally, the District and FORA have worked jointly to develop the Regional Urban Water Augmentation Project to develop an additional 2,400 acre-feet per year of new supply to meet the water demands identified in the Reuse Plan. New water supplies will come from a regional seawater desalination facility and a new recycled water distribution system that have both been entitled and are now being implemented subject to final permits and funding (see discussion below under Earlier Analyses). The District has added staff in order to facilitate the construction and operation of these new water supply sources.



The water system in the Ord Community is divided into pressure zones based upon the elevation of the area being served. The topography increases from sea level at the coast to about 500-ft elevation, resulting in five unique zones. Each zone is looped and interconnected with the higher and lower zones for reliability and to guarantee fire flows. These pressure zones run roughly parallel with the coast, and cross jurisdictional boundaries which run roughly perpendicular to the coast. Separating the system at jurisdictional boundaries will require the installation of water mains to “close the loops” within each jurisdiction, the addition of wholesale water meters where water flows from one jurisdiction to the next, and the possible addition of water tanks and booster pumping stations if jurisdictions elect to completely sever the systems and not jointly use the existing facilities. For the above reasons, separating the system into jurisdictional parts would be costly and less reliable than operating as a whole. Jurisdictions may still insist upon this action, but they would bear the expense of making the system modifications.

Similarly, the wastewater collection system in the Ord Community does not follow jurisdictional boundaries, but runs downhill toward the coast. Wastewater is then conveyed north through a series of lift stations to the former Main Garrison Wastewater Treatment Plant, where it enters the MRWPCA Regional Interceptor. The City of Seaside and unincorporated Monterey County portions of the Ord Community do not have existing points of connection to the Regional Interceptor, so those wastewater flows would still need to pass through the Marina portion of the Ord Community en route to the regional wastewater treatment plant. Separating the service areas would require the installation of meters at various lift stations, so that the entities could bill each other for conveyance of flows.

California State University – Monterey Bay (CSUMB) is not a land use jurisdiction, per se, but controls a significant amount of land within the Ord Community. CSUMB encompasses portions of Marina, Seaside and unincorporated Monterey County. Separating the water and sewer systems along city limits would divide the campus into three parts, which would be unacceptable to the university. Establishing the campus as a separate system would add further unneeded complexity and expense.

The Marina Coast Water District consolidated the Central Marina and Ord Community under a single CDPH water system permit in 2007. Separating the system into multiple smaller systems will require separating the permit as well which would potentially be a costly and time consuming process.

Governance: Annexation of Marina into the District will allow those customers to directly vote for and contact the District Board of Directors. The remaining customers in the Ord Community would have access similar to what they currently have, through their respective elected municipal officials. Jurisdictions desiring continued water and wastewater service by the District would need to enter into franchise agreements or service contracts. If multiple jurisdictions desire service, they may elect to form a single joint powers authority to assume the role currently filled by FORA. Jurisdictions may choose to provide retail service through a different provider. In that case, they would need to enter into a wholesale agreement with the District to obtain the potable water supply to which they are entitled.

LAFCO Considerations: Alternative 3 is not consistent with requirements for a SOI or urban service area under LAFCO policies, because it does not recognize the existing provision of services to the Ord Community by the District. In addition, LAFCO may consider this alternative to represent inefficient and/or duplication of services due to the need to construct infrastructure along jurisdictional boundaries to separate the systems, incur costs associated with conveying ownership of the existing infrastructure from one entity to another, and with establishing administrative systems to manage the wholesaling of water.

Environmental: This option would involve physical and administrative changes to the existing water and wastewater system and the associated infrastructure that would require further environmental evaluation. Plans for service to this area are addressed and considered in the MCWD Urban Water Management Plan, Reuse Plan EIR, the Regional Urban Water Augmentation Project EIR, and the Coastal Water

Project EIR. These plans considered water and wastewater service would be provided to all of the Ord Community by the District; therefore, additional environmental analysis may be required to supplement the environmental review already completed for these plans and projects, if this alternative is selected.

Summary of Rationale for Not Selecting this Alternative: The operations and maintenance and administrative functions of providing water and wastewater service would be duplicated or made less efficient by this alternative as discussed above. The costs of updating the physical facilities would have to be borne by the new service provider(s) and their rate payers. In some jurisdictions, the affect would only be due to increase customer service costs due to the addition of a water wholesaler above the retail level (i.e., potentially deemed to be an inefficient duplication of administrative functions). Additional environmental and permitting processes and documentation of the changes to water and wastewater service provisions would be required. This alternative would not enable anyone outside the City of Marina to vote for the MCWD Board, and thus, no improvement in governance would occur under this alternative. This is less desirable than any of the other alternatives, including the No Project Alternative, because it does not meet the project objectives and provides for unfair distribution of costs.

Alternative 4. The No Project Alternative

Under this alternative, there is no change to service boundaries. FORA will cease to exist in 2014 (unless extended by the state legislature). Under the no project alternative, the District does not amend its SOI and does not annex any of the Ord Community into its LAFCO urban service area, but continues to provide water and wastewater service to the developed portions of the former Fort Ord under contract with the various land use jurisdictions. This may require the formation of a joint powers authority among the jurisdictions to manage the contract(s), or each jurisdiction may chose to enter into a separate service agreement.

Service Considerations/Operations: Jurisdictions may choose to have the District serve additional areas as they are redeveloped, or they may purchase water supply from the District and provide retail services through another means.

Governance: Under this option, no customer within the Ord Community would directly vote for the District Board of Directors. They would have indirect contact through their municipal elected officials as they do today. If the jurisdictions do not form a joint powers association, it is possible that customers within one jurisdiction will pay different water and sewer rates than customers in another jurisdiction. This is particularly likely for wastewater service, due to the numerous lift stations within the system which incur power and maintenance costs not associated with gravity pipelines.

LAFCO Considerations: This option is inconsistent with requirements for a SOI or urban service area under LAFCO policies. This option does not recognize the existing service area provision from the District.

Environmental: Under the no project alternative, there is no action and therefore, no need to do further CEQA environmental documentation for any LAFCO boundary changes. Plans for service to this area are addressed and considered in the MCWD Urban Water Management Plan, FORA Reuse EIR and Regional Water Augmentation Project EIR although these plans considered service provision to be under the MCWD.

Summary of Rationale for Not Selecting this Alternative: The governance structure is unacceptable as there would not be appropriate representation of rate payers. Also, the plan for providing water and wastewater service to the Ord Community should be decided by the FORA Board and the affected jurisdictions before FORA ceases to exist. The FORA Board provides all of the affected jurisdictions a forum for discussion of this issue.