



**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS**

BOARD MEMBERS:

David Hart, Chair
Richard Ortiz, Vice Chair
Ken Ekelund
Mark Gonzalez
John Huerta
Claude Hoover
Mike Scattini
Deidre Sullivan
Abby Taylor-Silva

STAFF:

David Chardavoyne, General Manager
Robert Johnson, Deputy General Manager
Brent Buche, Deputy General Manager
Cathy Paladini, Finance Manager
Wini Chambliss, Clerk to the Board
Jesse Avila, Deputy County Counsel

Monday April 25, 2016

REGULAR BOARD OF DIRECTORS MEETING

MINUTES

1. CALL TO ORDER/ESTABLISH QUORUM

Chair Hart called the meeting to order @ 1:08 PM and a quorum was established.

Directors Present: Hart, Ortiz, Ekelund, Hoover, Scattini (@ 1:55 p.m.), Sullivan and Taylor-Silva

Directors Absent: Gonzalez and Huerta

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS – None

4. CONSENT CALENDAR

- A. Approve the Action Minutes of the Special Board of Directors Budget Workshop held on March 28, 2016, Regular Board of Directors meeting held on March 28, 2016 and Special Joint Meeting of the Monterey County Water Resources Agency Board of Directors and Board of Supervisors held on April 12, 2016.
- B. Receive a report on Salinas Valley Water Conditions for the Second Quarter of Water Year 2015-2016.
- C. Receive and accept the Monterey County Water Resources Agency Third Quarterly Financial Status report through March 2016.
- D. Accept and recommend that the Monterey County Water Resources Agency Board of

Supervisors accept a request for written consent to Subordination of Pass-through payments relating to Successor Agency to the Gonzales Redevelopment Agency, Gonzales Redevelopment Project, Tax Allocation Refunding Bonds.

- E. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve setting a Public Hearing date on June 7, 2016 @ 1:30 PM to consider adopting assessment rate charges with no rate increases for Zones 2B, 2Y and 2Z for Fiscal Year 2016-2017, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and, direct the Clerk of the Board to publish hearing notices in the CALIFORNIAN, THE SOLEDAD BEE, THE REGISTER-PAJARONIAN and the KING CITY RUSTLER at least ten (10) days prior to the date set for the hearing.

Public Comment: Dale Huss

- F. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve setting a Public Hearing date on June 7, 2016 @ 1:30 PM to consider adopting FY 2016-2017 benefit assessment charges for Zones 1, 1A, 8, 9, 12 and 17; recommending approval to the Monterey County Water Resources Agency Board of Supervisors; and, direct the Clerk of the Board to publish hearing notices in the CALIFORNIAN, THE SOLEDAD BEE, THE REGISTER-PAJARONIAN and the KING CITY RUSTLER at least ten (10) days prior to the date set for the hearing.
- G. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve setting a Public Hearing date on June 7, 2016 @ 1:30 PM to consider adopting FY 2016-2017 Zone 2C assessment charges; and, direct the Clerk of the Board to publish hearing notices in the CALIFORNIAN, THE SOLEDAD BEE, THE REGISTER-PAJARONIAN and the KING CITY RUSTLER at least ten (10) days prior to the date set for the hearing.

ACTION: On motion and second by Directors Ortiz and Ekelund respectively, approved the Consent Calendar Items A - D.

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Sullivan and Taylor-Silva
Noes: None
Absent: Gonzalez, Huerta and Scattini

ACTION: On motion and second by Directors Ekelund and Ortiz respectively, approved the Consent Calendar Item E, F and G

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Sullivan and Taylor-Silva
Noes: None
Absent: Gonzalez, Huerta and Scattini

5. ACTION ITEMS

- A. Consider adopting a resolution amending the Bylaws of the Monterey County Water Resources Agency Board of Directors.
Jesse Avila, Deputy County Counsel, presented this item for consideration.

ACTION: On motion and second by Directors Ekelund and Ortiz respectively, adopted a resolution amending the Bylaws of the Monterey County Water Resources Agency Board of Directors.

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Sullivan, and Taylor-Silva
Noes: None
Absent: Gonzalez and Huerta
Abstain: Scattini

- B. Consider selecting another day/time for monthly Regular Board of Directors meetings to comply with the Monterey County Water Resources Agency Board of Supervisors' directive to videotape and livestream Board of Directors meetings.

Public Comment: Rich Boyer, Norm Groot of Monterey Farm Bureau

ACTION: On motion and second by Directors Ekelund and Taylor-Silva respectively, selected Option B: Third Mondays (available August 2016 through December 2017); Closed Session @ Noon; BOD Meeting @ 1PM, for monthly Regular Board of Directors meetings to comply with the Monterey County Water Resources Agency board of Supervisors' directive to videotape and livestream Board of Directors meetings.

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Scattini, Sullivan, and Taylor-Silva
Noes: None
Absent: Gonzalez and Huerta

- C. Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors:
- i. Approve Budget Amendment No. 7 for the Monterey County Water Resources Agency, a necessary transaction to match the FY 2015-16 budgeted labor allocations in Fund 111 – Administration Account for the remainder of the fiscal year;
 - ii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2015-16 Adopted Budget for the following Agency Funds and their Appropriation Units: 112 – Pajaro WRA002; 113 – County Wide WRA 003; 114 – Nacimiento Non Operations & Maintenance WRA004; 116 – Dam Operations WRA006; 117 – Lower Salinas River WRA007; 118 – Merritt Lake WRA008; 119 – CSIP WRA009; 120 – North Monterey County WRA010; 121 – Soledad Storm Drain WRA011; 122 – Reclamation Ditch WRA012; 124 – San Lorenzo Creek WRA014; 126 – Carnation Subdivision WRA016; 127 – Moro Cojo Slough WRA017; 128 – Storm Drain WRA018; 129 – Gonzales Slough WRA019; 130 – Nacimiento Hydro WRA022; 131 – CSIP Operations & Maintenance WRA020; 134 – Salinas River Diversion Facility WRA028; for a total increase in appropriations in the amount of \$759,707, financed by each fund's individual fund balance – see Attachment 1 (4/5th vote required); and,
 - iii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2015-16 Adopted Budget for Fund 115 San Antonio Non-Operations & Maintenance, appropriation Unit WRA005, to increase revenue by \$275,260 and appropriations by \$165,658 (4/5th vote required).

Public Comment: Dale Huss, Bill Lipe

ACTION: On motion and second by Directors Hoover and Taylor-Silva respectively, approved and recommended that the Monterey County Water Resources Agency Board of Supervisors: i. Approve Budget Amendment No. 7 for the Monterey

County Water Resources Agency, a necessary transaction to match the FY 2015-16 budgeted labor allocations in Fund 111 – Administration Account for the remainder of the fiscal year; ii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency’s FY 2015-16 Adopted Budget for the following Agency Funds and their Appropriation Units: 112 – Pajaro WRA002; 113 – County Wide WRA 003; 114 – Nacimiento Non Operations & Maintenance WRA004; 116 – Dam Operations WRA006; 117 – Lower Salinas River WRA007; 118 – Merritt Lake WRA008; 119 – CSIP WRA009; 120 – North Monterey County WRA010; 121 – Soledad Storm Drain WRA011; 122 – Reclamation Ditch WRA012; 124 – San Lorenzo Creek WRA014; 126 – Carnation Subdivision WRA016; 127 – Moro Cojo Slough WRA017; 128 – Storm Drain WRA018; 129 – Gonzales Slough WRA019; 130 – Nacimiento Hydro WRA022; 131 – CSIP Operations & Maintenance WRA020; 134 – Salinas River Diversion Facility WRA028; for a total increase in appropriations in the amount of \$759,707, financed by each fund’s individual fund balance – see Attachment 1 (4/5th vote required); and, iii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency’s FY 2015-16 Adopted Budget for Fund 115 San Antonio Non-Operations & Maintenance, appropriation Unit WRA005, to increase revenue by \$275,260 and appropriations by \$165,658 (4/5th vote required).

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Scattini, Taylor-Silva
Noes: None
Absent: Gonzalez and Huerta

- D. Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors approve the Monterey County Water Resources Agency's Fiscal Year 2016-2017 Requested Budget including the following staff recommendations:
- i. Request the County of Monterey to appropriate and transfer \$929,000 from the County’s FY 2016-17 Requested Budget General Fund to Agency Fund 116 Dam Operations for the Interlake Tunnel and Spillway Modification Projects approved on December 9, 2014.
 - ii. Direct Agency Staff to find a revenue stream for Agency regulatory requirements;
 - iii. In the event further cutbacks are required, request Agency Staff to prioritize projects in Fund 116;
 - iv. Approve annual COLA increase on Flood Zone & Zone 2C assessments; and direct Agency staff to complete an updated water service/delivery fee policy expeditiously; and,
 - v. Direct Agency staff to obtain a source of revenue before working on unfunded projects.

Public Comment: Nancy Isakson, Salinas Valley Water Coalition and Norm Groot, Farm Bureau

ACTION: On motion and second by Directors Ekelund and Sullivan respectively, approved and recommended that the Monterey County Water Resources Agency Board of Supervisors approve the Monterey County Water Resources Agency's Fiscal Year 2016-2017 Requested Budget including the following staff recommendations: i. Request the County of Monterey to appropriate and transfer \$929,000 from the County’s FY 2016-17 Requested Budget General Fund to Agency Fund 116 Dam Operations for the Interlake Tunnel and Spillway Modification Projects approved on December 9, 2014; ii. Direct Agency Staff to

find a revenue stream for Agency regulatory requirements; iii. In the event further cutbacks are required, request Agency Staff, in consultation with the Board of Directors and the public, to prioritize projects in Fund 116; and iii. Approve annual COLA increase on Flood Zone & Zone 2C assessments; and direct Agency staff to complete an updated water service/delivery fee policy expeditiously; and, iv. Direct Agency staff to obtain a source of revenue before working on unfunded projects.

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Scattini, Sullivan and Taylor-Silva
Noes: None
Absent: Gonzalez and Huerta

3:15 p.m. At this time Director Hart called a short, five minute recess.

3:20 p.m. The meeting was reconvened.

- E. Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors approve a Second Amendment to the Third Reimbursement and Funding Agreement in substantially the form attached and subject to review by County Counsel; and, authorizing the General Manager to execute the Second Amendment to the Third Reimbursement and Funding Agreement.

ACTION: On motion and second by Directors Scattini and Taylor-Silva respectively, approved and recommended that the Monterey County Water Resources Agency Board of Supervisors approve a Second Amendment to the Third Reimbursement and Funding Agreement in substantially the form attached and subject to review by County Counsel; and, authorize the General Manager to execute the Second Amendment to the Third Reimbursement and Funding Agreement.

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Scattini, Sullivan and Taylor-Silva
Noes: None
Absent: Gonzalez and Huerta

- F. Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors approve the Settlement Agreement on MPWSP Desalination Plant Return Water; and, authorizing the General Manager to execute the Settlement Agreement on MPWSP Desalination Plant Return Water substantially in the form attached, subject to County Counsel approval.

Public Comment: Norm Groot, Farm Bureau and Nancy Isakson, Salinas Valley Water Coalition

ACTION: On motion and second by Directors Ekelund and Sullivan respectively, approved and recommended that the Monterey County Water Resources Agency Board of Supervisors approve a the Settlement Agreement on MPWSP Desalination Plant Return Water; and, authorize the General Manager to execute a Settlement Agreement on MPWSP Desalination Plant Return Water substantially in the form attached, subject to County Counsel approval.

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Scattini, Sullivan and Taylor-Silva
Noes: None
Absent: Gonzalez and Huerta

- G. Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors approve a Return Water Purchase Agreement; and, authorize the General Manager to execute the Return Water Purchase Agreement substantially in the form attached, subject to County Counsel approval.

ACTION: On motion and second by Directors Ekelund and Ortiz respectively, approved and recommended that the Monterey County Water Resources Agency Board of Supervisors approve a Return Water Purchase Agreement; and, authorizing the General Manager to execute the Return Water Purchase Agreement substantially in the form attached, subject to County Counsel approval.

VOTE: Ayes: Hart, Ortiz, Ekelund, Hoover, Scattini, Sullivan and Taylor-Silva
Noes: None
Absent: Gonzalez and Huerta

6. KEY INFORMATION AND CALENDAR OF EVENTS –

Ken Ekelund requested a monthly status update on the Agenda regarding the Return Water Purchase Agreement and the contract with Raftelis Financial Consultants, Inc. regarding Zones 2B, 2Y and 2Z Assessments.

7. GENERAL MANAGER’S REPORT

General Manager David Chardavoyne noted that the majority of the items have been reported on throughout the Board meeting including the Return Water Purchase Agreement, Settlement Agreement and the PLA negotiations. He provided an update on NOAA Fisheries regarding water rights on the Blanco Drain and Reclamation Ditch waters. The Interlake Tunnel Notice of Preparation and Scoping Meetings are in progress. Staff attended SRCC Annual Meeting and provided an update on the Stream Maintenance Program.

8. COMMITTEE REPORTS - Directors had nothing new to report.

9. INFORMATION ITEMS – Directors had no questions or comments on Information Items.

10. CORRESPONDENCE – Directors had no questions or comments on items of correspondence.

Public Comment: Nancy Isakson, Salinas Valley Water Coalition

11. BOARD OF DIRECTORS’ COMMENTS

12. ADJOURNMENT @ 5:00 PM.

SUBMITTED BY: Wini Chambliss

APPROVED ON: May 23, 2016



Wini Chambliss, Clerk to the Board