



Monterey County

Monterey County
Government Center
Board Chamber
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Action Minutes - Final Water Resources Agency Board of Directors

Chair David Hart
Vice Chair Richard Ortiz
Ken Ekelund
Mark Gonzalez
Claude Hoover
John Huerta
Mike Scattini
Deidre Sullivan
Glen Dupree

Monday, October 17, 2016

12:00 PM

Call to Order/Establish Quorum for Closed Session

Present 8 - Chair David Hart, Vice Chair Richard Ortiz, Ken Ekelund, Mark Gonzalez, Claude Hoover, John Huerta, Mike Scattini, and Deidre Sullivan

Public Comments on Closed Session Items

There were no Public comments on Closed Session items.

1. Closed Session under Government Code section 54950, relating to the following items:
 - a. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1), the Board of Directors will confer with legal counsel regarding existing litigation: Successor Agency to the Redevelopment Agency of the County of Monterey v. Cohen (State Department of Finance), Sacramento Superior Court case no. 34-2016-800002403.
 - b. Conference with Legal Counsel - Significant Exposure to Litigation
Pursuant to Government Code section 54956.9(d)(2), the Board of Directors will confer with legal counsel regarding three matters of significant exposure to litigation.

Adjourn to Closed Session

Reconvene Meeting/Re-Establish Quorum (No earlier than 1:00 PM)

Deputy County Counsel Avila indicated no reportable actions were taken in Closed Session.

Pledge of Allegiance

Public Comments

Consent Calendar

2. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors:
- a. Approve the Annual Joint Funding Agreement with the United States Geological Survey for stream gaging work in Monterey County in the amount of \$159,350;
 - b. Ratify execution of the Joint Funding Agreement for Water Year 2016-17 by the General Manager, and approve an appropriation to allocate \$36,822 to Agency's funds that finance the USGS agreement as follows:
 - i. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2016-17 Adopted Budget for Fund 113 CW, WRA 003 to increase appropriation by \$10,983 financed by unassigned fund balance (4/5th vote required);
 - ii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2016-17 Adopted Budget for Fund 116 Dam O&M, WRA 006 to increase appropriation by \$13,287 financed by unassigned fund balance (4/5th vote required);
 - iii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2016-17 Adopted Budget for Fund 122 Reclamation Ditch O&M, WRA 012 to increase appropriation by \$6,276 financed by unassigned fund balance (4/5th vote required);
 - iv. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2016-17 Adopted Budget for Fund 123 MP/Carmel Valley, WRA 013 to increase appropriation by \$3,138 financed by unassigned fund balance (4/5th vote required); and,
 - v. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2016-17 Adopted Budget for Fund 124 San Lorenzo Creek, WRA 014 to increase appropriation by \$3,138 financed by unassigned fund balance (4/5th vote required).

A motion was made by Vice Chair Richard Ortiz, seconded by Vice Chair Mark Gonzalez, to approve and recommend that the Monterey County Water Resources Agency Board of Supervisors:

- a. Approve the Annual Joint Funding Agreement with the United States Geological Survey for stream gaging work in Monterey County in the amount of \$159,350;**
- b. Ratify execution of the Joint Funding Agreement for Water Year 2016-17 by the General Manager, and approve an appropriation to allocate \$36,822 to Agency's funds that finance the USGS agreement as prescribed in the recommendation. VOTE: ALL AYES (Motion Carried)**

3. a. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve Budget Amendment No. 2 for the Monterey County Water Resources Agency FY 2016-17 Adopted Budget to appropriate an allocation of \$97,205 to Agency Funds: 116, 131, and 132, needed to pay for the revised scope of work on an approved FY 2015-16 agreement with Raftelis Financial Consultants, Inc. and appropriate an additional \$20,000 in Fund 132 for increased interest on the Salinas Valley Reclamation (SVRP) Project loan;
- b. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency FY 2016-17 Adopted Budget for Fund 116-ADM, WRA 006 to increase appropriation by \$37,000 financed by unassigned fund balance (4/5th vote required);
- c. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency FY 2016-17 Adopted Budget for Fund 131 CSIP O&M, WRA 020 to increase appropriation by \$37,000 financed by unassigned fund balance (4/5th vote required); and,
- d. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency FY 2016-17 Adopted Budget for Fund 132 SVRP O&M, WRA 021 to increase appropriations by \$43,205 financed by unassigned fund balance (4/5th vote required).

A motion was made by Vice Chair Richard Ortiz, seconded by Vice Chair Mark Gonzalez, to approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve Budget Amendment No. 2 for the Monterey County Water Resources Agency FY 2016-17 Adopted Budget to appropriate an allocation of \$97,205 to Agency Funds: 116, 131, and 132, needed to pay for the revised scope of work on an approved FY 2015-16 agreement with Raftelis Financial Consultants, Inc. and appropriate an additional \$20,000 in Fund 132 for increased interest on the Salinas Valley Reclamation (SVRP) Project loan as prescribed in the recommendation. VOTE: ALL AYES (Motion Carried)

4. a. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve Budget Amendment No. 3 for the Monterey County Water Resources Agency FY 2016-17 Adopted Budget to appropriate \$60,500 for additional unforeseen staff labor and consultant costs needed to complete an Interconnection Study required by Nacimiento Hydroelectric Project agreement, and perform maintenance work; and,
- b. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency FY 2016-17 Adopted Budget for Fund 130 Hydroelectric O&M, WRA 022, to increase appropriations by \$60,500 financed by unassigned fund balance. (4/5th vote required.)

A motion was made by Vice Chair Richard Ortiz, seconded by Vice Chair Mark Gonzalez, to approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve Budget Amendment No. 3 for the Monterey County Water Resources Agency FY 2016-17 Adopted Budget to appropriate \$60,500 for additional unforeseen staff labor and consultant costs needed to complete an Interconnection Study required by Nacimiento Hydroelectric Project agreement, and perform maintenance work as prescribed

in the recommendation. VOTE: ALL AYES (Motion Carried)

5. Receive Report on Salinas Valley Water Conditions for the Fourth Quarter of Water Year 2015-2016
A motion was made by Vice Chair Richard Ortiz, seconded by Vice Chair Mark Gonzalez, to receive the report on Salinas Valley Water Conditions for the Fourth Quarter of Water Year 2015-2016. VOTE: ALL AYES (Motion Carried)

6. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve the execution of an Agreement for Taxing Entity Ceompensation with the City of Soledad pursuant to Health and Safety code section 34180(f); ~~and conveyance of real property in the former redevelopment plan area to the City of Soledad from the successor Agency to the former Soledad Redevelopment Agency.~~ (REVISED VIA SUPPLEMENTAL)
A motion was made by Vice Chair Richard Ortiz, seconded by Vice Chair Mark Gonzalez, to approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve the execution of an Agreement for Taxing Entity Compensation with the City of Soledad pursuant to Health and Safety code section 34180(f). VOTE: ALL AYES (Motion Carried)

Action Items

7. ~~Consider approving and recommending that the Monterey County Water Resources Agency (MCWRA) Board of Supervisors:~~
 - a. ~~Accept \$10 million in State grant funds via Senate Bill 831 as being in accordance with Board of Supervisors' Order adopted on February 9, 2016; and,~~
 - b. ~~Enter into a Grant Agreement with California Department of Water Resources to receive \$10 million in grant funds for the Interlake Tunnel and Spillway Modification Project, including authorization to execute and modify the Grant Agreement, with stated qualifications.~~ (THIS ITEM WAS REMOVED VIA SUPPLEMENTAL AGENDA)

8. Consider:
 - a. Approving and recommending that the Monterey County Water Resources Agency Board of Supervisors approve the Third Amendment to the Third Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency relating to preliminary expenditures for the Interlake tunnel and Spillway Modification Projects;
 - b. Authorizing the Monterey County Water Resources Agency General Manager to execute the Third Amendment to the Third Reimbursement and Funding Agreement; and,
 - c. Authorizing the Auditor Controller to amend the Monterey County Water Resources Agency FY 2016-17 Adopted Budget for Fund 116 Dam O&M, WRA 006 to increase revenue and appropriations by \$279,352 financed by a

transfer from the County of Monterey General Fund XXX, XXX (4/5th vote required).

A motion was made by Ken Ekelund, seconded by John Huerta, to approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve the Third Amendment to the Third Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency relating to preliminary expenditures for the Interlake tunnel and Spillway Modification Projects; and, authorize the Monterey County Water Resources Agency General Manager to execute the Third Amendment to the Third Reimbursement and Funding Agreement as prescribed in the recommendation. VOTE: ALL AYES (Motion Carried)

9. Consider approving the Settlement Agreement between Monterey County Water Resources Agency (Applicant), Monterey Peninsula Water Management District, Monterey Regional Water Pollution Control Agency and California Department of Fish and Wildlife (Protestant) for the action Before the State Water Resources Control Board of the State of California In the Matter of *Water Rights* Applications 32263A, 32263B, and 32263C, substantially in the form attached; and, authorize the General Manager to execute the Agreement.

A motion was made by Ken Ekelund, seconded by Claude Hoover, to approve the Settlement Agreement between Monterey County Water Resources Agency (Applicant), Monterey Peninsula Water Management District, Monterey Regional Water Pollution Control Agency and California Department of Fish and Wildlife (Protestant) for the action Before the State Water Resources Control Board of the State of California In the Matter of Water Rights Applications 32263A, 32263B, and 32263C, substantially in the form attached; and, authorize the General Manager to execute the Agreement. VOTE: ALL AYES (Motion Carried)

10. ~~Consider receiving a report regarding funding options for expedited replacement of ALERT gages possibly affected by the Soberanes Fire in preparation for winter weather; and providing direction to Staff.~~

Consider:

- a. Authorizing the purchase and installation of six of the 11 ALERT gages to replace those gages damaged by the Soberanes Fire at a cost not to exceed \$56,000 from Fund No. 113 - Countywide;
- b. Authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency FY 2016-17 Adopted Budget for Fund 113 - Countywide, WRA 003 to increase appropriations by \$56,000 financed by Fund 113, WRA 003 unassigned fund balance (4/5th vote required);
- c. Authorizing the General Manager to execute a standard agreement for the purchase and installation of the gages and ancillary equipment, goods, services and software to effectuate the installation of the gages; and
- d. Finding that the purchase of the gages is necessary in response to the Soberanes Fire, and an expenditure falling within the scope of County Emergency Proclamation, Resolution No. xxx dated xxx by the County Board

of Supervisors. (REVISED VIA SUPPLEMENTAL AGENDA)

A motion was made by Ken Ekelund, seconded by Deidre Sullivan, to authorize the purchase and installation of six of the 11 ALERT gages to replace those gages damaged by the Soberanes Fire at a cost not to exceed \$56,000 from Fund No. 113 - Countywide as prescribed in the recommendation; authorize the General Manager to execute a standard agreement for the purchase and installation of the gages and ancillary equipment, goods, services and software to effectuate the installation of the gages; and , find that the purchase of the gages is necessary in response to the Soberanes Fire, and an expenditure falling within the scope of County Emergency Proclamation, Resolution No. xxx dated xxx by the County Board of Supervisors. VOTE: ALL AYES (Motion Carried)

11. Consider receiving a report on the status of the County of Monterey’s *“Salinas River Groundwater Basin Investigation.”*

A motion was made by Mark Gonzalez, seconded by Vice Chair Richard Ortiz, to receive a report on the status of the County of Monterey’s “Salinas River Groundwater Basin Investigation.” VOTE: ALL AYES (Motion Carried)

12. Consider receiving an update on the status of the Salinas Valley Water Project Biological Opinion and future need for a Habitat Conservation Plan; and, provide direction to Staff.

A motion was made by John Huerta, seconded by Vice Chair Richard Ortiz, to receive an update on the status of the Salinas Valley Water Project Biological Opinion and future need for a Habitat Conservation Plan. VOTE: ALL AYES (Motion Carried)

13. Consider receiving an update on the Sustainable Groundwater Management Act Groundwater Sustainability Agency formation process.

A motion was made by Mark Gonzalez, seconded by Ken Ekelund, to receive an update on the Sustainable Groundwater Management Act Groundwater Sustainability Agency formation process. VOTE: ALL AYES (Motion Carried)

14. Consider receiving a report on the Water Resources Agency options, post Groundwater Sustainability Agency formation

By consensus, the Board of Directors received this report.

Key Information and Calendar of Events

15. November & December 2016 Board of Directors’ Calendars

November Meetings: Directors agreed there would be a Regular Board of Directors meeting and that Committee meetings would take place. December Meetings: Directors stated they would decide whether or not to hold regular Board and Committe meetings at the November meeting.

General Manager's Report

The General Manager commented on the following matters: a) The Interlake Tunnel Project; b)

Committee Reports

Committee Chairs had nothing new to report.

- 16.
- A. Basin Management Plan Committee: Richard Ortiz, Chair
 - B. Finance Committee: Claude Hoover, Chair
 - C. Personnel/Administration Committee: Mark Gonzalez, Chair
 - D. Planning Committee: Deidre Sullivan, Chair
 - E. Reservoir Operations Committee: David Hart, Chair

Information Items

Directors made no comments regarding the Information Items.

- 17.
- A. Land Use Permit Report - September 2016
 - B. Monterey County Water Recycling Projects & Salinas Valley Water Project/Salinas River Surface Diversion Update
 - C. Reservoir Release Update
 - D. Well Permit Application Activities Update

Correspondence

Directors made no comments about Correspondence received.

- 18.
- A. Letter dated October 11, 2016 from MCWRA to Nancy Isakson, President - Salinas Valley Water Coalition
Re: SVWC Letter Dated September 29, 2016
 - B. Letter dated September 29, 2016 from Nancy Isakson, President - Salinas Valley Water Coalition
Re: Agenda Item # 6 (Reservoir Operations Committee Meeting Agenda: September 29, 2016)
 - C. Letter dated September 27, 2016 from James W. Fletcher, Division President - UCP Soledad, LLC
Re: Miravale/Summerfield - Bryant Canyon Channel - Soledad, CA
 - D. Letter dated September 22, 2016 from Jesse J. Avila, Deputy County Counsel for Charles J. McKee, County Counsel - County of Monterey
Re: The Otter Project - 60-Day Notice of Intent to Sue for Endangered

Species Act & Clean Water Act Violations in Relation to the Salinas Valley Water Project, Our File No. A16-02094

- E. Letter Dated September 21, 2016 from Keith Van Der Maaten, General Manager - Marina Coast Water District
Re: Groundwater Sustainability Agency

Board of Directors' Comments

Adjournment

Board of Directors Supplemental Agenda for October 17, 2016

- 19. Monterey County Water Resources Agency Board of Directors Supplemental Agenda for Monday, October 17, 2016.

SUPPLEMENTAL

Correction to Consent Item

- 6. WRAG 16-083: *Revised Report*
Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve the execution of a compensation agreement with the City of Soledad pursuant to Health and Safety code section 34180(f); and conveyance of real property in the former redevelopment plan area to the City of Soledad from the successor Agency to the former Soledad Redevelopment Agency.

Correction to Action Item

- 7. WRAG 16-094: *Removed from the Agenda*
Consider approving and recommending that the Monterey County Water Resources Agency (MCWRA) Board of Supervisors:
 - a. *Accept \$10 million in State grant funds via Senate Bill 831 as being in accordance with Board of Supervisors' Order adopted on February 9, 2016; and,*
 - b. *Enter into a Grant Agreement with California Department of Water Resources to receive \$10 million in grant funds for the Interlake Tunnel and Spillway Modification Project, including authorization to execute and modify the Grant Agreement, with stated qualifications.*

Correction to Action Item

- 10. WRAG 16-091: *Revised Report with an Additional Attachment: Board Order*

Consider receiving a report regarding funding options for expedited replacement of ALERT gages possibly affected by the Soberanes Fire

~~in preparation for winter weather; and providing direction to Staff.~~

Consider:

- a. Authorizing the purchase and installation of six of the 11 ALERT gages to replace those gages damaged by the Soberanes Fire at a cost not to exceed \$56,000 from Fund No. 113 - Countywide;
- b. Authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency FY 2016-17 Adopted Budget for Fund 113 - Countywide, WRA 003 to increase appropriations by \$56,000 financed by Fund 113, WRA 003 unassigned fund balance (4/5th vote required);
- c. Authorizing the General Manager to execute a standard agreement for the purchase and installation of the gages and ancillary equipment, goods, services and software to effectuate the installation of the gages; and
- d. Finding that the purchase of the gages is necessary in response to the Soberanes Fire, and an expenditure falling within the scope of County Emergency Proclamation, Resolution No. xxx dated xxx by the County Board of Supervisors.