



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

**BOARD OF DIRECTORS:**

Ken Ekelund, Chair  
Claude Hoover, Vice Chair  
Silvio Bernardi  
Mark Gonzalez  
David Hart  
Fred Ledesma  
Richard Ortiz  
Mike Scattini  
Deidre Sullivan

**STAFF:**

David E. Chardavoyne, General Manager  
Robert Johnson, Assistant General Manager  
Brent Buche, Assistant General Manager  
Cathy Paladini, Finance Manager  
Wini Chambliss, Clerk to the Board  
Patrick McGreal, Deputy County Counsel

**October 28, 2013**

**MINUTES**

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

Director Ekelund convened the Regular Board of Directors Meeting @ 11:32 AM.

Directors Present: Ken Ekelund, Claude Hoover, Silvio Bernardi, Mark Gonzalez, David Hart, Fred Ledesma, Richard Ortiz, Mike Scattini and Deidre Sullivan

Directors Absent: None

A quorum was established.

**2. PUBLIC COMMENTS - None**

**3. ADJOURN TO CLOSED SESSION @ 11:33 AM**

**4. RECONVENE MEETING**

The meeting reconvened @ 1:06 PM.

Deputy County Counsel Patrick McGreal reported the Board of Directors received information on three items and provided direction to the General Manager with regard to San Antonio Lease #2. The General Manager was directed to meet with the Monterey County Parks Department to issue the 120-day notice of cancellation. The Lease will be up for bid in October 2014.

**5. PLEDGE OF ALLEGIANCE (led by Director Claude Hoover).**

## 6. PUBLIC COMMENTS

Benny Jefferson, Chair of the Salinas River Channel Coalition, read a letter into the record noting the Coalition's agreement with the critical nature of providing Salinas River flood protection and channel maintenance as well as their preference that local elected officials provide guidance in achieving agreed-upon goals. Further, the letter stated the Coalition will cautiously explore opportunities regarding projects with others in mitigating existing Salinas River circumstances.

Tom Moore, President of Marina Coast Water District (MCWD) Board of Directors, stated the Agency's interests and those of MCWD are inextricably linked. MCWD seeks to develop a relationship to substitute 5000 ac-ft groundwater for surface water as it would be mutually beneficial. Mr. Moore requested the Board of Directors to select three to four of its Directors to work with MCWD Board members to discuss this issue.

Margie Kay, North County resident, reported her attendance at Pajaro Valley Water Management District meetings wherein they recently released a copy of a Draft EIR with a 45-day comment period.

## 7. PRESENTATION

- A. General Manager David Chardavoyne introduced Directors to the Performance Indicator (PI) program that has been in operation at the Water Resources Agency approximately 22 months. He noted approximately 30 Performance Indicator graphs are reviewed monthly, and that seven of those graphs were selected for presentation during the day's agenda.

Board Questions (*Staff responses are emboldened and italicized*):

1. How will the use of PIs provide linkage in the organization since there are no indicators signaling the Agency is operating optimally, caution and/or immediate action is required? ***As the program develops, goals will be set on each of the indicators. There are no common agencies to serve as a reference to develop goals and thereby signal problem areas.***

## 8. CONSENT CALENDAR

- A. Approve purchase orders/contracts in excess of \$500 for September 2013 and credit card purchases over \$500 in August/September 2013.
- B. Receive report on Salinas Valley Water Conditions for the fourth quarter of Water Year 2012-2013.
- C. Approve Amendment No. 2 to the Agreement for Services with Yoshimaru Consulting in the amount of \$10,000 for continuing construction management services for the Nacimientos Hydroelectric Plant emergency repairs; and, authorize the General Manager to execute the Amendment.
- D. Approve Amendment No. 4 to the Professional Services Agreement with Cardno ENTRIX for a time extension for the completion of a Final Environmental Impact Report relating to the Salinas River Channel Maintenance Program; and, authorize the General Manager to execute the Amendment.

Public Comment:

With reference to Item D on the Consent Agenda, Nancy Isakson, Salinas Valley Water Coalition, commented her lack of clarity in what was being approved. She questioned whether this was a time extension or if costs are involved. *The contract expires October 31, 2013 and is being extended to March 31, 2014.*

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**ACTION:**

**Motion and Second by Directors Fred Ledesma and Claude Hoover to approve the Consent Calendar.**

**Motion carried unanimously by those members present.**

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**9. ACTION ITEMS**

A. Approve minutes of the Special Board of Directors meeting held on September 30, 2013.

Public Comment: None

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**ACTION:**

**Motion and Second by Directors David Hart and Silvio Bernardi to approve the minutes of the Special Board of Directors meeting held on September 30, 2013.**

**Ayes: Directors Ken Ekelund, Claude Hoover, Silvio Bernardi, Mark Gonzalez, David Hart, Mike Scattini, Deidre Sullivan**

**Nays: None**

**Abstentions: Directors Fred Ledesma and Richard Ortiz**

**Motion carried.**

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B. Consider a request from the Personnel and Administration Committee to entertain a lease fee reduction for San Antonio Lease #3.

Chris Keehn, Right-of-Way Specialist, summarized Committee actions leading to the day's consideration of this item. In addition, Mr. Keehn provided a summary of Mr. Francioni's rationale for seeking a fee reduction for San Antonio Lease #3: a) lack of reservoir access due to extremely low lake elevations and the steepness of the remaining available lake access points; b) expensive business loss of six cows that got stuck in reservoir mud; and, his inability to complete improvements to take advantage of the additional 30% lease fee reduction because of the low reservoir level.

Mr. Keehn stated the Agency's position is that the lease fee for San Antonio Lease #3 is now delinquent, and the lessee owes the lease fee less the 20% for improvements in addition to all appropriate late fees.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. The Agency should maintain the existing lease fee; but, not impose late fees.
2. Is there anything that the Agency has done to impact this lease?
3. Will approving this request set a precedent for the other eight leases? ***Paragraph 20 of the lease discusses this issue. Approving this request will in effect re-write the lease and subject the Agency to re-writing all of the other leases.***
4. When does this lease expire? ***2017***
5. Does the lessee pay the entire amount of the lease and is then reimbursed when the improvements are made? ***If the lease is brought current, there may be an option to provide some remedy for the issues brought about by the Nacimiento Hydroelectric Facility repairs.***
6. We should seek a remedy to assist Mr. Francioni since he has been a good tenant and wants to work with the Agency.
7. Giving credit before work is completed does not set a good precedent.
8. The Agency should grant what is being requested.
9. It appears almost 50% of the lease is unusable. And, if the other lease had been available, Mr. Francioni could have bid on it. We should grant the request and waive the late fees.

Public Comments:

Paul Hart, attorney for Ray Francioni, provided background information on the issues revolving around Lease #3. Mr. Hart stated the Lease does not address what happens as a result of low lake levels and losses incurred by the lessee. This is an exceptional year. The request is for a reduction of approximately \$6,000 and the elimination of late fees.

Ray Francioni, Lessee #3, discussed the losses he has incurred as a result of low lake levels. Mr. Francioni stated his inability to bid on Lease #2 is the genesis of this issue.

Steve Tankersly, who works with Ray Francioni, stated the speed at which the lake level decreased is the real issue...not the lake level itself.

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**ACTION:**

**Motion and Second by Directors David Hart and Fred Ledesma to approve a one-year 30% fee reduction and waive the 10% late fees.**

**Motion carried unanimously.**

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- C. Consider approving Amendment No. 1 to the professional services agreement with Rain for Rent in the amount of \$24,000 for pump, pipe and parts rental, installation and service on an as-needed basis for Agency-wide projects; and, authorize the General Manager to execute the Amendment.

Chris Moss, Senior Engineer, reviewed this item, stating this vendor has been used in the past for CSIP well testing and the Nacimiento Dam Bypass flow. The original agreement was for \$24,000 and this Amendment would increase the maximum payable to \$48,000.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. Was the original contract for the bypass flows at Nacimiento? ***No.***
2. If there is no competition, how do we determine appropriate pricing? ***We compare pricing with Pac Machine in Benicia.***
3. Are we buying items with standard pricing? ***Yes.***

Public Comments: None

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**ACTION:**

**Motion and Second by Directors David Hart and Mike Scattini to approve Amendment No. 1 to the professional services agreement with Rain for Rent in the amount of \$24,000 for pump, pipe and parts rental, installation and service on an as-needed basis for Agency-wide projects; and, authorize the General Manager to execute the Amendment.**

**Motion carried unanimously.**

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- D. Consider increasing the not-to-exceed amount available for allocation to the Site Constructors, Inc. Agreement for repair of the Nacimiento Hydroelectric Facility by ~~\$35,000~~ \$100,000 to \$1,374,000; \$1,439,000; and, authorizing the General Manager to execute Change Orders up to that amount.

Chris Moss, Senior Engineer, reviewed damages to Hydroelectric Unit No. 1 caused by a foreign object and stated the increase to the Site Constructors Agreement is due to the cost of additional repairs discovered while the plant was off line. It was more expedient to make the repairs while the plant was already offline and the contractor was on site. The amount being requested for repairs was revised from \$35,000 to \$100,000 for a total contract amount of \$1,439,000 instead of \$1,374,000. Mr. Moss then itemized the repairs.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. Do we have insurance to cover this? ***Yes, and we anticipate being reimbursed for much of these expenditures.***

Public Comments: None

*(Fred Ledesma left the dais at approximately 3:10 PM.)*

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**ACTION:**

**Motion and Second by Directors David Hart and Mike Scattini to increase the not-to-exceed amount available for allocation to the Site Constructors, Inc. Agreement for repair of the Nacimiento Hydroelectric Facility by ~~\$35,000~~ \$100,000 to ~~\$1,374,000~~ \$1,439,000; and, authorize the General Manager to execute Change Orders up to that amount.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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E. Consider receiving the *2012 Ground Water Summary Report*.

Tamara Voss, Hydrologist, reported this program supports the Agency's mission statement, and the objective is to evaluate agricultural and urban water use and their conservation measures. There are three components to this program: extraction reporting, conservation practices and water and land use reporting.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. What happens to the six percent who do not report? ***Nothing. There is no penalty.***
2. The Agency should move forward on changing the Ordinances because we need good data and using interns is an excellent idea.

Public Comments:

Nancy Isakson, Salinas Valley Water Coalition, stated this is an excellent report. However, everyone in Zone 2C is not required to submit these reports resulting in the report giving a false picture. Additionally, Arroyo Seco is not included in the report and there should be a way to capture that information. The Ordinance should be changed so that all of Zone 2C should be required to report, and there should be some enforcement process and penalty.

Rob Johnson, Acting Assistant General Manager, responded to Ms. Isakson stating a revision in the Ordinances would be necessary to include all of Zone 2C. In addition, the enforcement piece of the Ordinance has been an unresolved discussion point.

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**ACTION:**

**Motion and Second by Directors Richard Ortiz and Mark Gonzalez to receive the 2012 Ground Water Summary Report.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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- F. Consider continuing the Annual Agreement with United States Geological Survey for stream gaging work in Monterey County for Water Year 2013-2014 in the amount of \$233,900; and, authorizing the General Manager to execute the Agreement.

Rob Johnson, Acting Assistant General Manager, reviewed this item stating this is an annual agreement to share costs in maintaining these stream gages that are vital to water resources planning and emergency efforts. The Agency is responsible for keeping particular gages operating as contained in the SVWP documents.

1. Must we pay for a full year when the River is not running? ***Yes.***
2. This should be funded by the entire valley. Proposition 218 required that the Agency break the costs into the Zones.
3. Does San Luis Obispo County contribute in any way? ***Yes, there are gages in San Luis Obispo County and they pay a portion of the maintenance costs.***

Public Comments: None

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**ACTION:**

**Motion and Second by Directors Mike Scattini and Deidre Sullivan to continue the Annual Agreement with United States Geological Survey for stream gaging work in Monterey County for Water Year 2013-2014 in the amount of \$233,900; and, authorizing the General Manager to execute the Agreement.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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*(Director Ken Ekelund left the dais @ 3:33 PM and turned the gavel over to Vice Chair Claude Hoover. Chair Ekelund returned to the meeting at 3:37 PM).*

- G. Consider adopting a resolution to designate Christopher Moss as the Chief Dam Safety Engineer and German Criollo as the Deputy Chief Dam Safety Engineer for the Monterey County Water Resources Agency, in compliance with Federal Energy Regulatory Commission requirements.

Brent Buche, Assistant General Manager, reported this resolution is required to comply with Federal Energy Regulatory Commission requirements. Mr. Buche and General Manager attended a workshop in Sacramento during which it was made clear that management must play a leadership role with regard to dam safety, and designating a Chief and Deputy Chief Dam Safety Engineer was an integral part thereof.

Public Comments: None.

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**ACTION:**

**Motion and Second by Directors David Hart and Mike Scattini to adopt a resolution to designate Christopher Moss as the Chief Dam Safety Engineer and Germán Criollo as the Deputy Chief Dam Safety Engineer for the Monterey County Water Resources Agency, in compliance with Federal Energy Regulatory Commission requirements.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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- H. Consider approving the following Personnel changes: a) Reclassification of four positions: Acting Assistant General Manager/Chief of Water Resources Planning & Management; Acting Assistant General Manager/Chief of Operations & Maintenance; Administrative Services Assistant; and Finance Manager II; b) Reallocation of funding of two Acting Assistant General Managers to two Deputy General Manager positions; c) Reallocation of funding of an Engineering Aide III position (vacant) to fund an unbudgeted vacant Water Maintenance Worker II position and promote one Water Maintenance Worker II; and, d) Recommending these personnel changes for approval by the Monterey County Board of Supervisors and Water Resources Agency Board of Supervisors.



David Chardavoyne, General Manager, reported the personnel changes are necessary due to a reduction in management staff (from five to four members) and the resulting reallocation of duties. The Board of Directors first considers approval before submission to the Board of Supervisors of the Agency for approval. Before the reclassifications go into effect, Central HR must conduct reclassification studies. The amount of time required for completion of the studies is unknown.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. This was presented some time ago and there was an issue with qualifications for the Acting Assistant General Manager position. Does that problem continue to exist? ***No. The positions being presented avoid that issue.***
2. In changing the job description for the Acting Assistant General Manager position, must the individuals have to meet new requirements or is the position being built around existing staff? ***Staff will need to match the new job descriptions.***
3. It appears the Annual Projected Salaries for Reclassified Positions chart is incorrect as the DGM position should show an increase every two years; but, it does not.

Public Comments: None.

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**ACTION:**

**Motion and Second by Directors Mike Scattini and Claude Hoover to approve the following Personnel changes: a) Reclassify four positions: Acting Assistant General Manager/Chief of Water Resources Planning & Management; Acting Assistant General Manager/Chief of Operations & Maintenance; Administrative Services Assistant; and Finance Manager II; b) Reallocate funding of two Acting Assistant General Managers to two Deputy General Manager positions; c) Reallocate funding of an Engineering Aide III position (vacant) to fund an unbudgeted vacant Water Maintenance Worker II position and promote one Water Maintenance Worker II; and, d) Recommend these personnel changes for approval by the Monterey County Board of Supervisors and Water Resources Agency Board of Supervisors.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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*(Director David Hart left the dais at 3:55 PM and returned at 3:58PM).*

- I. Consider approving a legal services agreement with Braun Blasing McLaughlin & Smith PC, in substantially the form attached hereto, to provide legal services, in an amount not to exceed \$50,000, regarding negotiation of a long-term contract for the sale of electrical power generated by the Nacimiento Hydroelectric Project; and, authorizing the General Manager to execute the Agreement.

Brent Buche, Acting Assistant General Manager, reported the need for the expertise provided by Braun Blasing McLaughlin & Smith with regard to the sale of electrical power.

*(Director Mike Scattini left the dais @ 3:58 PM and returned at 4:00 PM).*



Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. How much was the original agreement? ***\$75,000.***
2. What is the usual term of a contract? ***Power Agreements are typically 20-year terms.***
3. This contract should result in significant revenues to the Agency.

Public Comments: None.

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**ACTION:**

**Motion and Second by Directors Claude Hoover and Mark Gonzalez to approve a legal services agreement with Braun Blasing McLaughlin & Smith PC, in substantially the form attached hereto, to provide legal services, in an amount not to exceed \$50,000, regarding negotiation of a long-term contract for the sale of electrical power generated by the Nacimiento Hydroelectric Project; and, authorize the General Manager to execute the Amendment.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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- J. Consider receiving an update on the Monterey Regional Water Pollution Control Agency (MRWPCA) reserves; and, approving the Monterey County Water Resources Agency (WRA) staff recommendations to better monitor cash flow and return certain reserves to the Agency to: establish adequate balances; allow for investment opportunities; and, have the MRWPCA provide the Agency with an equipment replacement plan (minimum of three years) that enables the WRA to budget and plan accordingly for these expenditures.

Cathy Paladini, Finance Manager, reported the Agency will retain better control over cash flow by managing four of the six reserves currently held by MRWPCA. MRWPCA will be required to provide the Agency with a three-year equipment reserve plan for SVRP, CSIP and SRDF projects. Additionally, Reserves 3 and 4 would retain only the required contract amount levels along with approximately \$80,000 in addition for project expenditures.

Board Questions/Comments (*Staff responses are emboldened and italicized*):

1. Will the PCA Board have to agree with this? ***We are not touching the Bureau Loan Reserves. The PCA Finance team does not see this as a problem. For some of the reserves there is nothing in the agreements.***
2. What would be done with the \$631,000 (Reserves 1 and 2)? ***They would be returned to the originating Funds.***
3. Could the money be expended this year? ***We need to return the money and determine how it repopulates the Fund(s). Money would best be spent on current projects.***
4. We need to determine if we need more money in equipment reserves.

General Manager David Chardavoyne added that once we have resolved current issues of billing and collections, reserves and indirect costs, we should develop a master agreement that provides clarity with regard to the existing agreements.

Public Comments: None.

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**ACTION:**

**Motion and Second by Directors Mike Scattini and Silvio Bernardi to receive an update on the Monterey Regional Water Pollution Control Agency (MRWPCA) reserves; and, approve the Monterey County Water Resources Agency (WRA) staff recommendations to better monitor cash flow and return certain reserves to the Agency to: establish adequate balances; allow for investment opportunities; and, have the MRWPCA provide the Agency with an equipment replacement plan (minimum of three years) that enables the WRA to budget and plan accordingly for these expenditures.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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*(Director Mark Gonzalez left the dais @ 4:18 PM and returned at 4:19 PM).*

- K. Consider approving Amendment No. 1 to the Funding Agreement Re: Pajaro River Bench Excavation Phase II Project; and, authorizing the General Manager to execute the Amendment.

David Chardavoyne, General Manager, reviewed this item stating the County changed the process originally agreed. The change in process involves invoices being submitted by Santa Cruz to the Agency that will, in turn, be submitted to Monterey County. Monterey County will provide funds to the Agency and we will then pay Santa Cruz.

Public Comments: None

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**ACTION:**

**Motion and Second by Directors Claude Hoover and David Hart to approve Amendment No. 1 to the Funding Agreement Re: Pajaro River Bench Excavation Phase II Project; authorize the General Manager to execute the Amendment; and, recommend approval by the Water Resources Agency Board of Supervisors.**

**Motion carried unanimously by those members present (Director Fred Ledesma had left the meeting).**

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**10. KEY INFORMATION AND CALENDAR OF EVENTS**

The Standing Committee meeting schedule was revised as follows:  
Personnel and Administration Committee was moved to November 7, 2013 @ 8:30 AM;  
Finance Committee meeting was moved to November 15, 2013 @ 10:00 AM;  
November 2013 Board of Directors meeting was cancelled; and,  
Special Board of Directors meeting was scheduled for December 16, 2013.  
Reservoir Operations Committee will be held as scheduled on November 7, 2013.

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**11. GENERAL MANAGER'S REPORT –**

General Manager David Chardavoyne reported briefly on the following topics:

- a) FERC Workshop on Dam Safety – Attended workshop on October 10, 2013 which stressed the importance that organizational management be champions of dam safety.
- b) PUC Hearings – Attended hearings on November 12 and 13, 2013 in San Francisco re: Application of Cal-Am, the County of Monterey and the Agency. The Agency hopes to be forgiven of approximately \$1.8 million advance funds and receive approximately \$1.5 million reimbursement.
- c) Water Agencies Managers Meeting – Attended meeting on October 17, 2013 in Watsonville.

Public Comments: None

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**12. COMMITTEE REPORTS**

Personnel and Administration Committee Chair Richard Ortiz requested the presence of County Counsel during meetings when outside attorneys are present.

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**13. INFORMATION ITEMS** – Directors had no questions or comments regarding items submitted.

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**14. CORRESPONDENCE** – Directors had no questions or comments regarding items submitted.

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**15. BOARD OF DIRECTORS' COMMENTS** -- None

The Board recessed to Closed Session at 4:33 PM and reconvened @ 5:05 PM. Deputy County Counsel Patrick McGreal reported the Board received updates on litigation and personnel issues; but, took no reportable actions.

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**16. ADJOURNMENT**

The meeting was adjourned @ 5:06 PM.

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SUBMITTED BY: Wini Chambliss  
APPROVED ON: December 16, 2013

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Wini Chambliss, Clerk to the Board