



**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 May 23, 2016**

**REGULAR BOARD OF DIRECTORS MEETING**

**MINUTES**

**1. CALL TO ORDER/ESTABLISH QUORUM**

Chair Hart called the meeting to order @ 11:30 a.m. and a quorum was established.

**Directors Present:** Hart, Ortiz, Ekelund, Hoover, Gonzalez, Scattini (@ 11:43 a.m.), Sullivan and Taylor-Silva

**Directors Absent:** Huerta

**2. ADJOURN TO CLOSED SESSION @12:03 PM**

**3. RECONVENE MEETING/RE-ESTABLISH QUORUM @ 1:00 PM** – Deputy County Counsel Jesse Avila stated there were no reportable actions taken in Closed Session.

**4. PLEDGE OF ALLEGIANCE**

**5. PUBLIC COMMENTS** – None

**6. PRESENTATIONS**

A. Castroville Seawater Intrusion Project Water Supply Update - Mark Foxworthy, Associate Water Resources Engineer, provided the update.

B. Reclamation Ditch Illegal Encampments Update - Brent Buche, Deputy General Manager, provided the update.

**Public Comments:** Dale Huss, Ocean Mist Farms; Darlene Din.

## 7. CONSENT CALENDAR

- A. Approve the Action Minutes of the Regular Board of Directors meeting held on April 25, 2016.
- B. Approve purchase orders/contracts in excess of \$500 and credit card purchases over \$500.
- C. Recommend that the Monterey County Water Resources Agency Board of Supervisors:
  - i. Approve Budget Amendment No. 8 for the Water Resources Agency's FY 2015-16 year-end accounting transactions. The transaction first closes two asset accounts for the FY 2013-14 MRWPCA annual seed allocation reconciliation as a result of the WRA taking over the billing and collections of Water delivery/service charges. The second is an increase in appropriation for Fund 132 SVRP due to a \$15,000 increase in the annual United States Bureau of Reclamation (USBR) Loan payment. The third is an increase in appropriations to Fund 132 SVRP of \$37,000 to pay Raftelis Financial Consulting Services to review CSIP special assessments;
  - ii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2015-16 Adopted Budget for Fund 131 CSIP O&M, WRA 020 to increase appropriation by \$618,646.91 financed by unassigned fund balance (4/5<sup>th</sup> vote required); and
  - iii. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2015-16 Fund 132 SVRP O&M, WRA 021 to increase appropriations by \$903,774.43 financed by unassigned fund balance (4/5<sup>th</sup> vote required).
- D. Consider receiving the Monterey County Water Resources Agency's Fiscal Year 2016-2017 Requested Budget Booklet that will be included with the following staff recommendations at the June 1, 2016 County Budget Hearings:
  - 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 Project approved on December 9, 2014;
  - ii. Direct Agency Staff to find a revenue stream for Agency regulatory requirements;
  - iii. In the event that further cutbacks in Fund 116 are required, request Agency Staff to prioritize projects in Fund 116;
  - iv. Approve annual COLA increase on Flood Zones 1, 1A, 8, 9, 12 and 17, and 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.

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**ACTION:** On motion and second by Directors Ekelund and Gonzalez respectively, approved Consent Calendar Items A, B, C and E.

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

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**ACTION:** On motion and second by Directors Ekelund and Sullivan respectively, approved Consent Calendar Item D.

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

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**8. ACTION ITEMS**

- A. Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors approve a Professional Services Agreement with Raftelis Financial Consultants, Inc., in the amount of \$110,360 to:
- i. Conduct a review and analysis of the Agency's Assessments and Benefits for Zones 2B, 2Y, 2Z including water delivery/service charges;
  - ii. Provide an updated assessment methodology and analysis, and a cost of service approach to be considered by these taxpayers; and
  - iii. Authorize the General Manager to execute the Agreement, substantially in the form attached, and subject to approval by County Counsel.

**Public Comments:** Dale Huss, Ocean Mist Farms; Tom Virsik

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**ACTION:** On motion and second by Directors Ortiz and Gonzalez respectively, recommended that the Monterey County Water Resources Agency Board of Supervisors approve a Professional Services Agreement with Raftelis Financial Consultants, Inc., in the amount of \$110,360 to:

- i. Conduct a review and analysis of the Agency's Assessments and Benefits for Zones 2B, 2Y, 2Z including water delivery/service charges;
- ii. Provide an updated assessment methodology and analysis, and a cost of service approach to be considered by these taxpayers; and
- iii. Authorize the General Manager to execute the Agreement, substantially in the form attached, and subject to approval by County Counsel.

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

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- B. Consider adopting a Release Schedule for Nacimiento and San Antonio Reservoirs for 2016.

**Public Comments:** Nancy Isakson, Salinas Valley Water Coalition

**ACTION:** On motion and second by Directors Ekelund and Gonzalez respectively, adopted a Release Schedule for Nacimiento and San Antonio Reservoirs for 2016.

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

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- C. Consider receiving a report regarding the reinstatement and funding of the Regional Advisory Committee; and providing direction to Staff.

**Public Comments:** Chair Hoover introduced and read a letter from Norm Groot, Monterey County Farm Bureau; Nancy Isakson, Salinas Valley Water Coalition; Rich Boyer, Private Citizen

**ACTION:** On motion and second by Directors Ekelund and Gonzalez respectively, received the report regarding the reinstatement and funding of the Regional Advisory Committee and requested that Staff provide a more detailed report to the Board of Directors on a monthly basis regarding the status of the Water Rights Permit #11043.

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

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**9. KEY INFORMATION AND CALENDAR OF EVENTS** – Director 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.

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**10. GENERAL MANAGER’S REPORT** - General Manager David Chardavoyne provided updated on the Mussel Inspection Program, the status of the Project Labor Agreement, the Reclamation Ditch and Blanco Drain.

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**11. COMMITTEE REPORTS** – by Personnel/Administration, Finance and Planning Committee Chairs.

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

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

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**14. BOARD OF DIRECTORS’ COMMENTS**

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**15. ADJOURNMENT @ 3:57 PM.**

**SUBMITTED BY:** Alice Henault

**APPROVED ON:** June 27, 2016



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Wini Chambliss, Clerk to the Board

APPROVED



May 12, 2016

Monterey County Water Resources Agency  
Mr. David Hart, Board of Directors Chair, and  
Mr. David Chardavoyne, General Manager  
893 Blanco Circle  
Salinas, Ca 93901

Dear Chair Hart and Mr. Chardavoyne:

This letter is sent on behalf of the Salinas Valley Water Coalition (SVWC) and the Monterey County Farm Bureau (MCFB) and is a request to add the following two items to the Monterey County Water Resources Agency (MCWRA) agenda for the meeting on May 23, 2016:

- (1) Recommend reconvening the Regional Advisory Committee (RAC) for the purpose of working together to support the RAC's recommendation to pursue a project pursuant to, and consistent with, the existing terms and condition of Permit 11043; including an update on the progress made toward the State Water Resources Control Board's (SWRCB) approval of an extension for Permit 11043; and
- (2) Recommend the Agency work with the SVWC and MCFB and others to submit appropriate documentation, as may be necessary, to California Public Utilities Commission (CPUC) to oppose the proposed sale and/or use of any water from the Interlake Tunnel Project to solve the Monterey Peninsula's water supply problem, and that water is not for sale or use outside of the Salinas River Groundwater Basin.

The Agency is currently awaiting a decision from the SWRCB on whether an extension would be granted to allow the MCWRA additional time to develop a project or projects to utilize its water right under Permit 11043. Rather than simply waiting for a decision to be made, we believe that the RAC should meet to strategize on ways to assure that this important water right is not lost since and is retained for use within the Salinas River Groundwater Basin pursuant to the its existing terms and conditions. This water right could be an essential part of developing a sustainable Salinas River Groundwater Basin.

Water Plus, an intervener in the Monterey Peninsula Water Supply Project proceeding, filed a motion to the CPUC on April 20, 2016 objecting to the proposed early decision for Phase 2 of the Monterey Peninsula Water Supply Project relating to the Pure Water Monterey project.

In the motion, Water Plus proposes that the Monterey Peninsula ratepayers pay the full cost of the development of the pipeline joining lakes Nacimiento and San Antonio in return for 10,000 or so acre-feet per year of water provided to the Peninsula. The CPUC has given Water Plus the opportunity to present evidence and testimony as to why, and how, water from the Inter-lake Tunnel Project may be more cost effective than the 'project' currently being considered by the CPUC. The CPUC will hold an evidentiary hearing on May 26, 2016, and we believe it will be important for MCWRA to submit their objection in writing to CPUC since the Inter-lake Tunnel Project is clearly intended to only be utilized within the Salinas River Groundwater Basin, and not to address the Peninsula's water supply needs.

We thank you for consideration of this request.

Sincerely,



Norman C. Groot  
Executive Director,  
Monterey County Farm Bureau



Nancy Isakson  
President,  
Salinas Valley Water Coalition

APPROVED